



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2025 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	996 755 193
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	TRAFO HOLDING AS
Forretningsadresse:	Elektroveien 7 3300 HOKKSUND

### Regnskapsår

Årsregnskapets periode:	01.04.2024 - 31.03.2025
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### Konsern

Mørselskap 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:	Erling Christian Nasset
Dato for fastsettelse av årsregnskapet:	22.09.2025

### Grunnlag for avgivelse

År 2025: Årsregnskapet er elektronisk innlevert
År 2024: Tall er hentet fra elektronisk innlevert årsregnskap fra 2025

*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, 15.10.2025



## Resultatregnskap

Beløp i: NOK	Note	2025	2024
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Lønnskostnad	1		
Annen driftskostnad	1	111 907	178 200
<b>Sum kostnader</b>		<b>111 907</b>	<b>178 200</b>
<b>Driftsresultat</b>		<b>-111 907</b>	<b>-178 200</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap	2	146 000 000	228 500 000
Renteinntekt fra foretak i samme konsern	2		
Annen renteinntekt		1 351 922	3 928 723
<b>Sum finansinntekter</b>		<b>147 351 922</b>	<b>232 428 723</b>
Rentekostnad til foretak i samme konsern	2	7 176 537	6 424 700
Annen rentekostnad			655 720
Annen finanskostnad			432
<b>Sum finanskostnader</b>		<b>7 176 537</b>	<b>7 080 852</b>
<b>Netto finans</b>		<b>140 175 384</b>	<b>225 347 871</b>
<b>Resultat før skattekostnad</b>		<b>140 063 477</b>	<b>225 169 671</b>
Skattekostnad på resultat	3	2 444	36 377
<b>Årsresultat</b>	4	<b>140 061 033</b>	<b>225 133 294</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>140 061 033</b>	<b>225 133 294</b>
<b>Totalresultat</b>		<b>140 061 033</b>	<b>225 133 294</b>
<b>Overføringer og disponeringer</b>			
Ordinært utbytte		55 000 000	290 000 000
Avsatt til annen egenkapital		85 061 033	-64 866 706
<b>Sum overføringer og disponeringer</b>		<b>140 061 033</b>	<b>225 133 294</b>



## Balanse

Beløp i: NOK	Note	2025	2024
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	3		
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5	353 692 501	353 692 501
Investering i annet foretak i samme konsern	5		
Lån til foretak i samme konsern	2		
<b>Sum finansielle anleggsmidler</b>		<b>353 692 501</b>	<b>353 692 501</b>
<b>Sum anleggsmidler</b>		<b>353 692 501</b>	<b>353 692 501</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Andre kortsiktige fordringer		6 013 338	4 696 560
Konsernfordringer	2	86 431 732	2 804 333
<b>Sum fordringer</b>		<b>92 445 070</b>	<b>7 500 893</b>
<b>Investeringer</b>			
Aksjer og andeler i foretak i samme konsern	5		
<b>Sum omløpsmidler</b>		<b>92 445 070</b>	<b>7 500 893</b>
<b>SUM EIENDELER</b>		<b>446 137 571</b>	<b>361 193 394</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	6	215 545 458	215 545 458
Beholdning av egne aksjer	6	-11 908	-11 908
Overkurs		53 856 983	53 856 983



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Sum innskutt egenkapital</b>		<b>269 390 533</b>	<b>269 390 533</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		86 690 394	1 629 361
<b>Sum opptjent egenkapital</b>		<b>86 690 394</b>	<b>1 629 361</b>
<b>Sum egenkapital</b>	4	<b>356 080 927</b>	<b>271 019 894</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	3		
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	2	90 000 000	90 000 000
<b>Sum annen langsiktig gjeld</b>		<b>90 000 000</b>	<b>90 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>90 000 000</b>	<b>90 000 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld			23 375
Betalbar skatt	3	2 444	36 377
Annen kortsiktig gjeld		54 200	113 748
<b>Sum kortsiktig gjeld</b>		<b>56 644</b>	<b>173 500</b>
<b>Sum gjeld</b>		<b>90 056 644</b>	<b>90 173 500</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>446 137 571</b>	<b>361 193 394</b>



Enabling  
technology for  
**a sustainable  
world**

**discoverIE**

**discoverIE Group plc**

Annual Report and Accounts  
for the year ended 31 March 2025



# WELCOME TO THE 2025 ANNUAL REPORT

Enabling technology for a sustainable world - greener, more connected and secure.

Technology is reshaping the way we generate power, move, communicate, and secure our infrastructure, and it is transforming industries and everyday life. At the foundation of these changes lies something essential – specialised, high-performance electronics that enable progress. These are not just innovations, they are the critical components that keep the world connected, secure and sustainable. That's where we come in.

discoverIE is a leading international designer and manufacturer of niche, customised electronics for industrial applications. We create innovative electronics that deliver value to our customers, whilst making positive impacts on the environment, society and people's lives.

- OUR PURPOSE** To create innovative electronics that help improve the world and people's lives
- OUR VISION** To be a leading global innovator in electronics
- OUR MISSION** To design and manufacture innovative electronics that help our customers create ever-better technical solutions around the world. We aim to achieve this through a motivated, entrepreneurial and empowered workforce that adheres to the highest ethical and quality standards.

**LINKED TO THE UN SDGs** Our target markets are aligned with the UN Sustainable Development Goals ("UN SDGs")



We are the partner of choice for our markets, designing and building customised, niche solutions to empower global industry.

Grow our presence in custom electronics

**P10**

A sustainable and scalable business model

**P14**

Strategically aligned with sustainable growth markets

**P16**

How we create positive impact

**P42**



Scan the QR code to read our 2025 Impact Report



Scan the QR code to visit our corporate website for more information



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## Highlights

### Financials

#### GROUP REVENUE

FY25	£422.9m
FY24	£437.0m
FY23	£448.9m

#### ADJUSTED OPERATING PROFIT<sup>1</sup>

FY25	£60.5m
FY24	£57.2m
FY23	£51.8m

#### ADJUSTED EPS<sup>1</sup>

FY25	38.7p
FY24	36.8p
FY23	35.2p

#### REPORTED OPERATING PROFIT

FY25	£42.4m
FY24	£31.2m
FY23	£34.6m

#### DIVIDEND PER SHARE

FY25	12.5p
FY24	12.0p
FY23	11.45p

### Key strategic indicators

#### ADJUSTED OPERATING MARGIN<sup>1</sup>

FY25	14.3%
FY24	13.1%
FY23	11.5%

#### ADJUSTED OPERATING CASH FLOW<sup>1</sup>

FY25	£62.3m
FY24	£59.2m
FY23	£48.6m

#### FREE CASH FLOW<sup>1</sup>

FY25	£40.4m
FY24	£37.0m
FY23	£33.0m

#### RETURN ON CAPITAL EMPLOYED<sup>1</sup>

FY25	15.8%
FY24	15.7%
FY23	15.9%

#### CARBON EMISSION REDUCTIONS<sup>2</sup>

CY24	59%
CY23	47%
CY22	35%

<sup>1</sup> 'Adjusted operating profit', 'Adjusted earnings per share ('EPS')', 'Adjusted operating margin', 'Adjusted operating cash flow', 'Free cash flow' and 'Return on capital employed' are non-IFRS financial measures defined in note 6 of the Consolidated Financial Statements.

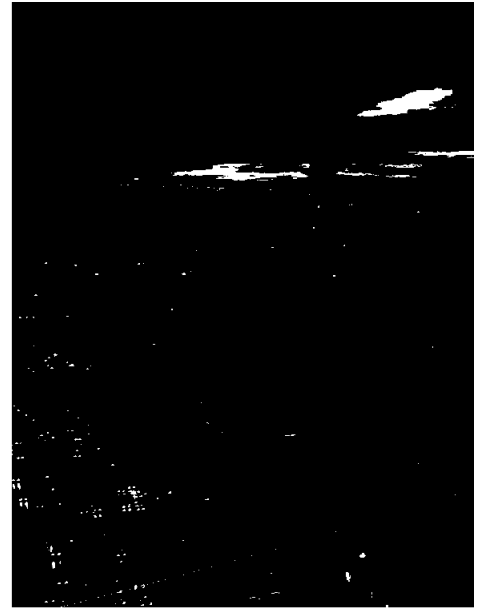
<sup>2</sup> Carbon emissions are measured on a calendar year basis (e.g. CY2022 shown under FY 2022/23). Our target is for an absolute Scope 1 & 2 carbon emissions reduction of 65% by CY2025 from a CY2021 base, a 90% Scope 1 & 2 reduction by CY2030 and net-zero across the value chain by CY2040.



## CHAIRMAN'S STATEMENT



**Bruce Thompson**  
Chairman



### GROUP REVENUE

**£422.9m**

(FY 2023/24: £437.0m)

### ADJUSTED OPERATING PROFIT

**£60.5m**

(FY 2023/24: £57.2m)

### ADJUSTED EPS

**38.7p**

(FY 2023/24: 36.8p)

This year's results reflect a strong performance despite broad industrial destocking. Robust gross margins and operational efficiencies have driven further good growth in adjusted operating profits and margin as well as adjusted earnings per share. Once again, the high quality of the Group's earnings, along with its capital-light nature, has delivered excellent cash flow.

By focusing on structural growth markets, and avoiding the more cyclical and consumer-facing markets, the Group has reduced the impact on sales from customer destocking with an improving trend through the year. The Group continued to make excellent progress operationally, generating efficiencies that partly come from organising our businesses into clusters, thereby sharing resources and know-how. These productivity gains have been supplemented through further progress on the acquisition front.

### Strategy

The Group's strategy has remained consistent for many years and has delivered sustained and growing returns for Shareholders. The Group designs and manufactures high-quality components which are created to meet the unique requirements of each customer, allowing for secure, long-term revenue streams. Operating with an international, decentralised business model allows the Group to retain an entrepreneurial mindset close to its customers, reacting quickly to their needs and operating an efficient supply-chain. It also enables the Group to localise manufacturing in response to customer demand and global trading conditions. To deliver consistent, long-term growth we focus on structurally growing, sustainable markets driven by increasing electronic content and where there is an essential need for our products.

The Group's established target markets are industrial automation & connectivity, medical, renewable energy and the electrification of transportation. This year, a fifth target market was added, the commercial and defence security market. These are all global markets, with major customers that operate internationally and have a need for the niche products we create. The addition of a new target market has increased our total addressable market to over \$30bn and we see plenty of opportunity to continue to increase market share.



**The Group is building a leading business that continues to deliver strong results through the economic cycle and has again demonstrated the quality and resilience of its model."**



Strategic Report

## Record operating margin and strong cash flow.

This year saw further significant benefits derived from operational efficiencies, tight control of operating expenses and continuing robust gross margins, which more than offset the reduction in organic sales. While Group sales for the year reduced by 2% CER to £422.9m, adjusted operating profit increased by 8% CER to £60.5m, with operating margins increasing by 1.2ppts at CER to 14.3%. Higher average net debt balances drove an increase in net finance costs for the year of 16% to £10.4m, with adjusted profit before tax increasing by 4% to £50.1m, and adjusted earnings per share increasing by 5% to 38.7p (FY 2023/24: 36.8p). The Group will benefit if interest rates continue to reduce.

On a reported basis, including the impact of adjusting items of £18.1m, profit before tax for the year increased by 44% to £32.0m (FY 2023/24: £22.2m) with fully diluted earnings per share increasing by 58% to 25.0p (FY 2023/24: 15.8p).

Free cash flow of £40.4m was generated during the year, being 9% higher than last year and representing 106% of adjusted earnings, well ahead of the Group's 85% conversion target. Net debt (excluding IFRS 16) at 31 March 2025 reduced by £9.7m to £94.3m (31 March 2024: £104.0m). Gearing reduced to 1.3x (31 March 2024: 1.5x) while still investing £29m in the acquisitions of Burster and Hivolt. This gearing is below the lower end of our target range of 1.5x to 2.0x and, together with expected cash flow in the coming year, provides acquisition funding of c.£80m while keeping the Group within its target gearing range.

The direct impact of tariffs is expected to be minimal. Currently, the Group manufactures 73% of its products locally to the customer and the numerous manufacturing sites enable production to be further optimised to increase local manufacturing content as required to mitigate trade disruption.

Alongside organic growth, acquisitions are a key factor in the Group's compounding growth strategy. Since 2011, the Group has acquired 28 specialist, value and margin enhancing, design and manufacturing businesses which have been integrated successfully and have driven further growth. discoverIE has a disciplined approach to acquisitions and continues to see opportunities to grow inorganically in a highly fragmented market with a strong pipeline in development.

The Group's capital-light model generates strong cash flows which management reinvests into accelerating the strategy and delivering further value creation for Shareholders.

### Acquisitions

The Group made two earnings-accretive acquisitions during the year for a total consideration of £29m.

Both acquisitions were in the Sensing & Connectivity division. The Burster Group ("Burster"), a German-based designer and manufacturer of specialist sensors, was acquired in January 2025 as a bolt-on to the Variohm sensing cluster, and Hivolt Capacitors Limited ("Hivolt"), a Northern Ireland-based designer and manufacturer of custom-built capacitors, was acquired in August 2024.

The management teams at both businesses have remained in place post acquisition and, with the support structure and cross-selling opportunities that come from being part of an enlarged group, we fully expect to see accelerated growth in the years ahead.

We welcome the employees of these businesses into the Group and look forward to working with them.

### Increased dividend

The Board is recommending a 4% (0.35 pence) increase in the final dividend to 8.60 pence per share, giving a 4% increase in the full year dividend per share to 12.5 pence (FY 2023/24: 12.0 pence) and an adjusted earnings to dividend cover of 3.1 times (FY 2023/24: 3.1 times). The final dividend is payable on 1 August 2025 to Shareholders registered on 27 June 2025.

The Board believes in maintaining a progressive dividend policy along with a long-term dividend cover of over three times earnings on an adjusted basis. This approach, along with the continued development of the Group, will enable funding of both dividend growth and a higher level of investment in acquisitions from internally generated resources.

The Company has a Dividend Re-Investment Programme ("DRIP"), details of which are available from the Company's Registrar, Equiniti. The final date for DRIP elections for the final dividend will be 11 July 2025.

### Employees and culture

On behalf of the Board, I would like to thank everybody at discoverIE for their sustained dedication, hard work, initiative and support.

The Group comprises approximately 4,500 employees in 20 countries around the world. By adopting an entrepreneurial and decentralised operating environment, together with rigorous planning, controls and investment, the Group has created an ambitious and successful culture.



## CHAIRMAN'S STATEMENT CONTINUED

We aim to achieve a culture across the Group that:

- is entrepreneurial
- treats everybody equally and recognises the importance of diversity
- is honest, reliable, trusting and non-political
- enables decision-making close to the customer through a decentralised structure
- enables open, constructive communication with a willingness to listen
- is performance driven

### Sustainability and positive impact

The Group continues to make progress on its net-zero plan, achieving a 59% reduction in Scope 1 & 2 carbon emissions over the past three years, relative to the CY2021 baseline. This progress keeps the Group on track to meet its interim target of a 90% reduction in Scope 1 & 2 emissions by 2030. The Group also achieved its goal of sourcing 80% of our electricity from

renewable or clean sources one year ahead of the CY2025 target.

In early 2025, the Group reassessed its climate-related risks and opportunities, factoring in the newly acquired businesses. The assessment confirmed that there were no material changes to the Group's climate-related risk profile.

The Group remains committed to being a socially responsible employer, adhering to the highest ethical standards, with a commitment to excellent employee relations and to increasing diversity at all levels of the business. As of FY 2024/25, female employees represent 50% of the Group's workforce.

Reflecting its achievements in and focus on sustainability, the Group received an MSCI ESG "A" rating and Morningstar Sustainalytics "Negligible" rating. Additionally, in February 2025, the Group was awarded a "B" rating from Carbon Disclosure Project (CDP) for its 2024 climate disclosure - a significant improvement from the prior year's "D" - reflecting the Group's progress in climate disclosures. Additionally, the Group's emissions reduction targets of a 90% decrease in Scope 1 & 2 by 2030 and net-zero across the value chain in 2040 were approved by the SBTi in May 2025.

### Board of Directors

On 31 October 2024, Tracey Graham retired from the Board after nine years. During this period, Tracey was the Group's Remuneration Committee Chair from March 2019 and Senior Independent Director from November 2022. We extend our sincere thanks to Tracey for all her support in helping lead the Group's significant development during her tenure.

From the same date, Celia Baxter, who has been on the Board since 1 June 2023, took over from Tracey as Remuneration Committee Chair and Senior Independent Director. Celia has many years of executive and board experience in listed companies including 13 years as Group HR Director at Bunzl plc, giving her an excellent understanding of decentralised, acquisitive, international industrial businesses. Celia is also Chair of the Remuneration Committee at Dowlais plc, following nine years in that position at Senior plc and six years at DS Smith plc.

### Summary

The Group is building a leading business that continues to deliver strong results through the economic cycle and has again demonstrated the quality and resilience of its model.

The market remains highly fragmented, providing scope to build further capability and extend geographic reach through disciplined, accretive acquisitions. The Board is excited by the opportunities available to continue building a business that attracts and retains a high quality workforce, delivers essential products for our customers, grows long-term returns for our Shareholders, and contributes to the creation of a sustainable environment.

With a strong pipeline of opportunities, the Group is well positioned for the future.

**Bruce Thompson**  
Chairman

### FULL YEAR DIVIDEND PER SHARE

**12.5p**

(FY 2023/24: 12.0p)

### TOTAL SHAREHOLDER RETURN

**254%**

(FY 2014/15 - FY 2024/25)

### CARBON EMISSIONS REDUCTION

**59%**

(CY2024 vs CY2021)

## THE ESSENTIAL TECHNOLOGY PARTNER FOR A SUSTAINABLE WORLD

discoverIE is an international group of businesses that design and manufacture niche, customised electronic components for industrial applications.

We serve as an essential technology partner and enabler for our customers – primarily large, multinational original equipment manufacturers (“OEMs”) – working closely with them to develop critical components for highly demanding environments. Our end-to-end offering of design, prototyping, manufacturing, testing and certification, provides a seamless, one-stop solution that delivers peace of mind.

Our components are custom designed and application specific, often requiring specific configurations even for products that might otherwise seem similar. While our components are typically small and often represent a small part of the total system cost, they are mission critical, long-lasting and must meet rigorous performance standards. The embedded nature of our products in large, difficult-to-service-and-replace systems, means failure is not an option.

We serve a diverse range of industries, with a strong focus on sustainable, structural growth markets where we can make a difference to the planet and people’s lives. These include renewable energy, transportation, medical, security, and industrial & connectivity.



Learn more about our **Customer proposition** on **page 08**

### Culture driving excellence

We embrace a decentralised operating model, and our success hinges on a culture built on respect, fairness, and equality. This decentralised structure strengthens a culture that empowers our teams, fosters open communication, and unites us towards our shared vision and ambitions.

These core values and the collaborative spirit of our global workforce fuel our passion for innovation, guide our decision-making, and propel us towards achieving our mission of providing the highest quality products and services to our customers, whilst creating a positive impact on the environment, society and people’s lives.



Learn more about our **Business Model** on **pages 14 to 15**

### Core values

Dedication and determination – driven by empowerment and a sense of ownership

Customer centricity – allow those employees who are closest to customers to make decisions that directly affect customer satisfaction

Respect, fairness and equality – create an open, inclusive environment in which everyone has an equal opportunity to flourish and grow

Open communication – create a trusting environment where information flows freely and collaboration thrives

Target driven – strive for results and high performance

### The importance of cultural fit in the acquisitions we make

For a decentralised Group like discoverIE, cultural fit with the businesses we acquire is crucial to mutual long-term success. We thrive on empowered employees and independent decision-making, close to our customers. Acquired businesses benefit from being part of a larger group of like-minded businesses that are able to meet the local needs of their stakeholders whilst retaining their own identity.

By factoring in cultural fit, we ensure that acquired businesses seamlessly integrate into our existing structure and operating framework, preserving the agility and innovation that makes discoverIE successful.

#### Our target markets



#### RENEWABLE ENERGY

The world will be increasingly powered by renewable and clean energy as governments prioritise energy security and achieving climate goals

#### TRANSPORTATION

Urbanisation and the global push for decarbonisation are driving the shift towards electric and sustainable transport systems

#### MEDICAL

An ageing population, rising chronic disease and improved healthcare access are increasing demand for medical equipment and electronic devices

#### SECURITY

Infrastructure development, heightened security concerns and defence modernisation are fuelling sustained growth in demand for advanced security solutions

#### INDUSTRIAL & CONNECTIVITY

The expansion of the Industrial Internet of Things (“IIoT”), 5G and artificial intelligence is rapidly increasing the need for high-performance electronic components



Learn more about our **Target markets** on **pages 16 to 19**



Learn more about our **Investment proposition** on **page 09**



Learn more about our **Sustainability priorities and progress** on **pages 38 to 52**



## GROUP AT A GLANCE

discoverIE is a **global leader** in specialist electronic components for industrial applications.

Our global network of businesses designs and manufactures differentiated products for OEM customers worldwide. Our in-house engineering teams and a global manufacturing footprint allow us to deliver ever better, reliable solutions to meet our customers' specific needs.



REVENUE

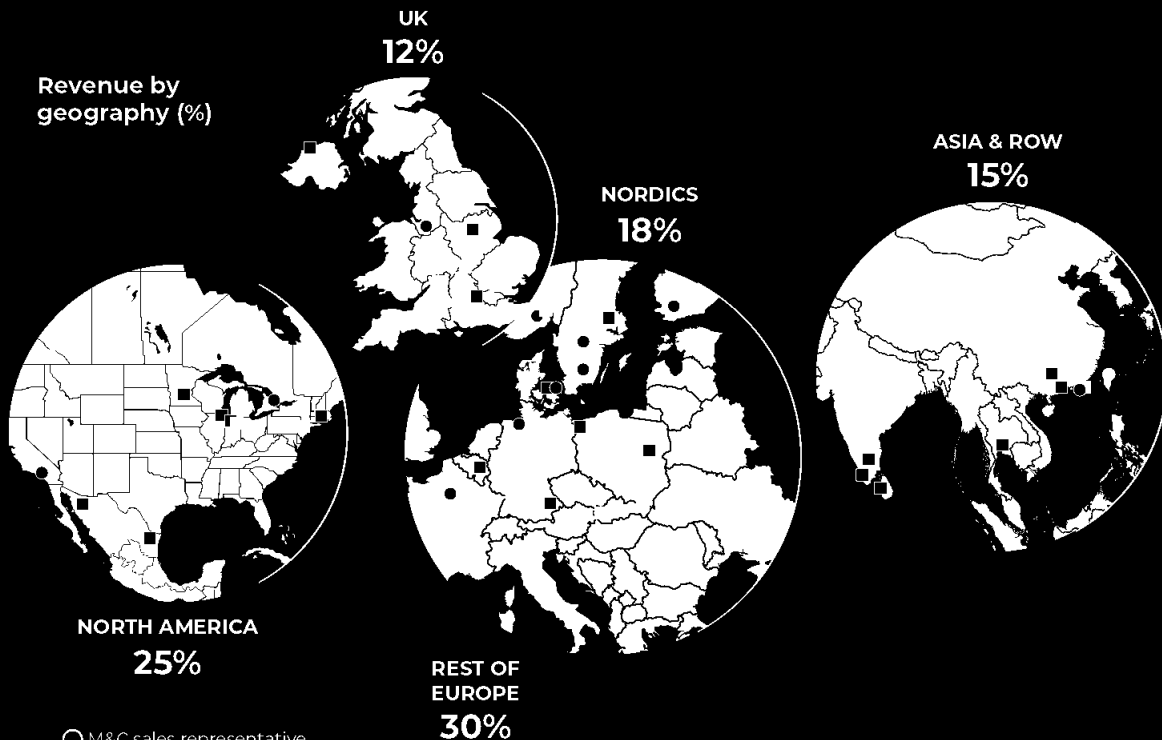
● S&C £175.5m    M&C £247.4m



ADJUSTED OPERATING PROFIT

● S&C £36.0m    M&C £36.3m

Revenue by geography (%)



- M&C sales representative
- S&C sales representative
- M&C manufacturing site
- S&C manufacturing site

## Our divisions

### Sensing & Connectivity ("S&C")

- Electronics for wireless transmission, fibre optic and cable connection, electromagnetic shielding, and sensing components for measuring movement, temperature, pressure, position, force and load
- Consists of two sub-divisions, which are divided into four clusters and four standalone businesses
- Operates across nine countries with 19 manufacturing sites

### REVENUE BY GEOGRAPHY

- UK – 22%
- Nordics – 11%
- Rest of Europe – 37%
- N. America – 24%
- Asia & ROW – 6%



### REVENUE GROWTH

FY25	£175.5m
FY24	£171.9m
FY23	£168.1m

### SENSING SUB-DIVISION



### CONNECTIVITY SUB-DIVISION



### Magnetics & Controls ("M&C")

- Electronics for X-ray detection, signal conditioning, power conversion and switching, monitoring, and remote control, communication and interface control
- Consists of two sub-divisions, which are divided into two clusters and six standalone businesses
- Operates across 16 countries with 22 manufacturing sites

### REVENUE BY GEOGRAPHY

- UK – 6%
- Nordics – 22%
- Rest of Europe – 24%
- N. America – 26%
- Asia & ROW – 22%



### REVENUE GROWTH

FY25	£247.4m
FY24	£265.1m
FY23	£280.8m

### MAGNETICS SUB-DIVISION



### CONTROLS SUB-DIVISION

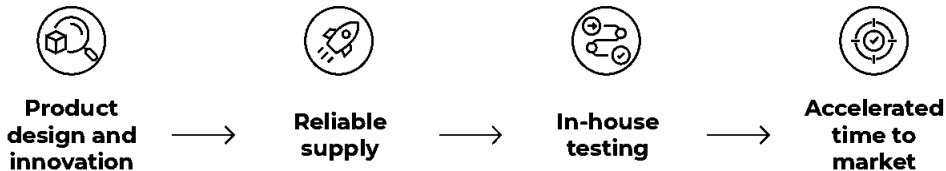


Indicates our clusters



## PARTNERING WITH OUR CUSTOMERS FOR LONG-TERM PROGRESS

### Essential and unique components



Our products are based on proven technologies, which is the foundation for creating reliable, high-performance components. The real challenge lies in adapting these technologies to meet the complex and often extremely demanding requirements of specific applications. This requires a deep understanding of the underlying technology and the application itself. Our engineers work side-by-side with customers to create bespoke solutions tailored to their unique needs, whilst also driving innovation that shapes the development of next-generation systems.

With over 40 production facilities worldwide, and extensive in-house capabilities, we manufacture the majority of our products ourselves. This vertical integration ensures reliable supply and consistent quality, whilst also providing the flexibility and agility needed for small batch and custom production – an essential advantage in today’s dynamic markets.

Our components are designed and built for the most demanding environments. Because our products are embedded into larger systems where reliability is critical, failure is not an option. We go beyond standard industry requirements by conducting rigorous testing in-house – often on 100% of products made – using proprietary test systems. As a result, the return rate on the millions of components we produce is low.

We work with customers in highly regulated markets, such as medical and security, where product certification and regulatory approval can be complex and time-consuming. Many of our design and manufacturing processes are pre-certified, helping customers reduce their time to market. In short, our end-to-end offering of a seamless, one-stop service solution gives customers peace of mind.

### CASE STUDY

#### Sensors for critical infrastructure monitoring

A civil engineering company contacted us with an urgent request for dozens of linear sensors to be fitted to the underside of a motorway bridge expansion joint for monitoring the bridge’s structural integrity.

The requirements were particularly demanding. The sensor required sub-millimetre precision (<1mm) under normal conditions and high accuracy across an extreme operating temperature range of -200°C to +350°C. Moreover, it needed to be waterproof, corrosion resistant, and delivered within just one week.

Our team rose to the challenge, designing a sensor featuring a new differential coil system, which provided exceptional accuracy and thermal stability. This was further enhanced by incorporating the sensor’s thermal coefficient of expansion into the electronic temperature compensation correction, ensuring consistent performance in varying conditions. The sensors were delivered, on time, in full, to the customer’s satisfaction.





# OUR INVESTMENT PROPOSITION

## 1 Sustainable growth markets

Increasing electronics content and electrification of products and processes continue to drive demand for electronic components. We prioritise five markets that are driven by megatrends and which are aligned with the UN Sustainable Development Goals.



Learn more about our **Megatrends** on **pages 16 to 19**

### PROJECTED GROWTH IN OUR TARGET MARKETS<sup>1</sup>

**5.6% p.a.**

2023-2030

**Target markets:** Renewable Energy, Transportation, Medical, Security and Industrial & Connectivity

## 2 Proven strategy for growth

Grow organically well ahead of GDP through the economic cycle by focusing on structural growth markets and an expanding product offering, bolstered by earnings and margin-enhancing acquisitions. We have a proven track record of delivering strategic and financial targets.



Learn more about our **Strategy** on **pages 20 to 27**

### REVENUE GROWTH<sup>2</sup> OF

**7% CAGR<sup>3</sup>**

FY2020-FY2025

## 3 Differentiated product offering

We specialise in providing customised and niche electronic solutions, utilising established technologies to create small, mission-critical components tailored to meet the unique needs of our customers. We manufacture and supply these engineered components for the lifespan of the end products.

### LONGEST CUSTOMER RELATIONSHIP

**30+ years**

Long-lasting customer relationships and stable, repeat revenue

## 4 Strong financials

Sustainable, profitable growth and excellent cash generation. Our strong balance sheet with gearing below the range of our 1.5x – 2x target allows headroom for further acquisitions.



Learn more about our **Financial Performance** on **pages 28 to 33**

### ADJUSTED OPERATING PROFIT GROWTH<sup>2</sup> OF

**14% CAGR<sup>3</sup>**

FY2020-FY2025

### FREE CASH FLOW CONVERSION<sup>4</sup> OF

**103%**

on average FY2020-FY2025

## 5 Consistent shareholder returns

Disciplined capital allocation with a track record of value-enhancing acquisitions drive capital appreciation and progressive dividends.

### ADJUSTED EPS GROWTH OF

**19% CAGR<sup>3</sup>**

FY2015-FY2025

### TOTAL SHAREHOLDER RETURN OF

**254%**

FY2015-FY2025

<sup>1</sup> Cognitive Market Research: Industrial Electronics Market Report 2025

<sup>2</sup> Continuing operations only, i.e. excluding the disposals of Acal BFI and Veritec SA in 2022 and the Santon solar business in 2024.

<sup>3</sup> Compound Annual Growth Rate.

<sup>4</sup> Free cash flow conversion is defined in note 6 of the Consolidated Financial Statements.



## OUR STRATEGY



**Our goal is to grow our presence in custom electronics by driving organic growth, enhancing operational efficiency, and through carefully selected, value accretive acquisitions.”**

**Nick Jefferies**  
Group Chief Executive



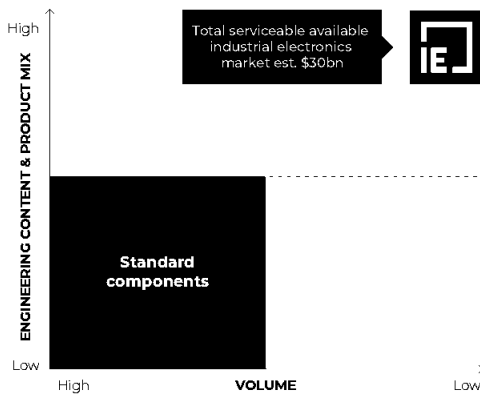
### Our strategic context

The global non-semiconductor electronic components market is valued at approximately \$300 billion<sup>1</sup>. Within this, we operate in a niche segment – custom designed industrial electronics – estimated at around \$30 billion<sup>1</sup>, and growing steadily at 5-6% a year<sup>1</sup>.

This market is highly fragmented, with many small, subscale local operators. This fragmentation presents significant opportunities for discoverIE to grow, both organically and through acquisitions.

<sup>1</sup> Companies estimates

### Non-semiconductor related electronic components market estimate \$300bn



Our strategy aligns our portfolio of businesses with these market dynamics. By leveraging the efficiencies and synergies within our business clusters, we unlock greater value and accelerate growth.

We aim to deliver this strategy through a motivated, entrepreneurial and empowered workforce that adheres to the highest ethical and quality standards.

### Our strategic priorities

Our strategy, which centres on initiatives that enhance design opportunities for niche, customised products, and which targets structural growth markets, has delivered outstanding results. That strategy has remained stable and consistent for more than a decade and we remain committed to this path, maintaining a clear focus on four core strategic priorities.



**GROW SALES WELL AHEAD OF GDP**



**ACQUIRE HIGHLY DIFFERENTIATED BUSINESSES**



**GENERATE EFFICIENCIES**



**REDUCE ENVIRONMENTAL IMPACT**

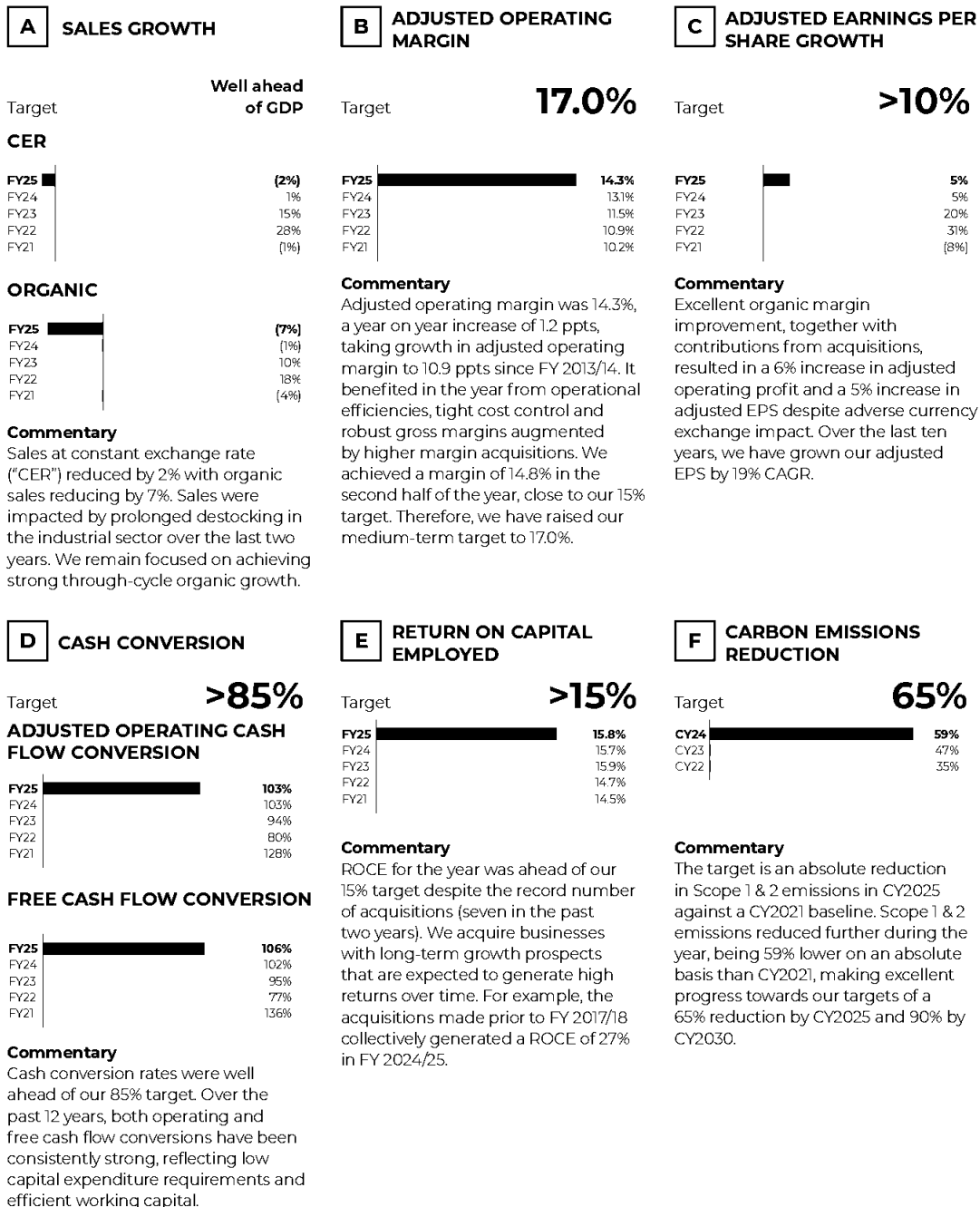
### Our strategic aim

Our goal is to grow our presence in custom electronics by focusing on markets with sustained, long-term growth prospects. These markets are driven by megatrends, such as digitalisation, decarbonisation, the need to address security concerns, and increasing electronic content in industrial systems – sectors where our products are essential and increasingly in demand.



## KEY STRATEGIC INDICATORS

Over the years, we have made steady progress on our strategic targets, including increasing sales beyond Europe and into target markets. These targets have now been largely achieved. As the strategy evolves and our priorities are refined, we have simplified our targets by consolidating the previous key strategic indicators ("KSIs") and key performance indicators ("KPIs") into a focused set of six core KSIs.





## OUR STRATEGY CONTINUED

### Grow sales well ahead of GDP



We aim to grow sales well ahead of GDP through the economic cycle by focusing on sustainable, structural growth markets, namely renewable energy, transportation, medical, security, and industrial & connectivity – each of which is projected to grow faster than global GDP. Learn more about the growth drivers for these markets on pages 16 to 19.

Being in the right markets is only part of the equation. We drive sales growth by focusing on two areas: product innovation and commercial discipline. On the innovation front, we direct our engineering time towards developing differentiated products built on commercially proven technologies to maximise return on investment. At the same time, we partner with research institutes and universities to commercialise next generation technologies. Our commercial discipline is reflected in how we manage our commercial pipeline. We are selective, focusing on design opportunities that demand unique, value-added solutions and that offer long-term profitable revenue potential. These quality design wins translate into consistent, high margin growth over time.

#### Progress to date

The industrial sector has experienced a prolonged and steep destocking period over the past two and half years as the pandemic-induced inventory surpluses continued to unwind. Consequently, Group organic sales in FY 2024/25 were 7% lower than the prior year. Despite this temporary headwind, our through-cycle organic growth, averaging 5% per annum, remains well ahead of the GDP growth rate in our core markets of developed economies.

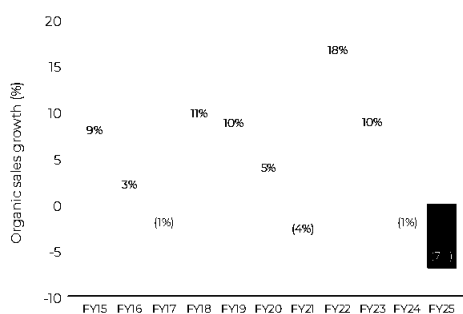
#### LINK TO KSI

A

#### LINK TO RISK

1 4 5 7 8

### Organic sales growth



### Acquire high quality businesses



Acquisition is an essential part of our growth strategy. The niche, customised electronic components market is highly fragmented, offering opportunities for consolidation and value creation.

We target businesses that embody the core characteristics we define as the discoverIE DNA. These include:

- Design & manufacture of electronic components, modules or systems
- Differentiated, value-added products and solutions
- Supplying original equipment manufacturers
- Long-life products with repeat revenues
- Operating in markets with excellent growth prospects
- Strong cash generation and capital light business models
- Ambitious, capable management with entrepreneurial spirit

We have a well-established approach to acquisitions and portfolio management. By taking a long-term approach to creating compounding organic growth in acquired businesses, as well as actively managing the overall portfolio, the Group consistently generates substantial value.

#### Progress to date

Since our first design and manufacture acquisition in 2011, we have invested c.£500m in 28 acquisitions, around a quarter of which have taken place in the past two years alone. Group sales have grown from £10m in FY 2009/10 to £423m today. Our strong track record in acquisitions stems both from identifying the right businesses and our ability to enhance their performance. Businesses acquired up to FY 2017/18 achieved a collective return on capital employed of 27% in FY 2024/25, demonstrating the value our acquisition strategy creates.

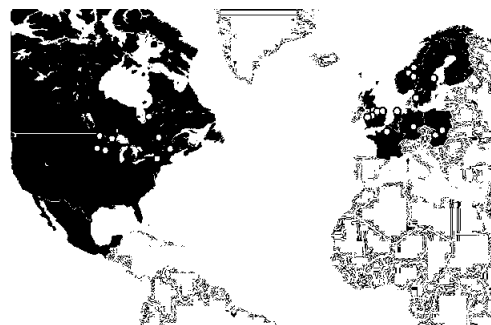
#### LINK TO KSI

A B E F

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1 2 10 12

### Acquisition geography





### KEY STRATEGIC INDICATORS

- A Sales growth
- B Adjusted operating margin
- C Adjusted EPS growth
- D Cash conversion
- E Return on capital employed
- F Carbon emissions reduction

### RISKS

- 1 Instability in the economic environment
- 2 Business acquisitions underperformance
- 3 Climate-related risks
- 4 Cyber security
- 5 Loss of key customers
- 6 Loss of key suppliers/supply
- 7 Technological changes
- 8 Major business disruption
- 9 Loss of key personnel
- 10 Product liability
- 11 Financial controls
- 12 Liquidity and debt covenants
- 13 Foreign currency
- 14 Non-compliance with legal and regulatory requirements

## Generate efficiencies



We achieve efficiencies in three areas: pricing, manufacturing and operating leverage.

### Pricing for value

Our value-based pricing strategy is built on the product differentiation and substantial value we provide. Whether developing bespoke solutions for unique applications or improving existing ones for broader use, our technical expertise and know-how enable customers to achieve their desired outcomes. This value add is increasingly reflected in our rising contribution margins.

### Manufacturing efficiencies

Many of our acquisitions bring manufacturing capabilities into the Group. With over 40 production facilities worldwide, we continuously optimise our manufacturing footprint. This includes consolidating sites and sharing capacity in similar locations, relocating production to achieve cost or volume efficiencies, or to position manufacturing closer to customers to improve responsiveness and cost effectiveness.

### Operating leverage

As the Group grows, we maintain a disciplined approach to cost management through phased investment and strategic resource allocation. Our clustering model also makes it easier to identify synergies. Learn more about clustering on pages 14 to 15. As scale increases, our drop-through rate will continue to rise, reflecting strong operating leverage.

### Progress to date

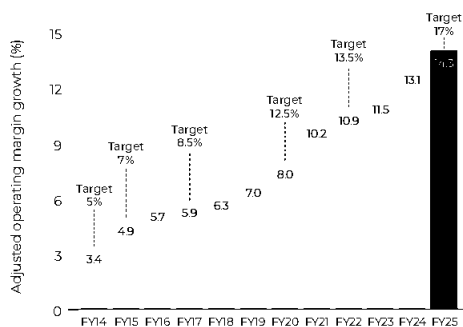
We have delivered 15 years of consecutive growth in our operating margin, increasing from break-even in FY 2009/10 to 14.3% in FY 2024/25. Over the last five years alone, our adjusted operating margin has increased by 6.3 percentage points. These gains have been driven primarily by organic improvement. In the past ten years, we have consistently met or exceeded our adjusted operating margin targets, which have been raised five times during the same period.

#### LINK TO KSI

- B C D E F**

#### LINK TO RISK

- 2 5 8 10 11 13**



## Reduce environmental impact



In November 2022, we announced our commitment to achieving net-zero emissions and set science-based targets:

- discoverIE Group plc commits to reduce absolute Scope 1 & 2 GHG emissions 90% by 2030 from a 2021 base year.
- discoverIE Group plc commits to reach net-zero greenhouse gas emissions across the value chain by 2040. A detailed transition plan has been published for our Scope 1 & 2 emissions, from a 2030 base year.

Our Scope 1 & 2 net-zero strategy focuses on four primary sources of emissions within the Group: electricity, natural gas, company vehicles, and refrigerants. We have a medium-term target to reduce absolute emissions by 65% by the end of CY2025, compared to the CY2021 baseline.

### Progress to date

Three years into our net-zero plan, we are making good progress, with CY2024 Scope 1 & 2 emissions down by 59% on the CY2021 baseline. This reduction has been driven largely by switching to clean or renewable electricity sources, including installing solar panels across facilities where economically feasible, implementing energy efficiency measures, and the use of heat pumps where appropriate. Today, more than 80% of our electricity consumption comes from renewable or clean sources.

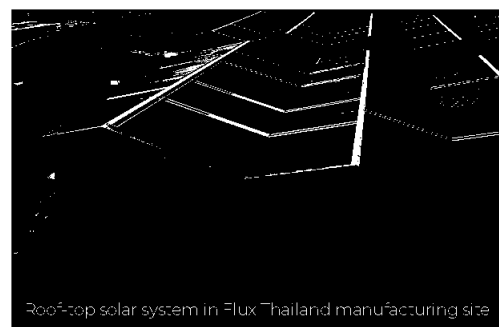
We are also making strides in switching our vehicle fleet away from fossil fuels. Half (50%) of our company cars are now electric or hybrid. We have already reduced emissions from natural gas and refrigerants, and plan to reduce emissions from these sources further in the coming years. In May 2025 we received approval for our near and long-term science-based emissions reduction targets from the SBTi.

#### LINK TO KSI

- F**

#### LINK TO RISK

- 3 10 14**



Roof-top solar system in Flux Thailand manufacturing site



## OUR BUSINESS MODEL

Our business model is simple. We design and manufacture niche, customised electronic components for industrial original equipment manufacturers (“OEMs”) operating in growth markets.

### 1. Our resources and key enablers

#### Our people

We have c.4,500 colleagues worldwide; many of them are long-serving and have a high level of technical knowledge and experience in their fields. We encourage local employment and talent development so that our colleagues have an in-depth understanding of the market where they operate.

#### Our expertise

For over three decades, we have cultivated a vast amount of expertise and technical know-how in the specialist electronics market. Our team of electronics, mechanical and software engineers have a wealth of knowledge of our core technologies and diverse application experience. This allows us to rapidly develop new products that meet our customers’ evolving needs.

#### Our intellectual property

We retain the intellectual property rights of the products designed and developed for customers. We also have unique technology, which is used in many of our customised products.

#### Our manufacturing capability

We have 41 manufacturing facilities in 20 countries, including China, Hungary, India, Mexico, Poland, Slovakia, Sri Lanka, Thailand, the UK, and the USA, producing high-quality products consistently and reliably in locations close to our customers.

#### Our financial strength

We have a strong balance sheet supported by high cash generation, which allows us to continue to invest in our people and capabilities, and to expand geographically.

### 2. Our core activities

Our main activity is designing and manufacturing specialist electronic components for industrial applications. Our core strength lies in the deep understanding of our customers’ design challenges, which allows us to engineer and manufacture customised solutions that meet their needs, as well as guaranteeing reliable supply throughout the life cycle of the end system.

#### Design and customised products

We work closely with our customers, who are primarily OEMs, to develop better solutions to solve complex technical challenges. This often requires adaptations of standard products or the development of new ones.

#### Manufacture and testing

Manufacturing bespoke and niche products requires a flexible production model and is often technically demanding. With technical know-how and in-house manufacturing capabilities, we have control of the production process, ensuring both quality and reliability. Quality is assured through rigorous and repeat testing, often above that which is required.

#### Deliver globally

With manufacturing facilities in the Americas, Europe and Asia, we are able to reduce the risks of logistics disruptions and shorten delivery lead times. We provide customers with a consistent and reliable supply of products throughout the lifetime of the end system design.

### 3. Sustainable approach

The demand for energy-efficient, sustainable technologies continues to rise, and we are well positioned to capitalise on the value creation opportunities this shift presents. However, growth alone is not our only goal. As a company, we recognise our broader responsibility to help shape not just a more connected and intelligent world, but a more sustainable one.

Sustainability is embedded throughout discoverIE. We focus on markets that align with the UN Sustainable Development Goals, and we design durable, energy-efficient products that minimise servicing or replacement needs. We understand that sustainability is a collective effort. By collaborating with our customers on their sustainability journeys, we help them meet their sustainability goals, whilst working to achieve our own.



**OUR PLANET**  
Creating a positive impact on our environment



**OUR PEOPLE**  
Keeping our people safe and happy



**OUR PRODUCTS**  
Ensuring product reliability and sustainability



Learn more about our **Sustainability priorities and progress** on pages **38 to 52**

We add value by providing our customers with an end-to-end solution for critical components. By acting as an extension of our customers' engineering teams, we help them create ever-better solutions and guarantee a reliable, long-term supply. This business model is resilient, proven by the Group's robust and consistent track record.

## 4. How we do it differently

### A decentralised model

We operate a decentralised operating model. Our network of 30 operating businesses, each specialising in different technological areas, are grouped under two divisions - Magnetics & Controls and Sensing & Connectivity - each of which have two sub-divisions. Supported by the Group's central resources, each business operates independently under its own brand and management team, but within a well-defined control framework and in alignment with discoverIE's shared vision and strategic goals. This decentralised approach empowers individual businesses to make their own decisions, fostering a strong sense of ownership and accountability.

### Collaboration through clustering

To encourage collaboration and synergy, businesses within each division with similar or related technologies are grouped into clusters. These clusters are led by the leadership teams of the largest operating businesses within the cluster, minimising layers of management and avoiding unnecessary bureaucracy. This flat structure allows for faster decision-making and greater agility, enabling businesses to adapt quickly to changing market demands.

This decentralised model empowers our businesses, whilst fostering collaboration through the cluster system. It allows our businesses to leverage the benefits of autonomy and agility, whilst still maintaining a supportive and collaborative environment across the Group.

The Group's head office functions, including legal, finance, M&A, IT, communications and sustainability, provide support to our businesses, enabling them to grow. The Group risk and internal audit function ensures compliance and effective controls, and that risks are managed appropriately.

### Guided by our values

These are our fundamental beliefs and principles that guide our decision-making:

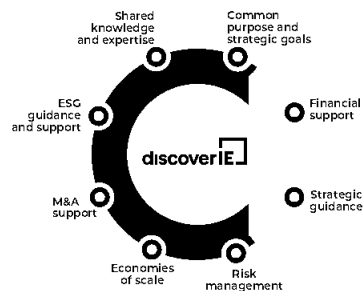
**Integrity** – we act with honesty and openness, treating our partners and stakeholders fairly

**Quality** – we strive for excellence and make continuous improvements that deliver superior value to our customers

**Empowerment** – we inspire growth and innovation by providing an entrepreneurial environment

**Collaboration** – we work together, trust and respect each other

**Positive impact** – we care about the environment and societies we live in and commit to making a positive impact



## The value we create

### Customers

Quality, reliability and efficiency. 100% on-time, in-full delivery target.

### Suppliers

Reliable partnerships and shared knowledge.

### Employees

Empowering and collaborative culture, and a healthy and safe environment.

**14%**

### VOLUNTARY EMPLOYEE TURNOVER\*

\*This excludes the abnormal seasonal labour fluctuations linked to the Chinese New Year. Non-production employee turnover remained stable at 10% (FY24: 11%).

### Shareholders

Attractive returns and growth opportunities.

**254%**

### TEN-YEAR TOTAL SHAREHOLDER RETURN

### Communities

Contribution to local employment, tax revenue, community engagement and decarbonisation.

**£23.7m**

### TAX AND SOCIAL SECURITY CONTRIBUTION IN FY2025

**59%**

### REDUCTION IN SCOPE 1 & 2 CARBON EMISSIONS SINCE CY2021



## MARKET OVERVIEW

Our products are critical components in a wide range of industrial applications. We focus on five end markets – renewable energy, transportation, medical, security, and industrial & connectivity – markets that demonstrate sustainable, long-term growth driven by global megatrends.

### Megatrends drive substantial growth

Megatrends such as electrification, digitalisation and urbanisation have been major drivers of growth in electronic components, and will continue to create significant opportunities in the decades ahead.

#### Electrification

The electrification of transportation is creating entirely new markets, such as electric vehicles and the infrastructure that supports them, and existing modes of transport such as railways and shipping are being converted to allow them to run on electricity. Meanwhile, the global transition toward a low carbon economy is accelerating demand for renewable energy, energy storage, and smart energy management systems. Governments and businesses are investing heavily in new solutions to reduce their carbon footprint.

#### Digitalisation

Rapid advances in artificial intelligence, 5G, cloud computing, and big data analytics have made digital tools faster, more affordable and more powerful. The rise of the Industrial Internet of Things ("IIoT") is driving digitalisation in factories, energy grids, transport networks and healthcare systems. Digitalisation depends on the ever-increasing interconnectedness of devices and systems, driving strong demand for electronic components that enable real-time monitoring, predictive maintenance, and automation at scale.

#### Urbanisation

Urbanisation is a major growth driver for security, transportation, and communication technologies. As cities grow denser, the need to protect people, infrastructure, and public spaces drives demand for advanced surveillance, access control, and threat detection systems. Meanwhile, rising populations require more efficient and sustainable mobility solutions, accelerating investment in public transport, electric vehicles, and smart traffic systems. To support this urban complexity, high-speed communication networks – including 5G, fibre optics, and IIoT infrastructure – are essential for real-time connectivity, automation, and the functioning of smart city ecosystems.

These megatrends present significant opportunities for discoverIE to deliver innovative solutions to meet the growing demand for a more sustainable, digitally connected, and secure future.

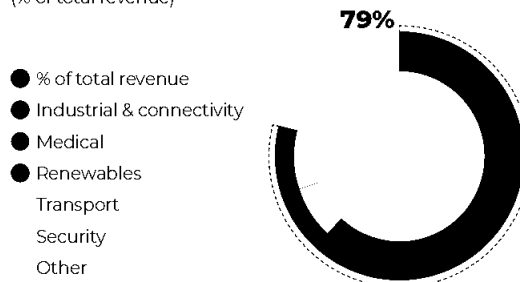
### Our target markets

For more than a decade, we have maintained a strategic focus on markets with sustainable, long-term growth prospects, specifically renewable energy, transportation, medical and industrial & connectivity. In 2024, we added security, a market that has seen particularly strong demand in recent years and which has the same long-term structural growth prospects.

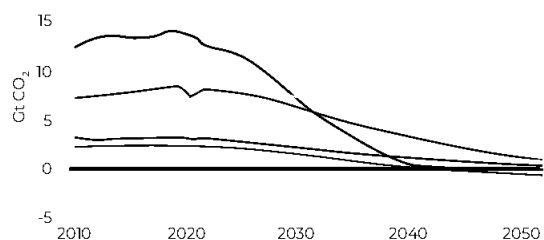
Organic sales in these five target markets have grown at twice the rate of non-target markets over the last eight years. In FY2025, 79% of Group revenue was generated from these target markets. The diversification across these markets, each with varying cycles and different economic drivers, helps to smooth out overall cyclicality and provides a more resilient growth profile for the Group.

### REVENUE FROM TARGET MARKETS

(% of total revenue)



### EMISSIONS REDUCTION BY SECTOR IN NET-ZERO BY 2050 SCENARIO<sup>1</sup>



Emissions fall fastest in the power sector, with transport, buildings and industry seeing steady declines to 2050. Reductions are aided by the increased availability of low-emission fuels.

- Power
  - Buildings
  - Transportation
  - Industry
  - Other
- IEA. All rights reserved.

Other = agriculture, fuel production, transformation and related process emissions, and direct air capture.

## Electrification

### What are the trends

Governments and businesses around the world are setting ambitious targets and implementing comprehensive plans to reduce carbon emissions, including phasing out fossil fuels through the electrification of transport networks and industrial processes. Electrification is not only essential for achieving net-zero emissions, it is also a major driver of efficiency and productivity. This megatrend is poised to reshape many industries, including:

- **Smart grid and energy management** – technologies that optimise energy distribution, improve grid reliability and enable more efficient use of electricity
- **Industrial** – the electrification of equipment and processes enables automation and more efficient heating and cooling systems
- **Transportation** – decarbonisation across all transportation segments – railways, aviation, shipping, trucks and off-road vehicles – requires new technologies such as battery storage and retrofitting solutions that enable engines to run on electricity or other low carbon alternatives such as hydrogen fuel cells
- **Buildings and homes** – smart appliances, connected devices and automation solutions are enhancing energy efficiency and comfort, as well as reducing emissions in residential and commercial spaces

### How we are responding

We see significant opportunities in three areas: renewable energy, energy efficiency, and transportation.

- **Renewable energy** – we offer a broad range of power electronics that enable more efficient renewable power generation and distribution. Our key focus is on the wind power market, where we already have a strong position. We also aim to expand into other renewable sectors, such as hydro and tidal. Although the solar power market has become increasingly commoditised, we continue to find niche opportunities, such as providing encoders in solar trackers to obtain reliable positioning of tilt and azimuth angles.
- **Energy efficiency** – Our products are designed to be long-lasting and energy efficient. We continue to develop new products that further enhance the energy performance of the systems in which they are embedded.
- **Transportation** – our focus in the transportation market is primarily railways, shipping and specialist and off-road vehicles. These sectors demand robust, ruggedised components capable of performing in harsh environments. We also have a strong presence in retrofitting the shipping industry to support its shift toward cleaner propulsion systems. In the automotive sector, our focus is on electric vehicle infrastructure, such as charging stations.

### UN SDG ALIGNMENT



Market trends	Technological applications	Our solutions
<b>Renewable energy</b> <ul style="list-style-type: none"> <li>▪ 9.0% CAGR growth in renewable power generation 2023-2026<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Increasing scale in wind turbines</li> <li>▪ Smart grids</li> <li>▪ Smart charging</li> <li>▪ Battery technologies</li> <li>▪ Hydrogen fuel cells</li> <li>▪ High speed rail</li> <li>▪ Electrification of mass transport</li> <li>▪ Engine retrofitting</li> </ul>	<b>Magnetics</b> <ul style="list-style-type: none"> <li>▪ Liquid-cooled power reactors for wind power systems</li> <li>▪ Power inducers for electric trains</li> </ul>
<b>Transportation</b> <ul style="list-style-type: none"> <li>▪ 8.3% CAGR growth in transportation electrification 2022-2029<sup>3</sup></li> </ul>		<b>Controls</b> <ul style="list-style-type: none"> <li>▪ Ruggedised CPU modules</li> <li>▪ Master controllers for trains</li> </ul>
<b>Industrial &amp; Connectivity</b> <ul style="list-style-type: none"> <li>▪ 8.1% CAGR growth in global industrial electrification 2025-2034<sup>4</sup></li> </ul>		<b>Sensing</b> <ul style="list-style-type: none"> <li>▪ Pressure sensors for hydrogen-fuelled e-buses</li> <li>▪ Temperature sensors for monitoring industrial heat processes</li> </ul>
		<b>Connectivity</b> <ul style="list-style-type: none"> <li>▪ Battery isolation switches for trains</li> <li>▪ Circuit breakers and services for ships</li> </ul>

<sup>1</sup> International Energy Agency: Net-zero by 2050 – A roadmap for the global energy sector, May 2021

<sup>2</sup> International Energy Agency: Electricity Market Report 2024, January 2024

<sup>3</sup> Maximize Market Research: Transportation electrification market ([www.maximizemarketresearch.com/market-report/global-transportation-electrification-market/96601/](https://www.maximizemarketresearch.com/market-report/global-transportation-electrification-market/96601/))

<sup>4</sup> Precedence Research: Global industrial electrification market ([www.precedenceresearch.com/industrial-electrification-market#:~:text=The%20global%20industrial%20electrification%20market%20size%20was%20estimated%20at%20USD,8.10%25%20from%202025%20to%202034](https://www.precedenceresearch.com/industrial-electrification-market#:~:text=The%20global%20industrial%20electrification%20market%20size%20was%20estimated%20at%20USD,8.10%25%20from%202025%20to%202034))



## MARKET OVERVIEW CONTINUED

### Digitalisation

#### What are the trends

The proliferation of high-speed internet connectivity and the widespread adoption of mobile devices has created an increasingly connected world. Affordable and reliable connectivity now enables the seamless exchange of information, communication and collaboration, driving digital transformation across industries. Digitalisation can bring benefits to multiple sectors:

- **Telecommunications and connectivity** – digitalisation depends on robust telecommunications infrastructure. This involves high-speed internet services, mobile networks, fibre optic infrastructure and wireless technologies, which stand to benefit from increasing demand for connectivity and data transmission.
- **Industrial 4.0** – rapid adoption of artificial intelligence (“AI”) and IIoT is optimising manufacturing processes. Machines require built-in components – wired or wireless – to enable data transmission, real-time monitoring and automation.
- **Healthcare technology** – digitalisation is transforming healthcare through wearable devices, remote patient monitoring, smart implants, smart inhalers and portable diagnostic devices. These innovations meet the growing demand for personalised healthcare, patient empowerment, and seamless integration with digital healthcare platforms.

#### How we are responding

The connected world is built on a foundation of essential electronic components, and we play a critical role in enabling this digital ecosystem. We provide solutions that power connectivity across digital infrastructures. Our components, such as power controls, sensors, transceivers, and wireless modules, support key functions including signal processing, data acquisition, and network infrastructure. This ensures seamless communication and integration across various devices and systems. Reliable power is equally crucial, and that is where our power electronics come in. These include voltage regulators and power distribution units, which ensure a stable, reliable energy supply, maintaining optimal performance for digital equipment.

In recent years, we have further strengthened our capabilities in the connectivity space with key acquisitions, including leaders in IIoT antennas (Antenova and 2J Antennas), Power-over-Ethernet modules (Silvertel), and industrial load sensor technology (Burster).

#### UN SDG ALIGNMENT



Market trends	Technological applications	Our solutions
<p><b>Medical</b></p> <ul style="list-style-type: none"> <li>▪ 12.8% CAGR growth in smart medical devices market 2025-2030<sup>1</sup></li> </ul> <p><b>Transportation</b></p> <ul style="list-style-type: none"> <li>▪ 13.0% CAGR growth in smart transportation market 2025-2034<sup>2</sup></li> </ul> <p><b>Industrial &amp; Connectivity</b></p> <ul style="list-style-type: none"> <li>▪ 9.8% CAGR growth in industrial automation market 2022-2029<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Artificial intelligence and machine learning</li> <li>▪ 5G/6G technology</li> <li>▪ Big data and analytics</li> <li>▪ Robotic surgery</li> <li>▪ Autonomous systems</li> </ul>	<p><b>Magnetics</b></p> <ul style="list-style-type: none"> <li>▪ Power-over-Ethernet modules for power and wireless connections</li> </ul> <p><b>Controls</b></p> <ul style="list-style-type: none"> <li>▪ Single board computers for electrocardiographs</li> <li>▪ Wireless portable defibrillator</li> </ul> <p><b>Sensing</b></p> <ul style="list-style-type: none"> <li>▪ X-ray detectors for bone density scans</li> <li>▪ Load cells and linear sensors for six-axis robotic arm control for surgery</li> </ul> <p><b>Connectivity</b></p> <ul style="list-style-type: none"> <li>▪ Antennas for wireless robotic control</li> <li>▪ Antennas for outdoor water meters</li> </ul>

<sup>1</sup> Grand View Research: Smart medical devices market ([www.grandviewresearch.com/industry-analysis/smart-medical-devices-market](https://www.grandviewresearch.com/industry-analysis/smart-medical-devices-market))  
<sup>2</sup> Precedence Research: Smart transportation market ([www.precedenceresearch.com/smart-transportation-market](https://www.precedenceresearch.com/smart-transportation-market))  
<sup>3</sup> Fortune Business Insights: Industrial Automation Market ([www.fortunebusinessinsights.com/industry-reports/industrial-automation-market-101589](https://www.fortunebusinessinsights.com/industry-reports/industrial-automation-market-101589))



## Urbanisation

### What are the trends

Urbanisation is a powerful driver of growth across the security, transportation and connectivity markets. As cities expand and populations become more concentrated, the demand for safety increases, which fuels investment in advanced security solutions. Urban environments also house critical infrastructure, such as utilities, government buildings, and transportation hubs. They must be protected from physical and cyber threats, further increasing the need for integrated and intelligent security systems.

Urbanisation places added pressure on transportation and communication networks. Growing populations require efficient, low-emission mobility solutions, driving demand for public transport, electric vehicles, and smart traffic management. Meanwhile, the need for connectivity to support homes, businesses, and smart cities is accelerating investment in 5G, fibre optics, and IIoT infrastructure.

This megatrend is expected to drive sustained growth across several of our target markets in the decades ahead:

- **Transportation** – urbanisation increases the need for efficient, mass transportation to move people and goods sustainably. This fuels growth in public transit systems, such as rail, metro, and bus electrification, and smart traffic management.
- **Communication networks** – dense urban populations generate massive demand for data and connectivity, and digital infrastructure must expand to support this. This requires fast connectivity – wired or wireless – IIoT infrastructure, and data centres.
- **Security** – crime rates and the risk of sabotage to critical infrastructure both increase as cities grow more densely populated. This drives demand for advanced surveillance systems, robust access control and threat detection technologies.

### How we are responding

We have aligned our capabilities and growth strategy to meet the rising demand for advanced security solutions. In September 2024, we expanded our target markets to include the security sector. We target fast-growing areas such as critical infrastructure protection, smart surveillance, threat detection systems and defence, where our custom-designed technologies can offer mission-critical advantages.

To support the next generation of communication systems, we continuously develop new products, such as antennas, sensors, wireless communication modules, and ruggedised electronics, whilst continuing to acquire new capabilities and technology platforms.

### UN SDG ALIGNMENT



Market trends	Technological applications	Our solutions
<p><b>Transportation</b></p> <ul style="list-style-type: none"> <li>▪ 7.6% CAGR growth in public transportation market 2024-2030<sup>1</sup></li> </ul> <p><b>Security</b></p> <ul style="list-style-type: none"> <li>▪ 8.4% CAGR growth in access control market 2025-2030<sup>2</sup></li> <li>▪ 6.0% CAGR growth in inspection equipment market 2025-2030<sup>3</sup></li> </ul> <p><b>Industrial &amp; Connectivity</b></p> <ul style="list-style-type: none"> <li>▪ 6.7% CAGR growth in industry IoT market 2023-2026<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Advanced X-ray detection systems</li> <li>▪ 5G/wireless communications</li> <li>▪ Advanced surveillance technology</li> <li>▪ Facial recognition</li> <li>▪ Biometric security control</li> </ul>	<p><b>Magnetics</b></p> <ul style="list-style-type: none"> <li>▪ Transformers for space shuttles and satellites</li> </ul> <p><b>Controls</b></p> <ul style="list-style-type: none"> <li>▪ Rugged control panels for military equipment</li> </ul> <p><b>Sensing</b></p> <ul style="list-style-type: none"> <li>▪ X-ray detection for airport security scanners</li> </ul> <p><b>Connectivity</b></p> <ul style="list-style-type: none"> <li>▪ Rugged fibre optic connectors for security communications</li> <li>▪ Advanced video surveillance solutions for public transport</li> </ul>

<sup>1</sup> Grand View Research: Global public transportation market ([www.grandviewresearch.com/horizon/outlook/public-transportation-market-size/global](https://www.grandviewresearch.com/horizon/outlook/public-transportation-market-size/global))

<sup>2</sup> Grand View Research: Access control market analysis report ([www.grandviewresearch.com/industry-analysis/access-control-market-report](https://www.grandviewresearch.com/industry-analysis/access-control-market-report))

<sup>3</sup> Fortune Business Insights: Global inspection equipment market size ([www.fortunebusinessinsights.com/inspection-equipment-market-107682](https://www.fortunebusinessinsights.com/inspection-equipment-market-107682))

<sup>4</sup> Markets and Markets: Industrial IIoT market



## STRATEGIC AND OPERATIONAL VIEW



**Nick Jefferies**  
Group Chief Executive



### ADJUSTED OPERATING MARGIN

**14.3%**

(FY 2023/24: 13.1%)

### RETURN ON CAPITAL EMPLOYED

**15.8%**

(FY 2023/24: 15.7%)



**The Group delivered another strong performance with record operating profits and earnings, despite the prolonged industry-wide destocking. Our flexible production model, together with Group-wide operating efficiencies, more than offset the weaker sales, protecting profitability through this low point of the cycle."**

### Good progress towards our targets

The Group designs and manufactures essential, customised, high value-add, technically complex electronic products, enabling our customers to create better equipment. Despite prolonged industry destocking, we made further good progress this year towards our near and medium-term goals, delivering record earnings and operating margins while continuing to generate excellent cash flow.

The Group delivered record adjusted operating profit of £60.5m, up 8% at CER with second half profits up 12% CER compared with 4% CER in the first half. The Group's adjusted operating margin increased by 1.2ppt at CER to 14.3%, exceeding our 13.5% target for this financial year and, with a second half margin of 14.8%, we have raised our target to 17% by FY 2029/30 from 15% by FY 2027/28.

Adjusted operating profit growth was achieved with operational efficiencies, strong gross margins and tight control of operating expenses, more than offsetting the 3% reduction in sales (2% reduction at CER). Even with higher annualised finance costs (up 16%), adjusted EPS increased by 5% with H2 2024/25 adjusted EPS up by 15% compared to a first half reduction of 4%. Including adjusting items, being acquisition and disposal-related costs, fully diluted EPS increased by 58% on a reported basis.

Organically, sales were 7% lower, reflecting industry destocking and the normalisation of supply chains. Second half sales were 4% lower organically improving over the first half which

reduced by 10%. This was led by the Group's major customers recovering strongly in H2, growing by 13% (H1 -4%) having led the run into destocking in the prior year and now leading the recovery.

Asia was the most resilient territory, increasing sales organically by 1%, while UK and German sales both reduced by 7%, Nordic sales by 3% and the rest of Europe sales by 4% (returning to growth in the second half). North America sales reduced by 16% following growth of 20% in the prior year.

Orders increased by 8% CER in the year and by 2% organically, with Asia up 6%, the US up 4% and Europe up 3% partially offset by the UK reducing by 1%. The book-to-bill ratio for the year increased to 0.97 from 0.89 last financial year. In the final quarter, orders grew by 15% organically in both divisions.

With continued strong design wins (up 5% this year and up 30% on two years ago), the Group is well positioned to accelerate growth as market conditions improve.

The Group order book at 31 March 2025 was £161m, representing c.4.5 months of annualised sales (slightly higher than historic normal levels) and providing good visibility for the year ahead (31 March 2024: £175m). The order book has reduced from a peak of c.7 months annualised sales in September 2022 when orders included earlier stocking-up amid constrained supply chains.

Free cash flow for the year increased by 9% to £40.4m, with a conversion rate of 106% being well ahead of our 85% target. Additionally, the proceeds



Strategic Report

of the Santon solar business disposal and the deferred consideration from the sale of Acal BFi three years earlier helped reduce net debt to £94.3m and gearing to 1.3x (31 March 2024: net debt of £104.0m and 1.5x gearing), below our target range and providing significant funding capacity.

### A flexible business well positioned in a changing world

The Group is well positioned in an environment of rapidly changing global conditions, with a business model that is resilient, flexible and innovative.

- Essential products: the Group's products are designed-in and essential for customers' applications while amounting to a small proportion of their overall system cost, thereby driving both resilient gross margins and long-term repeating revenues.
- Broad and flexible footprint: a decentralised model with 41 manufacturing sites and operations around the world, able to support customers locally and with the decarbonisation of their supply chains.
- Efficient supply chains: our manufacturing uses a low proportion of bought-in components, the majority being manufactured in-house from raw materials and base components, reducing the Group's exposure to external supply chain disruptions.
- Low energy intensity operations: the large majority of the Group's energy exposure is electricity and energy costs represent less than 1% of Group revenues, limiting the

Group's exposure to energy price rises and operational disruptions. Additionally, with the installation of solar panels at some of our sites as part of our project to reduce carbon emissions, this percentage is reducing.

### Limited direct impact expected from US tariffs

Our flexible business model enables the direct impact of US tariffs to be minimised. Production can be moved to other countries. This was the case in 2018 when tariffs were introduced on US imports from China. To support our customers, we moved production destined for the US from China to our facilities in India and Mexico, while passing on tariff costs during the transition period.

This year, 24% of our Group sales were in the US of which just over half (52%) were manufactured locally in one of our seven US production sites, along with 18% coming from the UK, 13% from Europe, 13% from Mexico and Canada covered by the USMCA free trade agreement and 4% from Asia (none now from China). We are able to increase onshore manufacturing in the US if customers require, or to move production to another location, and once again substantially mitigate the effects of US tariffs on imports from around the Group.

Material imports from China into the US for local manufacturing currently amount to c.£3-4m, which we expect to fully mitigate through re-sourcing or passing on price increases.

While the direct effects on the Group of the currently proposed tariffs are expected to be limited, we remain

vigilant of the consequential effects that widespread tariffs could have on reducing demand from some customers. Conversely, we see new commercial opportunities arising from tariff-affected competitors.

### Record operating margin and strong cash flow

This year saw further significant benefits derived from our flexible production model, operational efficiencies, tight control of operating expenses and continuing robust gross margins, which more than offset the reduction in organic sales. While Group sales for the year reduced by 2% CER to £422.9m, adjusted operating profit increased by 8% CER to £60.5m, with operating margins increasing by 1.2ppts at CER to 14.3%. Higher average net debt balances drove an increase in net finance costs for the year of 16% to £10.4m, resulting in adjusted profit before tax increasing by 4% to £50.1m, with adjusted earnings per share increasing by 5% to 38.7p (FY 2023/24: 36.8p). The Group will benefit if interest rates continue to reduce.

On a reported basis, including the impact of adjusting items of £18.1m, profit before tax for the year increased by 44% to £32.0m (FY 2023/24: £22.2m) with fully diluted earnings per share increasing by 58% to 25.0p (FY 2023/24: 15.8p).

Free cash flow of £40.4m was generated during the year, being 9% higher than last year and representing 106% of adjusted earnings, well ahead of the Group's 85% conversion target. Net debt (excluding IFRS 16) at 31 March 2025 reduced by £9.7m to £94.3m (31 March 2024: £104.0m).

## STRATEGIC AND OPERATIONAL REVIEW

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Gearing reduced to 1.3x (31 March 2024: 1.5x) while still investing £29m in the acquisitions of Burster and Hivolt. This gearing is below the lower end of our target range of 1.5x to 2.0x and, together with expected cash flow in the coming year, provides acquisition funding of c.£80m while keeping the Group within its target gearing range.

### Increased dividend

The Board is recommending a 4% (0.35 pence) increase in the final dividend to 8.60 pence per share, giving a 4% increase in the full year dividend per share to 12.5 pence (FY 2023/24: 12.0 pence) and an adjusted earnings cover of 3.1 times (FY 2023/24: 3.1 times). The final dividend is payable on 1 August 2025 to Shareholders registered on 27 June 2025.

The Board believes in maintaining a progressive dividend policy along with a long-term dividend cover of over three times earnings on an adjusted basis. This approach, along with the continued development of the Group, will enable funding of both dividend growth and a higher level of investment in acquisitions from internally generated resources.

A Dividend Reinvestment Plan ("DRIP") is provided by Equiniti Financial Services Limited. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the

Company's shares. More information can be found at [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip) The closing date for DRIP elections is 11 July 2025.

### A proven growth strategy

The Group has been built through a focus on organic growth with enhanced operational efficiency, and 28 carefully selected, well-integrated acquisitions over the past 14 years to create a focused, growth-oriented, higher margin design and manufacturing business. We have a well-developed approach to capital allocation and see significant scope for further expansion, with a strong pipeline of investment opportunities in development. The Group operates in a c.\$30bn fragmented market with many smaller players presenting numerous consolidation opportunities.

The Group's strategy comprises four elements:

1. Grow organic sales well ahead of GDP over the economic cycle by focusing on high quality growth target markets for design opportunities. Operating in several growth markets and technology areas derisks growth by reducing market and customer concentration, generating a smoother through-cycle growth profile.

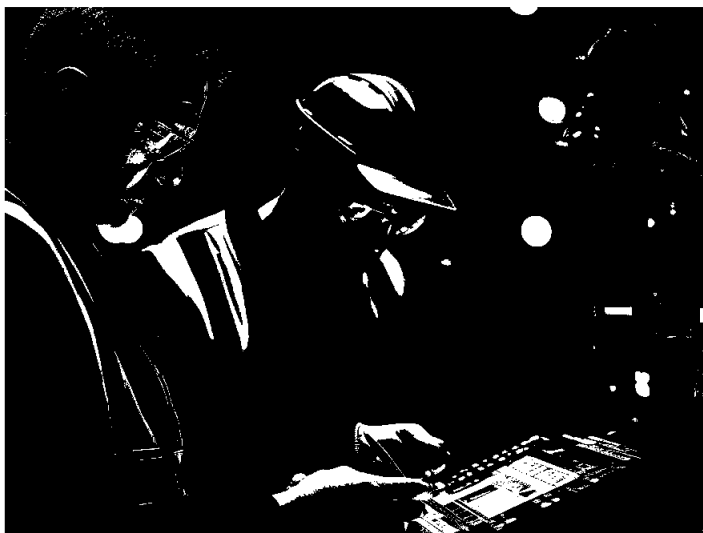
2. Acquire highly differentiated businesses with attractive growth prospects and strong operating margins, either as new platforms or as bolt-ons to existing clusters.
3. Generate efficiencies and improve operating margins through clustering of businesses to achieve operational efficiencies, moving up the value chain into higher margin products with increased product innovation and differentiation and value-based pricing.
4. Reduce our impact on the environment by achieving net-zero carbon emissions.

These elements are underpinned by our core objectives of generating strong cash flows and long-term sustainable returns from a capital-light business model.

### Security added as a fifth target market this year

At our Capital Markets Day in September 2024, the Group announced the addition of the security market as a fifth target market. Along with our other four target markets (industrial automation & connectivity, medical, renewable energy, and the electrification of transportation), security is another highly attractive and fragmented technology-rich market underpinned by a number of structural growth drivers. The Group is already making strong progress in realising opportunities in this fifth target market, particularly in areas such as data centre security.

Long-term growth in these target markets is being driven by increasing electronic content and by global megatrends such as the accelerating need for industrial automation and connectivity, increasing security concerns, an ageing affluent population, renewable sources of energy and the electrification of transport. In total, the five target markets accounted for around 80% of sales this year.





The Group's focus on these target markets has been driving the Group's through-cycle organic revenue growth well ahead of GDP, as well as creating acquisition opportunities.

## Continued progress on key strategic indicators

For more than ten years, the Group's strategic progress and its financial performance have been measured through key strategic indicators ("KSIs") and key performance indicators. These are reviewed annually, and targets have been raised nine times previously, including in June 2023 when a five-year target was set of 15% adjusted operating margin. With the second-half margin reaching 14.8%, this margin target has now been upgraded again, this time to reach 17% in five years (by FY 2029/30). From this year, targets have been simplified into seven KSIs, which will be the key business drivers for the next stage of our development. Two previously monitored KSIs have now been largely achieved and so have been removed: (i) Sales beyond Europe (target 45%) reached 43% at the half year, having risen from 5% in FY 2013/14; (ii) Target market sales (target 85%) reached 80%, having risen from c.40% in FY 2013/14 when first set, and will likely remain around that level as new acquisitions are typically below this level when acquired so have a short-term offsetting effect against existing businesses. Dividend growth was also previously included as a KPI and while not one of the simplified KSIs, a progressive dividend policy remains.

For tracking purposes, the KSIs in the tables below remain as reported at the time rather than adjusted for disposals. Targets are for the medium-term unless stated, with medium-term defined as being around five years. This year's performance relative to last year is discussed below.

Key Strategic Indicators	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Targets
1. Increase adjusted operating margin	6.3%	7.0%	8.0%	10.2%	10.9%	11.5%	13.1%	<b>14.3%</b>	17% <sup>2</sup>
2. Sales growth:									
CER	11%	14%	8%	-1%	28%	15%	1%	<b>-2%</b>	Well ahead of
Organic	11%	10%	5%	-4%	18%	10%	-1%	<b>-7%</b>	GDP thru cycle
3. Adjusted EPS growth	16%	22%	11%	-8%	31%	20%	5%	<b>5%</b>	>10%
4. Adjusted operating cash conversion <sup>3</sup>	85%	93%	106%	128%	80%	94%	103%	<b>103%</b>	>85% of adjusted operating profit
5. Free cash conversion <sup>3</sup>	78%	94%	104%	136%	77%	95%	102%	<b>106%</b>	>85% of adjusted earnings
6. ROCE	13.7%	15.4%	16.0%	14.5%	14.7%	15.9%	15.7%	<b>15.8%</b>	>15%
7. Carbon emissions Scope 1 & 2 reduction <sup>4</sup>						35%	47%	<b>59%</b>	65% by end of CY2025

<sup>1</sup> FY 2017/18 to FY 2019/20 are for total operations before disposals as reported at the time.

<sup>2</sup> By FY 2029/30

<sup>3</sup> Defined in note 6 of the attached condensed consolidated Financial Statements.

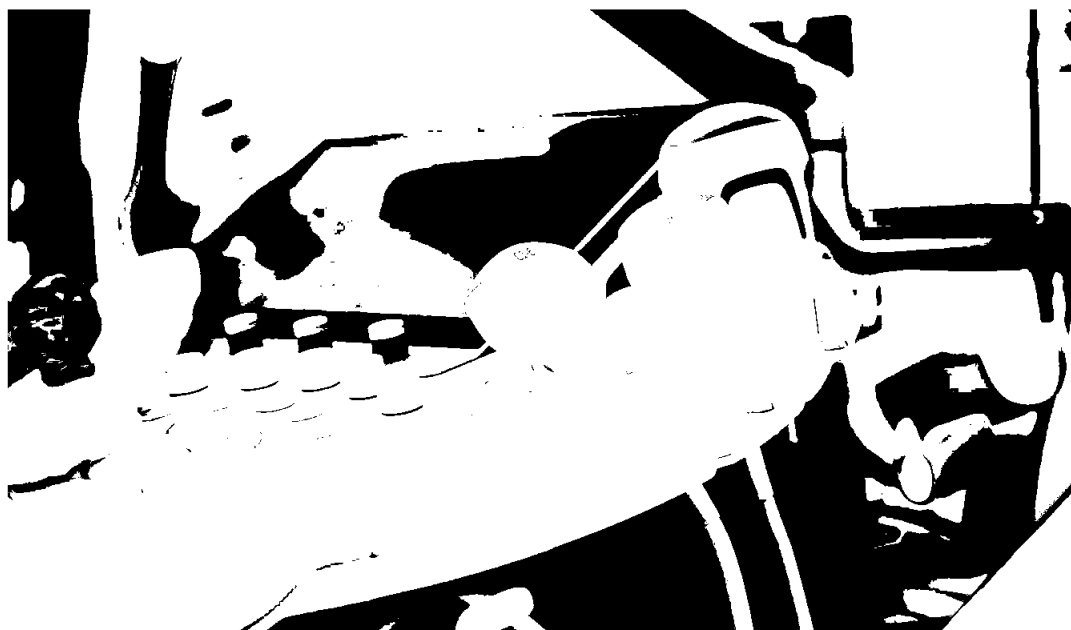
<sup>4</sup> Carbon emissions are measured on a calendar year basis (e.g. CY2022 shown under FY 2022/23). Target is for absolute Scope 1 & 2 carbon emissions reduction of 65% by the end of CY2025 from CY2021, 90% reduction by CY2030 and net-zero across the value chain by CY2040.

The Group made continued progress on its KSIs during the year, other than sales growth which was impacted by the prolonged period of industrial customer destocking:

- Adjusted operating margin was 14.3%, an increase of 1.2ppts on last year (FY 2023/24: 13.1%) taking growth in adjusted operating margin to over 9ppts in the last 10 years. The Group benefited in the year from operational efficiencies, tight cost control and robust gross margins augmented by higher margin acquisitions. The Group exceeded its target of 13.5% six months early and with a second half margin of 14.8%, our 15% target for FY 2027/28 has been raised to 17% by FY 2029/30.
- Sales reduced by 7% organically this year (H1 2024/25: -10%, H2 2024/25: -4%) due to prolonged industry destocking. We retain our focus on achieving strong through-cycle organic growth, which is supported by our pipeline of design wins. Over the last 10 years, sales have grown by 5% organically per annum on average.
- Excellent operational efficiencies, robust gross margins, tight control of operating costs, and contributions from acquisitions resulted in adjusted operating profit for the year increasing by 8% CER and adjusted EPS increasing by 5% despite the strength of Sterling during the year. In total, the Group has grown its adjusted EPS by 19% CAGR over the last ten years.
- Adjusted operating cash flow and free cash flow conversion rates of 103% and 106% were well ahead of our 85% targets. Over the last 10 years, both adjusted operating cash conversion and free cash conversion have been consistently strong, averaging around 100% through-cycle, reflecting low capital expenditure requirements and efficient working capital.

## STRATEGIC AND OPERATIONAL REVIEW

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- ROCE for the year was 15.8%, ahead of last year (FY 2023/24: 15.7%) and ahead of our 15% target. Further progress in the short term is impacted by the record number of acquisitions (seven) in the last two years (most acquisitions are dilutive to Group ROCE initially before growing). We acquire businesses with long-term growth prospects that are expected to generate high returns over time. For example, our acquisitions made up to FY 2017/18 generated a collective ROCE of 27% this year. We expect this to continue to grow and for acquisitions made more recently to grow similarly.
- Scope 1 & 2 carbon emissions reduced further during the year and in CY2024 were 59% lower on an absolute basis than in CY2021, excellent progress towards our reduction targets of 65% by the end of CY2025 and 90% by CY2030.

### Divisional Results

The divisional results for the Group for the year ended 31 March 2025 are set out and reviewed below.

	FY 2024/25			FY 2023/24					
	Revenue £m	Adjusted operating profit <sup>1</sup> £m	Adjusted operating margin	Revenue £m	Adjusted operating profit <sup>1</sup> £m	Adjusted operating margin	Reported revenue growth	CER revenue growth	Organic revenue growth
M&C	247.4	36.3	14.7%	260.1	39.8	15.3%	-7%	-5%	-11%
S&C	175.5	36.0	20.5%	169.5	28.6	16.9%	+2%	+4%	+1%
Unallocated		(11.8)			(12.3)				
Total (CER)	422.9	60.5	14.3%	429.6	56.1	13.1%		-2%	-7%
FX				7.4	1.1				
<b>Total</b>	<b>422.9</b>	<b>60.5</b>	<b>14.3%</b>	<b>437.0</b>	<b>57.2</b>	<b>13.1%</b>	<b>-3%</b>		

<sup>1</sup> Adjusted operating profit excludes acquisition and disposal-related costs

## Magnetics & Controls division ("M&C")

The M&C division designs, manufactures and supplies highly differentiated magnetic and power components, embedded computing, and interface controls for industrial applications. The division operates across 16 countries and comprises two clusters (Magnetics and Embedded Systems) and four further businesses. Almost all products are manufactured in-house at one of the division's 22 manufacturing facilities, with its principal sites being in China, India, Mexico, Poland, Sri Lanka, Thailand, the UK and the US. Geographically, 6% of sales by destination are in the UK, 46% in the rest of Europe, 26% in North America and 22% in Asia. During the year, Noratel's Chinese operations completed the move to a new facility, delivering operational improvements and efficiencies.

Orders of £234.5m were 1% higher than last year at CER while reducing by 4% organically as customers normalised their inventory levels. There was continuing improvement through the second half which was up 4% organically compared to an 11% reduction in the first half, finishing the year strongly with 15% growth in the fourth quarter. The book-to-bill ratio for the year was 0.95 with improvement again in the second half to 0.99 (H1 2024/25: 0.91). The divisional order book at 31 March 2025 was £93.6m, being 4.5 months of sales, and being in line with historic norms.

Sales reduced by 11% organically, impacted by industry destocking. By territory, Asia grew by 11% for the year (having reduced by 24% last year). Conversely, North America reduced by 28% (having increased by 35% last year), the UK reduced by 9%, the Nordic region reduced by 8% and the rest of Europe by 12%. The industrial and security sectors led recovery in the second half, returning to growth, while others continued to destock.

There was a 6% contribution to sales from three acquisitions made in the last 20 months with Silvertel acquired in August 2023 plus Shape and DTI acquired in Q4 2023/24. Including these acquisitions, sales at CER reduced by 5%.

With the impact of translation from a stronger Sterling (on average), reported divisional revenue reduced by 7% to £247.4m (FY 2023/24: £265.1m reported and £260.1m at CER). Adjusted operating profit of £36.3m was £3.5m (-9%) lower than last year at CER and £4.3m lower on a reported basis (FY 2023/24: £40.6m), reflecting the net impact of the organic sales shortfall partially mitigated by flexible production, operational efficiencies and robust gross margins, with the adjusted operating margin reducing 0.6ppts to 14.7% (FY 2023/24: 15.3% at CER).

## Sensing & Connectivity division ("S&C")

The S&C division designs, manufactures and supplies highly differentiated sensing and connectivity components for industrial applications. The division operates across nine countries and comprises four clusters and four further businesses. Almost all products are manufactured in-house at one of the division's 19 manufacturing facilities, with its principal sites being in Hungary, the Netherlands, Norway, Slovakia, the UK and the US. Geographically, 22% of sales by destination are in the UK, 48% in the rest of Europe, 24% in North America and 6% in Asia.

Divisional orders of £177.4m were particularly strong, increasing by 18% at CER and by 12% organically (up 15% in the final quarter) as earlier design wins generated new business, for a book-to-bill ratio of 1.01 improving from 0.89 last year. The increase in orders came from the industrial, security and medical sectors. As with the destocking phase, S&C exhibits earlier cycle characteristics than M&C. Overall, the divisional order book increased by 3% since 31 March 2024 to £67.0m, representing 4.5 months of sales, and being in line with historic norms.

Sales were 1% ahead of last year organically, with a pick-up through the year in industrial and connectivity applications along with strong demand in data security applications, offsetting continued destocking in other sectors. H2 organic sales increased by 6% compared with a 5% reduction in the first half. By region,



**The Group has a strong bank of design wins built up over many years, forming the basis of strong through-cycle organic growth."**

the Nordics increased by 13% for the year, the rest of Europe by 7% and North America by 5%, while the UK was down 6% and Asia down 34%, mainly related to local customer project delays.

This year saw the acquisitions of Hivolt, a Northern Ireland-based specialist capacitor designer and manufacturer, and Burster, a German-based sensor manufacturer, into the division. Combined with a 3% sales increase from these acquisitions and acquisitions in the prior year, overall divisional sales increased by 4% CER. Including the impact of translation from a stronger Sterling on average, reported divisional revenue increased by 2% to £175.5m (FY 2023/24: £171.9m reported and £169.5m at CER).

Adjusted operating profit of £36.0m was £7.4m (+26%) higher than last year at CER and £7.1m (+25%) higher on a reported basis (FY 2023/24: £28.9m). The adjusted operating margin of 20.5% was 3.6ppts higher than last year at CER (FY 2023/24: 16.9%), reflecting the positive effect of operational efficiencies, robust gross margins and higher margin acquisitions.



## STRATEGIC AND OPERATIONAL REVIEW

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### Design wins driving future recurring revenues

Our business revenue is created by engineering development with customers and, as such, organic growth is achieved by winning new design opportunities that lead to pull-through demand. Project design wins are therefore an indicator of new business creation and are achieved by working with customers at an early stage in their project design cycle to identify opportunities. A design win is registered when our products are specified into our customers' designs.

The Group has a strong bank of design wins built up over many years, forming the basis of strong through-cycle organic growth. During the year, new design wins were registered with an estimated lifetime value of £355m, an increase of 5% over last year (and up 30% on two years ago). Conversion of design wins into revenue by some customers was delayed during the inventory destocking phase, and we expect that as this comes to an end, along with more buoyant market conditions, they will convert into new revenue growth.

Additionally, new project design activity remains at a high level, being broad-based across all target markets. The total pipeline of ongoing projects continues to be very strong.

### Acquisitions

The market is highly fragmented with many opportunities to acquire. Currently, the Group's pipeline consists of around 250 potential targets, of which a number are in the active outreach phase and live deal negotiation at any time.

The businesses we acquire are typically led by entrepreneurs who wish to remain with the business for a period following acquisition. We encourage this as it supports integration and helps retain a dynamic, decentralised and entrepreneurial culture.

We acquire high-quality businesses that are successful with good long-term growth prospects, paying a price that reflects this quality while generating good returns for Shareholders. We invest in these businesses for growth and operational

performance development. According to the circumstances, we add value in some or all of the following areas:

### Strategy and operations:

- Creating a long-term strategy for growth with operational leverage
- Grouping businesses into clusters
- Generating operational efficiencies
- Internationalising sales channels
- Accelerating organic growth by focusing sales development onto target market areas, expanding the customer base including through cross-selling
- Developing the product range

### People:

- Investing in management capability
- Enabling peer networking and collaboration
- Increasing diversity
- Succession planning and management transition

### Investment:

- Capital investment in manufacturing and infrastructure
- Internationalising operations
- Expansion through further acquisitions
- Upgrading systems such as IT

### Controls and support:

- Implementing robust financial measurement, KPIs and controls
- Finance and related support, such as treasury, banking, legal, tax and insurance
- Risk management and internal audit

### Sustainability:

- Aligning sustainability strategies with those of the Group
- Creating carbon emission reduction plans
- Inclusion in the Group's SBTi-aligned net-zero carbon emission reduction programme
- Providing training and development

The Group has acquired 28 design and manufacturing businesses over the last 14 years, with the Group's continuing revenues increasing to

£423m in FY 2024/25 from £10m in FY 2009/10. By taking a long-term approach to creating compounding growth in acquired and integrated businesses, the Group has generated substantial value organically. As reported in the Finance section, our ROCE for each acquisition typically increases over time, broadly in line with the length of ownership.

During the year, the Group completed two high margin acquisitions as follows:

- Hivolt Capacitors Limited ("Hivolt"), a Northern Ireland-based designer and manufacturer of custom-built capacitors for a wide range of high voltage applications for sale in the UK and internationally, mainly into the medical market. Hivolt was acquired in August 2024 into the S&C division, for an initial cash consideration of £3.8m on a debt free, cash free basis representing an EBIT multiple of 6x. Additionally, there is an earn-out of up to £0.9m payable subject to Hivolt's performance up to 31 March 2025.
- Burster Group ("Burster"), a German-based designer and manufacturer of specialist sensors for markets closely aligned to the Group's target markets. Burster was acquired in January 2025 into the Variohm sensors cluster in the S&C division for an initial cash consideration of €30.6m (£25.6m) on a debt free, cash free basis, representing an EBIT multiple of 8x. Additionally, there is an earn-out of up to £10.5m payable subject to Burster's performance in its year ending 31 December 2025.

The Group's operating model is well established and has facilitated the smooth integration of these and previously acquired businesses.

### Sustainability and social responsibility

The Group creates innovative electronics that help improve the world and people's lives. This commitment is reflected in our focus on markets that are aligned with the UN Sustainable Development Goals (UN SDGs). More information on how we work with customers and suppliers to support the UN SDGs is available on our website at [www.discoverIEplc.com](http://www.discoverIEplc.com).



As of June 2025, the Group has an MSCI ESG rating of "A" and Morningstar Sustainability Regional

(Europe) Top Rated and Industry (Technology Hardware) Top Rated with a "Negligible" risk of experiencing material financial impacts from ESG factors. In February 2025, the Group was awarded a "B" for its 2024 climate disclosure by the Carbon Disclosure Project ("CDP"), a leading global environmental disclosure platform used by over 24,800 organisations worldwide. This marks a significant improvement from previous ratings and reflects the Group's efforts in improving climate disclosures.

In early 2025, the Group completed a reassessment of its climate-related risks and opportunities, incorporating newly acquired businesses. The assessment confirmed that there had been no material change in the Group's climate-related risk profile. Further details will be found on pages 53 to 67, and on the discoverIE plc website.

During the year, the Group continued its progress across a range of ESG-related areas, including the following:

**Scope 1 & 2 emissions:** In CY2024, Scope 1 & 2 emissions reduced by 59% compared to the CY2021 baseline. The Group remains on track to achieve its intermediate target of a 65% reduction by the end of CY2025 and goal of a 90% reduction in Scope 1 & 2 emissions by 2030.

- **Environmental targets:** The Group has also progressed well in its environmental targets. The proportion of Group revenue now covered by the ISO 14001 environmental accreditation increased to 74%, against our target of 80% (CY2023: 69%). Additionally, 50% of the Group's car fleet is now electric or hybrid, meeting our FY25 target (CY2023: 40%). The installation of solar panels at one of the Group's sites in China has now been completed, further advancing the Group's self-generation capacity. This initiative not only reduces emissions but also enhances energy security. Today, 83% of the electricity consumed across the Group comes from renewable or zero-emission sources

(CY 2023: 72%), achieving our 80% clean electricity target a year early.

- **Scope 3 emissions:** Scope 3 emissions reporting has been enhanced. Following the initial screening of CY2023 emissions, the Group has standardised its Scope 3 reporting process and requirements. The Group is committed to its net-zero plan set out in 2022 and its net-zero targets were approved by SBTi in May 2025.
- **Health & Safety:** Three more sites achieved the occupational health & safety ISO 45001 accreditation, bringing coverage to 73% of our global workforce (CY2023: 60%). Reflecting the importance that we place on health & safety, the Group has adopted a revised Group Health & Safety Policy, as well as more rigorous measures to capture and record incidents occurring and improved near-miss reporting. As a result, the number of reported lost time incidents increased in 2024. Further details can be found on pages 48 to 49, and on the discoverIE plc website.
- **Cyber security and AI governance:** The Group has rolled out a broader and increased level of cyber security awareness training and is currently developing a formal governance framework for the use of artificial intelligence, addressing both the significant opportunities that this brings to the Group, as well as the risks it poses.
- **Learning and development:** In addition to local training that individual businesses already conduct, the Group has introduced a new online learning and development platform, which has been adopted by ten of our businesses already. A series of knowledge sharing webinars has also been introduced to encourage collaboration and the exchange of expertise and best practices across the Group. An industrial placement scheme has been launched in partnership with the University of Surrey, with the first group of engineering students having started training in September 2024.

## Summary and outlook

discoverIE delivered another strong performance with record operating profits and earnings, despite prolonged industry-wide destocking, which resulted in 3% lower sales for the year. Adjusted operating margins increased to 14.3%, comfortably exceeding our target for the year, with excellent cash generation once again. Fourth quarter orders increased significantly in both divisions, as inventories normalised.

Our flexible production model together with Group-wide operating efficiencies more than offset lower sales, protecting profitability through this stage of the cycle. This is a great strength of the Group, enabling growth in operating profits and margins in each of the last 10 years (in-line in the Covid year) and reducing earnings cyclicality. We see the potential to deliver further manufacturing efficiencies and commercial synergies across the Group and have upgraded our five-year operating margin target to 17%.

Whilst we will pass on any incremental tariff costs, we continue to do all we can to mitigate them with our local manufacturing and expect limited direct impact, although remain mindful of the volatile economic conditions and its potential to impact customers' demand.

discoverIE is aligned with target markets which are underpinned by structural growth drivers and, with the addition of the security market during the year, our total market opportunity increased to over \$30bn. With a strong pipeline of organic and inorganic opportunities, the Group is well placed to continue its resilient performance and development.

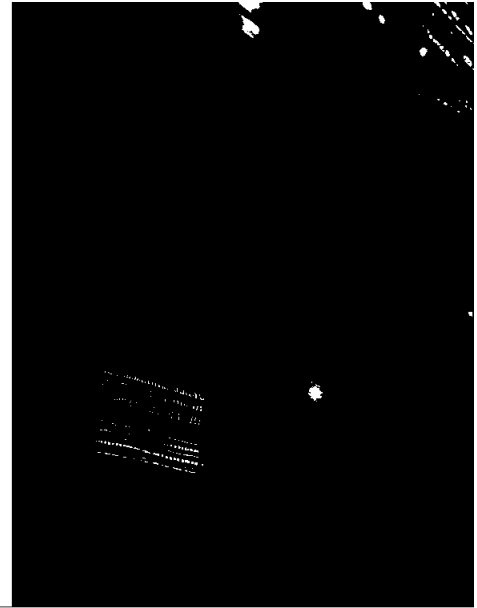
**Nick Jefferies**  
Group Chief Executive



## FINANCIAL REVIEW



**Simon Gibbins**  
Group Finance Director



### REPORTED OPERATING PROFIT

**£42.4m**

(FY2024: £31.2m)

### ADJUSTED OPERATING CASH FLOW

**£62.3m**

(FY2024: £59.2m)

### FREE CASH FLOW

**£40.4m**

(FY2024: £37.0m)



**This is another strong set of results against a tough backdrop, with record adjusted operating profits, margins, earnings and cash generation.”**

### Revenue and orders

Group sales of £422.9m were 2% lower than last year at CER and 3% lower reported (FY 2023/24: £437.0m). Seven acquisitions in the last two years (Silvertel, 2J Antennas, Shape, IKN and DTI last financial year plus, Hivolt and Burster this year), added 7% to revenue while the disposal of the Santon solar business announced last year reduced sales by 2%. Organic sales reduced by 7% following a year of customer destocking.

Revenue (£m)	FY 2024/25	FY 2023/24	%
Organic sales	<b>388.3</b>	415.9	-7%
Acquisitions	<b>30.7</b>		
Disposals	<b>3.9</b>	13.7	
Sales at CER	<b>422.9</b>	429.6	-2%
FX translation		7.4	
<b>Reported sales</b>	<b>422.9</b>	437.0	-3%

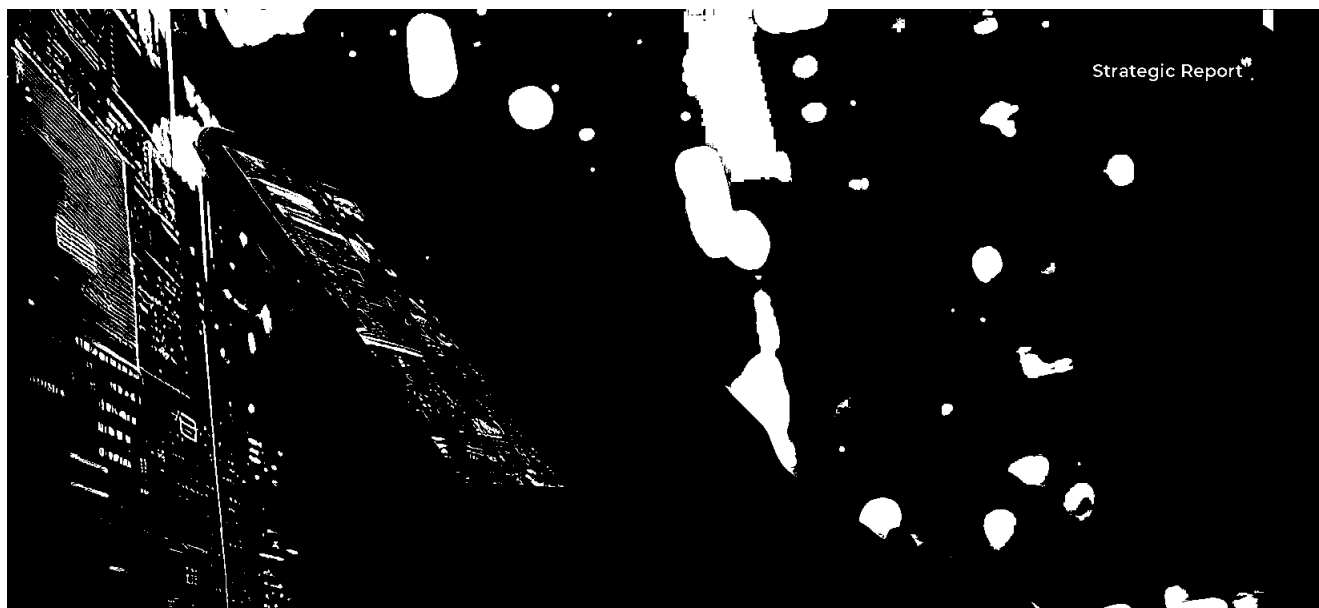
Orders for the year were £411.9m, 8% higher at CER than last year (FY 2023/24: £382.9m). The extent of customer destocking reduced in the year compared with last year with a book to bill ratio of 0.97 (FY 2023/24: 0.89), with orders in the year increasing by 2% organically.

The Group order book continued to normalise during the year, ending at £161m (c.4.5 months of annualised sales, consistent with pre-Covid levels) (31 March 2024: £175m).

### Group operating profit and margin

Group adjusted operating profit for the year was £60.5m, an 8% increase on last year at CER and up 6% reported (FY 2023/24: £57.2m). This delivered an adjusted operating margin of 14.3%, which was 1.2ppt higher than last year at CER and on a reported basis (FY 2023/24: 13.1%). We exceeded our 13.5% near-term target set for this year and with the H2 operating margin of 14.8% already close to our medium target of 15%, we've increased our target to 17% by FY 2029/30.

Group reported operating profit for the year (including acquisition and disposal-related costs as discussed below within Adjusting items) was £42.4m, 36% higher than last year (FY 2023/24: £31.2m).



£m	FY 2024/25			FY 2023/24		
	Operating profit	Finance cost	Profit before tax	Operating profit	Finance cost	Profit before tax
<b>Adjusted</b>	<b>60.5</b>	<b>(10.4)</b>	<b>50.1</b>	57.2	(9.0)	48.2
Adjusting items						
Amortisation of acquired intangibles	(16.2)	–	(16.2)	(16.2)	–	(16.2)
Net acquisition and disposal expenses	(1.9)	–	(1.9)	(9.8)	–	(9.8)
<b>Reported</b>	<b>42.4</b>	<b>(10.4)</b>	<b>32.0</b>	31.2	(9.0)	22.2

As shown below, adjusted operating profit growth has been achieved through a combination of robust gross margins, operational efficiencies and accretive acquisitions offsetting the impact of customer destocking on organic sales.

£m	Adjusted operating profit
FY 2023/24	57.2
Gross profit on organic sales reduction	(11.4)
Organic gross margin improvement	6.2
Organic operational efficiencies	2.8
Organic profit reduction	(2.4)
Profit from acquired companies	6.8
CER growth in operating profits	4.4
Foreign exchange impact	(1.1)
Net growth in operating profits	3.3
<b>FY 2024/25</b>	<b>60.5</b>

Through a number of manufacturing and operating initiatives, organic gross margins improved by 1.6ppts and organic operating costs reduced by 2% with reductions shared across divisions and at Head Office. Gross margin improvement was delivered despite volume reduction which reflects the Group's ability to flex capacity resources according to volume.

Sterling was 1% stronger this year compared with our other major currencies (the Euro, US dollar and Nordic currencies), giving rise to a reduction in adjusted operating profits on translation of £1.1m for the year.

UK employers' National Insurance rates, which were raised in the UK budget in October 2024, will increase costs for the Group by c.£0.8m per year from April 2025.

## FINANCIAL REVIEW CONTINUED

### Adjusting items

Adjusting items for the year comprise the amortisation of acquired intangibles of £16.2m (FY 2023/24: £16.2m) together with net acquisition and disposal expenses of £1.9m (FY 2023/24: £9.8m).

The amortisation charge for the year of £16.2m is in line with last year, with the increased effect of recent acquisitions offset by FX movements.

Net acquisition and disposal expenses of £1.9m comprise costs associated with recent acquisitions of £1.4m and integration costs of £3.1m (related to the establishment of our operating clusters, mainly associated with removing duplicate positions in our Magnetics and Sensors clusters) offset by a gain of £2.6m. This gain comprises £2.1m profit generated by the sale of the non-core Santon solar business announced last year and a net credit of

£0.5m, being the movement in the fair value of contingent consideration on past acquisitions.

### Financing costs

Net finance costs for the year were £10.4m (FY 2023/24: £9.0m) and include a £1.0m charge for leased assets under IFRS 16 (FY 2023/24: £0.7m) and a £0.6m charge for amortised upfront facility costs (FY 2023/24: £0.6m). Net finance costs related to our banking facilities were £8.8m (FY 2023/24: £7.7m), an increase of 14%, reflecting higher average net debt balances during the year. The impact of interest rate increases and reductions over the last two years was largely neutral.

During the year, interest rates started to reduce from the highs at the end of last year, with the Sterling base rate reducing by 0.75ppt to 4.5%, the US Dollar Federal rate by 1ppt to 4.5% and the ECB lending rate by 1.85ppts

to 2.65%, these being the Group's three principal borrowing currencies. Since the year end, Sterling and ECB lending rates have both reduced by a further 0.25ppt. A further 1ppt reduction in interest rates for all three of our principal borrowing currencies would reduce annual finance costs by approximately £1.3m and increase annual EPS by c.1.0p or c.3%.

### Adjusted tax rate

The adjusted effective tax rate ("ETR") for the year was 24% which was 1ppt lower than last year (FY 2023/24: 25%) mainly due to increased recognition of tax losses.

The overall ETR of 23% was 1ppt lower than the adjusted ETR as shown in the table below. Last year's overall ETR was 7ppts higher (FY 2023/24: 30%) mainly due to there being a lower rate of tax relief that year on acquisition and disposal expenses (within adjusted items above).

£m	FY 2024/25		FY 2023/24	
	PBT	ETR	PBT	ETR
<b>Adjusted</b>	<b>50.1</b>	<b>24%</b>	48.2	25%
Adjusting items:				
Amortisation of acquired intangibles	(16.2)	19%	(16.2)	22%
Net acquisition & disposal expenses	(1.9)	79%	(9.8)	16%
<b>Total reported</b>	<b>32.0</b>	<b>23%</b>	22.2	30%

### Profit before tax and EPS

While adjusted operating profit was up 8% at CER, higher net finance costs resulted in adjusted profit before tax being up 4% (FY 2023/24: £48.2m) at £50.1m (+£1.9m) with adjusted EPS for the year increasing by 5% to 38.7p (FY 2023/24: 36.8p).

£m	FY 2024/25		FY 2023/24	
	PBT	EPS	PBT	EPS
<b>Adjusted</b>	<b>50.1</b>	<b>38.7p</b>	48.2	36.8p
Adjusting items:				
Amortisation of acquired intangibles	(16.2)		(16.2)	
Net acquisition & disposal expenses	(1.9)		(9.8)	
<b>Total reported</b>	<b>32.0</b>	<b>25.0p</b>	22.2	15.8p

Reported profit before tax was £32.0m, 44% higher than last year (FY 2023/24: £22.2m) with reported fully diluted earnings per share of 25.0p, 58% ahead of last year (FY 2023/24: 15.8p).



## Working capital and asset return ratios

Working capital at 31 March 2025 was £79.0m, equivalent to 17.2% of fourth quarter annualised sales at CER, with a net additional £3.1m of working capital from acquisitions and disposals during the last 12 months offset by organic working capital reductions of £0.3m and £1.3m from foreign exchange translation. Excluding acquisitions this year which had high working capital, the equivalent working capital percentage was 16.5%. This is 0.1ppt lower than last year when working capital was £77.5m or 16.6% of fourth quarter annualised sales.

Working capital KPIs have remained robust with debtor days of 46 (four days below last year), creditor days of 80 (in line with last year) and stock turns of 3.1 (compared to 3.3 last year).

ROCE for the year of 15.8% was 0.8ppts ahead of our 15% target and 0.1ppt ahead of the ROCE reported last year (FY 2023/24: 15.7%).

Organic ROCE (which excludes acquisitions completed in the last 18 months), was 17.5%; although 0.3ppts down on last year due to destocking, we expect this to grow well going forward. The effect of compounding growth on acquisitions over time can be seen in the ROCE for those

businesses acquired more than seven years ago which in aggregate have a ROCE of 27% including an apportionment of Group central costs.

Return on Tangible Capital Employed ("ROTCE") for the year, which excludes goodwill, intangible assets and non-operational assets, was 52.1% and illustrates both the strong returns being generated by the Group's operational assets, and the capital-light requirements of those businesses with capital expenditure of only 1.4% of sales in the year (FY 2023/24: 1.1%). ROTCE was 1.9ppts below last year (FY 2023/24: 54.1%) due to higher right of use assets this year.

## Cash flow

Net debt at 31 March 2025, excluding leases, was £94.3m, compared with £104.0m at 31 March 2024, with the reduction in the year of £9.7m driven by strong free cash generation and disposal proceeds partly offset by acquisitions and dividends.

£m	FY 2024/25	FY 2023/24
Opening net debt	(104.0)	(42.7)
Free cash flow (see table below)	40.4	37.0
Dividends	(11.7)	(11.2)
Acquisitions & integrations	(33.3)	(85.3)
Disposals	13.5	(0.1)
Equity issuance (net of taxes)	-	(0.3)
Foreign exchange impact	0.8	(1.4)
<b>Net debt at 31 March</b>	<b>(94.3)</b>	<b>(104.0)</b>

Investment in acquisitions and integrations this year of £33.3m comprised £24.3m for the acquisition of Burster in January 2025, £3.5m for the acquisition of Hivolt in July 2024, £2.3m payment of earnouts, and £3.2m of acquisition and integration expenses. Net disposal receipts of £13.5m included £7.2m related to the disposal of the Santon solar business announced last year and £5.8m being the deferred consideration from the disposal of Acal BFi which completed in March 2022. All proceeds have now been received in full, and on time, in relation to both these disposals.

Dividends of £11.7m, were paid during the year, an increase of 4.5% over the prior year. The impact of stronger Sterling in the year led to an FX gain of £0.8m compared with an FX loss last year of £1.4m. The Group's policy is to hold net debt in currencies aligned to the currency of its cash flows as a natural hedge.

Adjusted operating cash flow and free cash flow for the year (see definitions in note 6 to the summary consolidated financial statements) compared with last year are shown below:



## FINANCIAL REVIEW CONTINUED

£m	FY 2024/25	FY 2023/24
<b>Adjusted profit before tax</b>	<b>50.1</b>	48.2
Net finance costs	<b>10.4</b>	9.0
Non-cash items <sup>1</sup>	<b>15.1</b>	15.9
<b>Adjusted EBITDA</b>	<b>75.6</b>	73.1
IFRS 16 - lease payments	<b>(7.5)</b>	(6.8)
<b>EBITDA (pre IFRS 16)</b>	<b>68.1</b>	66.3
Changes in working capital	<b>0.3</b>	(2.2)
Capital expenditure	<b>(6.1)</b>	(4.9)
<b>Adjusted operating cash flow</b>	<b>62.3</b>	59.2
Finance costs	<b>(9.0)</b>	(7.7)
Taxation	<b>(10.6)</b>	(12.5)
Legacy pension	<b>(2.3)</b>	(2.0)
<b>Free cash flow</b>	<b>40.4</b>	37.0

<sup>1</sup> Non-cash items are depreciation, amortisation and share-based payments.

Adjusted EBITDA (pre IFRS 16 lease payments) of £68.1m was 3% higher than last year (FY 2023/24: £66.3m) with operational efficiencies and contributions from the seven acquisitions made in the last two years offsetting the cash impact of reduced organic sales.

During the year, the Group released £0.3m into working capital (compared to a £2.2m investment last year) reflecting reduced organic sales. Capital expenditure of £6.1m was invested during the year, representing 1.4% of sales, a £1.2m increase over last year (FY 2023/24: £4.9m, 1.1% of sales) reflecting the capital-light nature of the business model. This year's investment includes a facility move in China and various new production line extensions. Capital expenditure levels are expected to increase to c.£8m for next year.

A record £62.3m of adjusted operating cash flow was generated in the year, an increase of 5% on last year (FY 2023/24: £59.2m) representing 103% of adjusted operating profit, well ahead of our 85% target (FY 2023/24: 103%). Over the last ten years, the Group has consistently achieved high levels of operating cash conversion, averaging over 100%.

Finance cash costs of £9.0m were £1.3m higher than last year, reflecting higher average net debt balances during the year, while corporate income tax payments of £10.6m were £1.9m lower than last year reflecting changes in the timing of payments.

Free cash flow (being cash flow before dividends, acquisitions and equity fund raises) of £40.4m was generated in the year, an increase of 9% over last year (FY 2023/24: £37.0m) representing a free cash conversion of 106% of adjusted earnings, again well ahead of our 85% target.

### Banking facilities

The Group has a £240m syndicated banking facility which extends to August 2027. In addition, the Group has an £80m accordion facility which it can use, with bank approval, to extend the total facility up to £320m. The syndicated facility is available both for acquisitions and for working capital purposes, and comprises seven lending banks.

With net debt (excluding IFRS 16 leases in accordance with our banking covenants) at 31 March 2025 of £94.3m, the Group's gearing ratio at the end of the year (being net debt excluding IFRS 16 leases divided by

Adjusted EBITDA as annualised for acquisitions) was 1.3x compared with a target gearing range of between 1.5x and 2.0x. Together with cash generation during FY 2025/26, the Group has access to acquisition funding of c.£80m for the year ended 31 March 2026 while remaining within our target gearing range.

### Defined benefit pension scheme

In January 2025, the Group completed the buy-in of its legacy UK defined benefit pension scheme with Just Retirement Limited for a premium of £29.1m, funded primarily from existing scheme assets. The buy-in delivers greater security to scheme members, while substantially removing all of the Group's exposure to defined benefit liabilities and investment, longevity, interest rate and inflation risks in respect of the scheme. Following the buy-in, future pension cash costs should be c.£1.5m per year lower than this year.



## Balance sheet

Net assets of £308.0m at 31 March 2025 were £6.4m higher than at the end of the last financial year (31 March 2024: £301.6m). The increase primarily relates to net profits for the year of £24.6m, partially offset by dividends paid during the year of £11.7m. The movement in net assets is summarised below:

£m	FY 2024/25
Net assets at 31 March 2024	301.6
Net profit after tax	24.6
Dividend paid	(11.7)
Currency net assets – translation impact	(3.7)
Loss on defined benefit pension scheme	(3.5)
Share-based payments (inc tax)	0.7
<b>Net assets at 31 March 2025</b>	<b>308.0</b>

## Risks and uncertainties

The principal risks faced by the Group are covered in more detail on pages 73 to 78 of this report. These risks comprise: the economic environment, particularly linked to the geopolitical issues arising from the ongoing conflicts in Ukraine and in the Middle East; the imposition of US trade tariffs and counter tariffs; the performance of acquired companies; climate-related risks; loss of major customers or suppliers; technological changes; major business disruption; cyber security; loss of key personnel; control risk; product liability; liquidity and debt covenants; exposure to adverse foreign currency movements; and non-compliance with legal and regulatory requirements.

The Board reviewed the Group's principal risks and the mitigating actions and processes in place during the financial year. The Board's view is that risks associated with the macroeconomic environment, including the impact from US tariffs, have increased during the financial year, with no material change to the relative importance or quantum of the Group's other principal risks.

The risk assessment and review are an ongoing process, and the Board will continue to monitor risks and the mitigating actions in place. The Group's risk management processes cover identification, impact assessment, likely occurrence and mitigation actions where practicable. Some level of risk, however, will always be present. The Group is

well positioned to manage such risks and uncertainties, if they arise, given its strong balance sheet, committed banking facility of £240m and the adaptability we have as an organisation.

**Simon Gibbins**  
Group Finance Director

## OUR ENGAGEMENT WITH STAKEHOLDERS

Stakeholder engagement remains vital to building a sustainable business and we interact with many stakeholders at different levels of the Group. Engagement is carried out by those most relevant to the stakeholder group or issue. The table below identifies some of our stakeholders and how we engage with them.

### Our people

#### Why it is important to engage

Employee engagement is critical to our success. We work to create a diverse and inclusive workplace where employees can reach their full potential. Engaging with our employees ensures we can retain and develop the best talent. Please see pages 48 to 49 for more on employee engagement.

#### Stakeholder key interests

- Health and safety
- Remuneration and benefits
- Career opportunities
- Employee engagement
- Training and development
- Well-being
- Reputation

#### Ways we engage

- Employee surveys
- Regular town hall meetings
- Board and Group management visits to operating companies
- Annual performance evaluations
- Newsletters
- Employee events
- Social media
- Apprenticeship and placement programmes
- Online learning and development portal
- Fair pay
- Recognition and reward

### Customers

#### Why it is important to engage

Understanding the needs of our customers allows us to provide application-specific products which both add value and differentiate our customers from their competitors. We engage with our customers to build trusting relationships from which we can mutually benefit.

#### Stakeholder key interests

- Safety, quality, efficiency and reliability
- Engineering capabilities
- Technical know-how
- Competitiveness
- Our availability and responsiveness
- Relationship
- Compliance
- Convenience
- Range of products

#### Ways we engage

- Customer visits, telephone calls, engineering visits
- Participation in industry forums and events
- Social media and commercial websites
- Contract negotiation, implementation and management of ongoing relationships
- Customer audits of our manufacturing facilities
- Trade shows and exhibitions
- Distributor conferences
- Geographical footprint allows us to meet customers in their locations
- Satisfaction surveys

### Shareholders

#### Why it is important to engage

To understand their requirements and generate returns and value. We ensure that we provide timely disclosures and fair, balanced and understandable information to Shareholders and investment analysts and work to ensure that they have a strong understanding of our strategy, performance, culture and ambition.

#### Stakeholder key interests

- Growth
- Financial performance and economic impact
- Governance and transparency
- Operating and financial information
- Confidence in the Group's leadership
- Dividend growth

#### Ways we engage

- Regular market updates
- Investor presentations
- 1x1 and group meetings
- Site visits
- Corporate website, including dedicated investor section
- Shareholder consultations
- Annual reports
- Annual General Meetings
- Capital Markets Day
- Investor conferences and roadshows



## Suppliers

### Why it is important to engage

Our external supply chain and our suppliers are critical to our performance. We engage with our suppliers to build trusting relationships from which we can mutually benefit and to ensure that they are performing to our standards and conducting business to our expectations.

### Stakeholder key interests

- Quality management
- Cost-efficiency
- Long-term relationships
- Responsible procurement, trust and ethics
- Technological advances, including digital solutions
- Knowledge sharing

### Ways we engage

- Joint customer visits
- Supplier audits
- Employee training
- Regular business reviews
- Geographical footprint allows smaller suppliers to operate globally
- Logistics efficiencies
- Supplier conferences

The Group promotes policies and procedures that consider the interests of the Group's employees, the need to foster reasonable business relationships with suppliers, customers and others, the impact of the Group's operations on its workforce, the community and the environment, and the maintenance of high standards of business conduct. Our policies and procedures, including our Stakeholder Engagement Policy, can be found at our Group website [www.discover.Epic.com/sustainability/company-policies](http://www.discover.Epic.com/sustainability/company-policies) and are referred to on pages 41 and 89 of this Annual Report and Accounts.

Day-to-day responsibility for implementation of policies (other than the Board Diversity Policy) is delegated to the management of discover E's operating businesses, under the supervision of the Group Management Committee.

Where appropriate, the Group policies and procedures are supported by the local operating businesses' policies, all within a framework established by the Board and Group Management Committee, intended to ensure that we operate as a Group to the highest standards.

The Group also has due diligence processes in place to support the ongoing assessment and management of risks associated

## Our operating businesses

### Why it is important to engage

We operate a decentralised model where our operating businesses are empowered to innovate and grow, and decision-making takes place on the frontline and close to customers. Our companies are key stakeholders of the Group and are vital for our growth strategy.

### Stakeholder key interests

- Operational and financial performance
- International expansion
- Capital investment
- Collaboration
- Strategic guidance
- Resources and support

### Ways we engage

- Quarterly business reviews
- Regular site visits and management meetings
- Operating business management forums
- Support in specialist areas, such as tax, legal and commercial, M&A, and ESG
- Sustainability workshops
- Knowledge-sharing webinars
- Internal audit and compliance
- Internal conferences

with both existing and newly acquired companies and the development of relationships with new suppliers.

These include site visits by both executive and non-executive management, meetings with customers and suppliers and, where relevant, asking our suppliers to confirm compliance with Group policies.

As an international organisation, discover E takes account of cultural differences between the various territories in which it operates. discover E's values are essential to how it operates and to the long-term success and growth of the Group.

Management considers environmental, social and governance matters in its actions and endeavours to show due respect for human rights and works to high standards of integrity and ethical propriety.

discover E believes that who we are and how we behave matters not only to our employees but also the many other stakeholders who have an interest in our business. In the last three years, none of our staff have been involved in any matters involving bribery or corruption, and no disciplinary action has been taken against any person who reported any whistleblowing issue.

## Global communities

### Why it is important to engage

We support communities and groups local and relevant to our operations and consider the environmental and social impacts of our operations.

### Stakeholder key interests

- Local operational impact
- Health and safety and environmental performance
- Employment

### Ways we engage

- Charitable donations and volunteering
- Corporate and operating company websites
- Local environmental initiatives
- Prioritising local employment

## SECTION 172 STATEMENT

The Board of discoverIE Group plc takes seriously its duties to act in accordance with legal requirements and appropriate business and ethical standards. This includes fulfilling the duties described in Section 172 of the Companies Act 2006 (the “Act”).

### Section 172

#### Duty to promote the success of the company

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

- The likely consequences of any decision in the long-term;

- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and

- The need to act fairly as between members of the company.

The information below describes how the Directors have had regard to the matters referred to in Section 172 of the Act in performing their duties and constitutes the Board's Section 172 Statement for the year ended 31 March 2025.

Section 172 of the Companies Act 2006 (the “Act”)	The discoverIE Board's response
<p><b>Long-term decision-making (s.172(a))</b></p> <p>The Board delegates day-to-day management and decision-making to its senior management team, but it maintains oversight of the Company's performance, and reserves to itself specific matters for approval, including the strategic direction of the Group, acquisitions and disposals, and entering into material contracts above set thresholds.</p> <p>The Board monitors performance against strategy and that decision-making is appropriate by receiving regular updates, in Board and Committee meetings and at other intervals, as appropriate.</p> <p>Processes are in place to ensure that the Board receives all relevant information to enable it to make well-judged decisions for the long-term success of the Company and its various stakeholders.</p>	<p><b>In FY2025, the Board:</b></p> <ul style="list-style-type: none"> <li>▪ Considered long-term sustainability-related issues and their potential impact on the Group's strategy and ongoing performance, including ongoing monitoring of climate-related risks and opportunities and the Group's net-zero targets and related plans. For further details on our strategy and business model, please see pages 10 to 15 and for details of progress relating to sustainability, please see pages 44 to 52.</li> <li>▪ Considered a number of acquisition proposals. The Board only approves an acquisition if it is satisfied, after full consideration, that it meets the Section 172(1) requirement that it is most likely to promote the success of the Company for the benefit of its members as a whole, and it considers the value forecasted to be added to the Group, over a defined future period. This judgement is recorded. During the year, the Board approved the acquisitions of Hivolt Capacitors (August 2024) and Burster (January 2025).</li> <li>▪ Received presentations on specific business areas and, through ongoing discussion with business leaders, determined strategic priorities for a three-year period, and the development of robust supporting operating plans.</li> <li>▪ Agreed the Group's principal risks, considered emerging risks and received regular risk management and internal control reviews throughout the year. The Group's principal risks can be found on pages 73 to 78, our approach to emerging risks can be found on page 71 and the work of the Audit &amp; Risk Committee can be found in the Audit &amp; Risk Committee Report on pages 96 to 103.</li> <li>▪ Set annual budgets and capital allocation, and oversaw business performance against targets, enabling the Board to confirm the Company's outlook for the year ahead, the going concern statement and its longer-term viability.</li> </ul>



Section 172 of the Companies Act 2006 (the "Act")	The discoverIE Board's response
<p><b>Employee interests (s. 172(b))</b></p> <p>The success of the Group depends upon a highly skilled and motivated workforce, an entrepreneurial and innovative culture, set within structures that provide fairness for all.</p>	<p><b>In FY2025, the Board:</b></p> <ul style="list-style-type: none"> <li>Received updates on the impact on staff of global inflation and specific local issues affecting their livelihoods.</li> <li>Continued to ensure that the communications between the Board, Group Management Committee, individual operating companies and Group staff were optimised. Board members and the Group Management Committee also joined an internal conference in London, which was attended by over 100 colleagues from across the Group.</li> <li>Reviewed Board and senior management remuneration and employment relations and arrangements across the Group.</li> </ul> <p>For a summary of our employee engagement activities, please see page 34 and pages 86 to 89.</p>
<p><b>Relations with external parties (s. 172(c))</b></p> <p>The Group works with a huge number and variety of customers, suppliers and other third parties. It is of great importance that relations with those parties are appropriate.</p>	<p><b>In FY2025, the Board:</b></p> <ul style="list-style-type: none"> <li>Regularly considered the marketplaces within which the Group's customers operate and the challenges they face, and opportunities available. This helped shape the way in which resources were allocated in order to ensure that the Group was well positioned to meet customer needs.</li> <li>Considered and approved the Company's Stakeholder Engagement Policy.</li> </ul> <p>Please see pages 34 to 35 and 41 for more details on our approach to stakeholder engagement.</p>
<p><b>Community and environment (s. 172(d))</b></p> <p>Wherever the Group operates, it forms a part of its local community and, more broadly, seeks to ensure that it provides a positive contribution to the environment.</p>	<p><b>In FY2025, the Board:</b></p> <ul style="list-style-type: none"> <li>Continued its focus on environmental, social and governance matters, as demonstrated by the focus of the Sustainability Committee, which met three times over the course of the year. Further details can be found in this report on pages 38 to 43.</li> <li>Approved the submission of the Group's net-zero emissions reduction plans to the Science Based Targets initiative (SBTi).</li> <li>Continued its support for the Community Foundation for Surrey.</li> </ul>
<p><b>Reputation for high standards of business conduct (s.172(e))</b></p> <p>The Board is responsible for developing a corporate culture across the Group that promotes integrity and transparency. It has established comprehensive systems of corporate governance, which promote corporate responsibility and ethical behaviour.</p>	<p><b>In FY2025, the Board:</b></p> <ul style="list-style-type: none"> <li>Received regular reports from the Group Risk Manager designed to strengthen governance and compliance, integration of new and recent acquisitions into the Group, and the identification and management of existing and emerging risks.</li> <li>Approved the Company's Modern Slavery Act Statement.</li> </ul> <p>Please see page 41 for further details on our Group Policies.</p>
<p><b>Acting fairly as between members of the Company (s.172(f))</b></p> <p>The Board aims to understand the views of Shareholders and always to act in their best interests.</p>	<p><b>In FY2025, the Board:</b></p> <ul style="list-style-type: none"> <li>Maintained close relations with its main Shareholders through regular dialogue, both after the publication of full-year and half-year results, and on an ad hoc basis, as well as through attendance at a Capital Markets Day hosted in London in September 2024.</li> <li>Approved value-enhancing acquisitions, Hivolt Capacitors (August 2024) and Burster (January 2025).</li> <li>Received investor relations updates at every Board meeting and direct feedback from investors during specific consultation exercises and on publication of trading results and updates.</li> <li>Communicated with members ahead of the Annual General Meeting on 26 July 2024 and then met with members at that meeting.</li> </ul>

## Other key activities

The Board met regularly throughout the year and, in the year ended 31 March 2025, held seven meetings. The Board's agenda considers all relevant matters at scheduled meetings.

As part of its regular programme of Board activities, the Board also receives reports from the Group Chief Executive, the Group Finance Director and the Group General Counsel & Company Secretary, keeping them informed as to financial and commercial performance and regulatory and legal affairs.



## SUSTAINABILITY REPORT



**Rosalind Kainyah**  
Chair of the Sustainability Committee



**We recognise that many of the sustainability challenges we face are shared across industries and borders. We are keen to learn from others and to collaborate wherever we can to find practical, scalable solutions.”**

### Dear Shareholder,

Sustainability continues to underpin our purpose as a business. Our strategy focuses on customers and technologies that are crucial to solving some of our world's most pressing environmental and social challenges.

Our target markets are aligned to selected UN Sustainable Development Goals – SDG 3 (Good Health and Well-being), SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action). Through the design and manufacture of innovative electronic components, we support the transition to a low-carbon economy, promote better healthcare technologies, and bring people and communities together through connectivity solutions – delivering sustainable growth for our business and creating long-term value for our stakeholders.

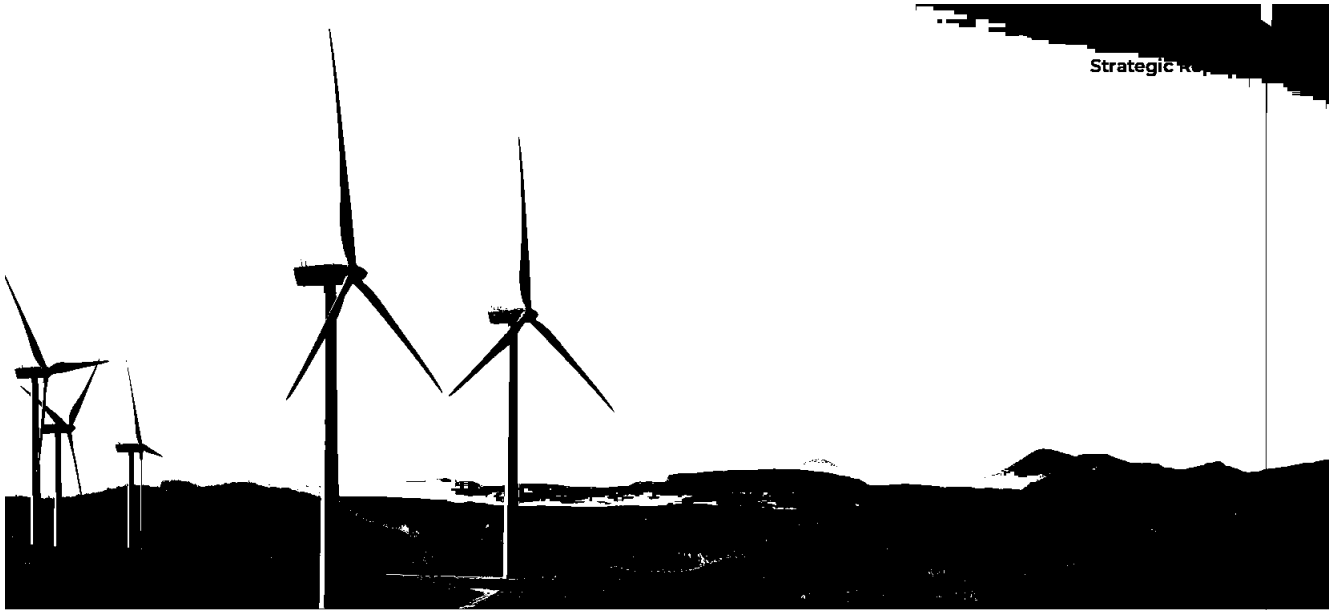
Our 30 operating businesses have a presence in 20 countries around the globe, providing employment to over 4,000 people directly, and more across our value chain. Most of our businesses are small- or medium-sized, and our challenge is to balance relevant and actionable local programmes with the regulatory demands of a large multinational group. We know that fostering a safe, inclusive, and supportive environment for our employees, focused on their personal development and growth, not only reflects our values but is essential to our growth. Likewise, the responsible use of resources – such as energy, rare minerals, plastics and water – and

active management of climate risks are critical to our long-term resilience.

In 2025, we continued to make meaningful progress across key environmental and social priorities, while maintaining strong financial performance in a challenging market. Among this year's highlights:

- We reduced our Scope 1 & 2 carbon emissions by 59% compared to our CY2021 baseline, keeping us on track to achieve our interim target of a 65% reduction by 2025 and 90% by 2030.
- In CY2024, 83% of the electricity used across the Group was from renewable or low-carbon sources, exceeding our 2025 target a year early.
- Local teams advanced our accreditation efforts, with one site achieving ISO 9001, three achieving ISO 14001, and three achieving ISO 45001. In addition, all 20 sites that were due for recertification of the above standards successfully retained their accreditation.
- We raised our benchmark for workplace safety by adopting a more stringent definition of lost time incidents – now measured from one day's absence rather than five – reflecting the high standards we set across our operations.

Since announcing our net-zero commitment in November 2022, we have made continuous progress in improving our carbon reporting. However, as anticipated, the complexity and scale of collecting and standardising Scope 3 carbon



Strategic R...

emissions data for a group as diverse as ours has resulted in challenges in presenting year-on-year comparable reporting. The increase in reported Scope 3 emissions for CY2024 largely reflects more comprehensive data capture rather than an actual rise in emissions. We are working closely across our group of operating businesses and with our greenhouse gas ("GHG") calculation service provider to improve our GHG emissions reporting quality and consistency across the value chain.

In May 2025 our GHG reduction targets were approved by the Science Based Targets initiative ("SBTi"). Our science-based net-zero target has been validated by SBTi as follows:

- **Overall Net-Zero Target:** discoverIE Group plc commits to reach net-zero greenhouse gas emissions across the value chain by 2040.
- **Near-Term Targets:** discoverIE Group plc commits to reduce absolute Scope 1 & 2 GHG emissions 90% by 2030 from a 2021 base year. discoverIE Group plc also commits to increase active annual sourcing of renewable electricity from 58% in 2021 to 100% by 2030. discoverIE Group plc further commits to reduce absolute Scope 3 GHG emissions 42% by 2030 from a 2023 base year.
- **Long-Term Targets:** discoverIE Group plc commits to maintaining Scope 1 & 2 emissions at a level less than 10% of 2021 levels from 2030 through to 2040. discoverIE Group plc also commits to reduce absolute Scope 3 GHG emissions 90% by 2040 from a 2023 base year.

In order to fulfil the requirements of SBTi validation, we have now calculated an estimated figure for our downstream Scope 3 emissions in the categories 10, Processing of sold products; 11, Use of sold products; and 12, End-of-life treatment of sold products. Gathering detailed data for these categories across all our operating businesses would be prohibitively time-consuming, and we have therefore taken advantage of the provisions within the Greenhouse Gas Protocol to base our calculation of emissions in these categories on certain estimated information. Please see page 65 of this report for further details.

The regulatory landscape is evolving rapidly. While we welcome efforts to raise the bar on corporate responsibility, the growing number and complexity of sustainability-related regulation in both the UK and the European Union ("EU") – particularly under the EU's Corporate Sustainability Reporting Directive ("CSRD") – presents challenges, especially for a group like ours, where many operating companies are small and new to these types of regulations. The demanding disclosure requirements risk stifling businesses with excessive bureaucracy and compliance costs. Navigating these requirements and the current uncertainty around some of these regulations takes significant time and resource and can risk shifting focus from long-term value creation to short-term compliance.

Our response is to stay focused on our purpose: to design and manufacture innovative electronics whilst reducing our environmental impact and making a positive social contribution. We remain true to what is right for our business and our stakeholders by embedding responsible practices across our operations and improving the quality of our sustainability reporting – keeping ourselves accountable to you and our other stakeholders.

Looking ahead, we know there is more to do. Improving the quality and consistency of non-financial data across the Group is a priority. We are focusing on metrics that allow us to drive real change – both within each of our operating companies and across the Group as a whole – while deepening our understanding of ESG risks, opportunities and impacts to inform strategic business decisions.

We also recognise that many of the sustainability challenges we face are shared across industries and borders. We are keen to learn from others – whether within or beyond our sector – and to collaborate wherever we can to find practical, scalable solutions. If you have insights, ideas or feedback, we welcome your engagement.

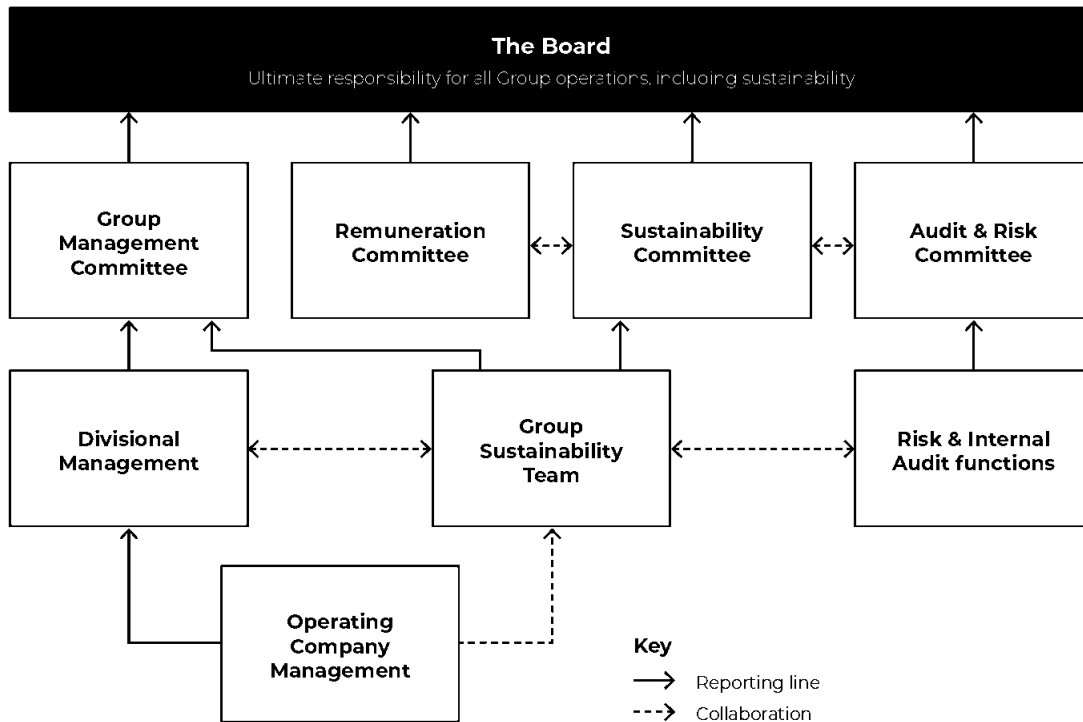
**Rosalind Kainyah**  
Chair of the Sustainability Committee  
3 June 2025



## SUSTAINABILITY REPORT CONTINUED

### Sustainability Governance Framework

Whilst the Board has responsibility for overseeing our approach to sustainability, the Sustainability Committee is specifically dedicated to more detailed consideration of sustainability strategies and policies, and oversees and monitors practices and performance throughout the organisation. This is complemented by our wider governance structure as outlined in the diagram below. For further details, see pages 54 to 55 of this report.



The Sustainability Committee is supported by the Group Sustainability Team ("GST"), which reports to the Sustainability Committee and Group Management Committee ("GMC"). The GST comprises members with sustainability, finance, legal and operations experience. The team is responsible for monitoring, reviewing, consolidating and reporting the Group's operating businesses' progress on sustainability. It drives

sustainability initiatives throughout the Group and works closely with divisional management and individual operating businesses on implementing the Group's sustainability strategy.

The GST works closely with the Group Risk and Internal Audit and Group Finance teams to identify, assess and address sustainability risks and opportunities, including climate-

related and social issues. These risks are incorporated into our Group-wide risk management processes along with all other organisational risks and opportunities.

The operating businesses' performance against ESG targets are incorporated into the annual bonus process, with 8% of annual bonus contingent on achieving ESG targets.



## Our Policies

As well as the general governance structures in place, discoverIE has a range of policies that it expects all of its businesses to adhere to. These include the following (all available at [www.discoverieplc.com/sustainability/company-policies/](http://www.discoverieplc.com/sustainability/company-policies/)):

Policy	Comment
<b>Anti-Bribery &amp; Corruption Policy</b>	<ul style="list-style-type: none"> <li>The Group has a zero tolerance approach to bribery and corruption matters and this is reflected in our Policy (which has been translated into all of the Group's predominant languages) and is supported through our global training programme.</li> </ul>
<b>Board Diversity Policy</b>	<ul style="list-style-type: none"> <li>The Board adopted its first Diversity Policy in May 2021 and updated it in March 2025, with revised targets in line with latest guidance.</li> </ul>
<b>Business Ethics Policy</b>	<ul style="list-style-type: none"> <li>The Group is committed to strong ethical values and good corporate practice, and aims to conduct its operations on sound business principles with trust, honesty and integrity. This Policy provides a summary of those principles.</li> </ul>
<b>Conflict Minerals Policy</b>	<ul style="list-style-type: none"> <li>This Policy seeks to ensure that none of the Group's operations are exposed to sourcing conflict minerals anywhere in its operations.</li> </ul>
<b>Environmental Policy</b>	<ul style="list-style-type: none"> <li>This Policy summarises the Group's overall environmental objectives and focus.</li> </ul>
<b>Human Rights Policy</b>	<ul style="list-style-type: none"> <li>Respect for the well-being of all people, staff, customers, suppliers and other stakeholders alike is at the core of who we are and how we work. Treating people fairly, with dignity and respect is essential to our long-term success.</li> </ul>
<b>Modern Slavery Statement</b>	<ul style="list-style-type: none"> <li>The Group is committed to ensuring that no forms of modern slavery exist in its business operations or supply chains.</li> </ul>
<b>Supplier Code of Conduct</b>	<ul style="list-style-type: none"> <li>This Code defines the Group's basic requirements of suppliers and in particular their responsibilities to their stakeholders and the environment.</li> </ul>
<b>Sustainability Policy</b>	<ul style="list-style-type: none"> <li>This Policy outlines the Group's commitment and priorities on matters considered important for the Group's long-term sustainability.</li> </ul>
<b>Group Tax Strategy</b>	<ul style="list-style-type: none"> <li>We seek to minimise exposure to material tax risk, ensure that tax affairs are managed efficiently, comply with tax laws in all jurisdictions and avoid aggressive tax planning.</li> </ul>
<b>Whistleblowing Policy</b>	<ul style="list-style-type: none"> <li>The Group encourages a "speak up" culture at all levels, if any kind of risk exists or wrongdoing has occurred. A secure and confidential hotline to an independent third party is provided and has been made available and advertised to staff at all Group locations.</li> </ul>
<b>Stakeholder Engagement Policy</b>	<ul style="list-style-type: none"> <li>This Policy summarises the Group's approach to engaging with all stakeholders appropriately and equitably.</li> </ul>



# SUSTAINABILITY REPORT CONTINUED

## HOW WE CREATE POSITIVE IMPACTS

Sustainability is an integral part of our business. We create a positive impact on the world around us and people's lives through both our products and our operations. By creating innovative electronics and focusing on five target markets – renewable energy, transportation, medical, security, and industrial & connectivity – we contribute to the UN Sustainable Development Goals ("SDGs"). In FY2025, 79% of the Group's revenue was from the five UN SDG-aligned target markets.



## SUSTAINABLE DEVELOPMENT GOALS



**Ensure healthy lives and promote well-being for all ages**

### How our products create positive impacts

We design and make products that go into medical devices and systems, such as ultrasound machines and defibrillators, contributing directly to the health and well-being of people.

The Group's sensing products are used in environmental management systems, such as indoor temperature monitoring and water treatment plants.

### Applicable markets



### How our operations create positive impacts

It is our responsibility to ensure that our employees operate in safe and healthy working environments. Each of our operating businesses conducts health and safety refresher training every year. See pages 49 and 52 for health and safety performance.

We have flexible and hybrid working, which helps our employees achieve a better work-life balance as appropriate to local conditions. Our trained mental health first aiders provide support to colleagues on sites.

**Ensure access to affordable, reliable, sustainable and modern energy for all**

### How our products create positive impacts

Renewable energy is a target market for both our magnetics and sensing products. We provide transformers, switches and sensors for wind and solar systems, supporting the generation and distribution of renewable and clean energy. Our products are versatile and can be adapted for other types of renewable energy.

### Applicable markets



### How our operations create positive impacts

We support the growth of renewable energy generation by switching to renewable energy tariffs where possible. Higher demand leads to more investment.

Where economically appropriate, we invest in renewable energy self-generation, such as installing rooftop solar panels. The solar systems installed in our plants in China, Germany, Sri Lanka, and Thailand in the last two years have contributed to our overall renewable energy generation capacity and provided over 2.25 million kWh of electricity in CY2024.

### Key



Medical



Industrial & Connectivity



Renewable energy



Transportation



Security



**Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation**

**How our products create positive impacts**

We supply connectivity solutions to infrastructure that underpins the Internet of Things ("IoT"), enables industrial automation and digitalisation, and brings people and communities together.

Our sensing and connectivity products are used to improve the resilience of infrastructure, such as road bridges and railways.

**Applicable markets**



**How our operations create positive impacts**

We are an electronic engineering company and we design and create innovative electronics that help to improve the world and people's lives.

Our engineers work with our suppliers and customers to create innovative solutions that solve technical challenges. Our product knowledge and technical know-how enable us to create products for industrial applications that contribute to resilient infrastructure.



**Make cities and human settlements inclusive, safe, resilient and sustainable**

**How our products create positive impacts**

Our products play a crucial role in the electrification of transportation and energy efficiency. We provide charging solutions for electric vehicles and power solutions for mass transport, such as trains and e-buses, helping to reduce the use of fossil fuels. Our magnetics products are used in the distribution of renewable energy.

Our connectivity solutions enable people to connect with one another, building communities and making them more inclusive.

**Applicable markets**



**How our operations create positive impacts**

We are a global company but a local operator. Our operating businesses and employees have a strong connection to the communities in which they operate. Through our operating businesses, we create jobs and contribute to the social and economic well-being of those communities through tax revenues, donations and volunteering.

Our security products ensure that communities can enjoy personal safety and a resilient environment.



**Take urgent action to combat climate change and its impacts**

**How our products create positive impacts**

We design products that are more energy efficient and less harmful to the environment than the ones they replace.

Our focus on products that reduce carbon emissions, aiding electrification, automation and improving efficiency assists in combating climate change.

**Applicable markets**



**How our operations create positive impacts**

We play our part in tackling climate change by reducing carbon emissions. Our net-zero targets set out our commitment to reduce emissions to net-zero within our operations (Scope 1 & 2) by 2030, and within our value chain (Scope 3) by 2040. See our carbon reduction performance on page 51.

We are also reducing resource consumption, such as energy and water, and recycling where possible in our operations.



## OUR SUSTAINABILITY STRATEGY

Our sustainability strategy has three pillars: Our Planet, Our People and Our Products, connected to the three aspects of sustainability: environmental, social, and economic.

Our purpose is to create innovative electronics that help to improve the world and people's lives, now and in the future. Achieving our purpose and the long-term sustainability of our business requires a comprehensive approach.



### Our planet

We understand the urgent need to preserve our planet for future generations and to mitigate the impact of climate change. At discoverIE, we contribute to the transition to a low carbon economy – through our products that help others reduce their emissions, and through our operations by committing to become a net-zero emissions business.

#### Our focus areas

We focus on reducing greenhouse gas emissions and energy intensity. The Group has approved near and long-term science-based emissions reduction targets with the SBTi. The Group commits to reach net-zero greenhouse gas emissions across the value chain by 2040, with a near-term target of reducing Scope 1 & 2 emissions by 90% by 2030 from a 2021 base year and Scope 3 emissions by 42% by 2030 from a 2023 base year.



### Our people

Our employees are our most valuable asset. They are responsible for developing innovative solutions, creating high-quality products and services, and building lasting relationships with customers. Their contribution is critical to achieving our long-term success.

#### Our focus areas

We aim to maintain a positive and diverse work environment that fosters creativity, collaboration and teamwork. In addition to ensuring healthy and safe working conditions, we also focus on investing in our people through learning and development to ensure employees can grow and thrive.



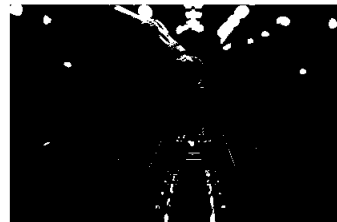
### Our products

We produce high-quality, reliable products that bring considerable benefits to customers and the environment alike.

#### Our focus areas

We help our customers around the world create ever better technical solutions to tackle key environmental and societal challenges. By focussing on sustainable growth markets that contribute to meeting five UN SDGs, we are helping to address the challenges facing the world today.

Our products play a critical role in the functioning of larger systems, which have zero tolerance to failure. We focus on product quality and reliability, which are paramount to our customers, and ensures we can enable them to support the SDGs. See pages 42 to 43 for details of how our markets align to the SDGs.





At discoverIE, we contribute to the transition to a low-carbon economy through our products that help others reduce their emissions, and through our operations by committing to become a net-zero emissions business.

We understand the urgent need to preserve our planet for future generations and to mitigate the impact of climate change.

### Greenhouse gas emissions

In November 2022, we announced our commitment to achieve net-zero emissions and set science-based targets for the near and long-term. In May 2025 we successfully received validation from the Science Based Targets initiative ("SBTi") for our targets. The Group commits to reach net-zero greenhouse gas emissions ("GHG") across the value chain by 2040. We commit to reduce absolute Scope 1 & 2 GHG emissions 90% by 2030 from a 2021 base year, and to reduce absolute Scope 3 GHG emissions 42% by 2030 from a 2023 base year. The Group commits to reduce absolute Scope 3 GHG emissions 90% by 2040 from a 2023 base year. We report progress on our reduction targets against the base years restated to exclude divestments and include acquisitions, in accordance with the GHG Protocol. We have published a transition plan for our 90% reduction in Scope 1 & 2 emissions at [www.discoverieplc.com/sustainability/our-net-zero-commitment/](http://www.discoverieplc.com/sustainability/our-net-zero-commitment/).

Our net-zero plan for Scope 1 & 2 focuses primarily on addressing four of the Group's largest emission sources: electricity, natural gas, company cars and refrigerants, and aims to achieve an absolute reduction of 65% by CY2025 against the CY2021 baseline.

Further details of how we performed last year can be found in the Key metrics section on page 51.

We continue to make good progress in reducing our Scope 1 & 2 emissions across the Group, as outlined above. Key elements in achieving reductions to date include investing in solar panels at our Noratel manufacturing plant in Sri Lanka, at our Flux site in Thailand, at our MTC site in Germany and CPI in the US, and, in the last year, at our Noratel site in China. We are considering future investments in solar panels at other sites, where economically appropriate. Where available, we have also switched our sites' electricity supplies to renewable energy sources. CY2024 emissions were 59% lower than CY2021 (further details on page 51).

In CY2024, our like-for-like natural gas emissions were 15% lower than CY2021. This represents an increase on CY2022 and CY2023, as we balance increased activity with the identification of viable and cost-effective technologies to replace gas at our remaining sites. In addition, the prevalence of natural gas as a fuel for heating in industrial applications means we often acquire new natural gas emissions with new businesses. 28% of our emissions from natural gas in CY2024 were generated by companies acquired since CY2021.

### Our progress

- In CY2024, we reduced Scope 1 & 2 emissions by 59% compared to the CY2021 baseline
- 83% of the Group's electricity is now sourced from renewable or clean sources
- 50% of the vehicles in our car fleet are now electric or hybrid
- In CY2024, natural gas emissions were 15% lower than the CY2021 baseline
- In CY2024, energy intensity was 20% lower than CY2021
- 74% of revenue is generated by operations with ISO 14001 certification

### Our targets

- Reduce Scope 1 & 2 emissions by 65% by 2025 against CY2021 baseline and by 90% by 2030
- Source 80% of energy from zero emission sources by 2025, and 100% by 2030
- 50% electric vehicles in the company car fleet by 2025 and 100% by 2030
- Replace at least 90% of gas heating with lower emission alternatives by 2029
- Reduce energy intensity by 10% by 2030
- 80% of revenue covered by ISO 14001 certification

## OUR SUSTAINABILITY STRATEGY CONTINUED

Through energy audits and increased awareness, we have achieved more modest reductions at other sites. At our Varohm Group companies Eurosens and Herga, for example, we have invested in improved insulation and the partial replacement of oil-fired heating with electric alternatives, coupled with green energy tariffs.

This year, we continued our efforts to identify and calculate Scope 3 emissions. The exercise covered the upstream emissions of the entire Group (100% of all Group companies) and included enhanced data for downstream transport emissions. In calculating our complete GHG inventory for the first time, we also developed a methodology to calculate the emissions of our products resulting from our customers' processing of those products, their emissions across their working lifespans, and the emissions from their final disposal. To do this, we grouped our products into categories with similar relevant characteristics. Sample products for each group were assessed and relevant operational data was used by our carbon calculation provider to calculate typical emissions for products in each group in each of the relevant Scope 3 categories. The emissions from these sample groups were then extrapolated on the basis of units sold and power consumed, to generate an estimated emissions number for the Group as a whole. We recognise that this estimate is an approximation of the emissions generated, and we will work in future to refine our methodology and data collection to calculate a more accurate inventory. We can, however, say with certainty that the vast majority of our Scope 3 emissions are generated as a result of the small inefficiencies in a subset of our Magnetics products. The emissions arise when our products are used in electricity networks which are, as yet, still highly reliant on fossil fuel energy generation. We have no direct control over this driver of our Scope 3 emissions, and

thus achievement of any reduction will be highly sensitive to the conversion of national electricity grids to renewable energy. More information on our Scope 3 emissions can be found on pages 65 to 67.

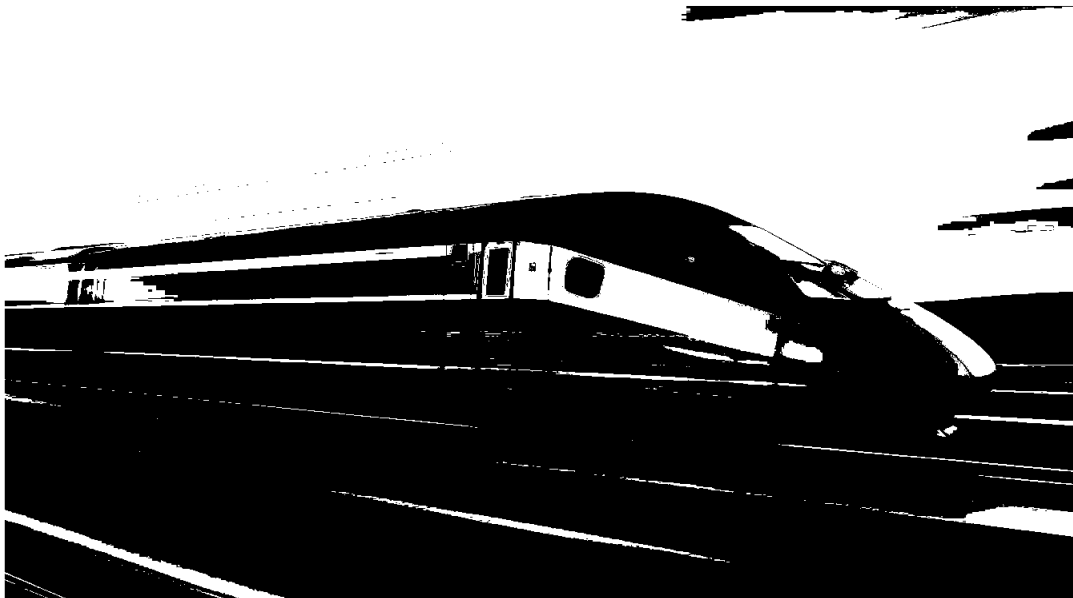
### Use of resources

#### Energy usage

Energy consumption during CY2024 was 9% higher, due to acquisitions and relatively higher output at more energy-intensive sites. Like-for-like energy intensity increased by 4% in CY2024 compared to CY2023 and decreased by 20% compared to CY2021. This is in line with our target to reduce consumption by 10% by 2030. Most sites have implemented energy saving measures, such as replacing lighting with energy efficient LED or fluorescent alternatives and by installing motion sensors.

#### Water usage

Our production processes typically require no or very little water. The water used is mainly for cooling purposes, in which the water is recycled, and for sanitary and drinking purposes. Therefore, the risk of water scarcity is not a material concern for the Group. However, we also recognise that water is a finite resource, particularly for our businesses in areas of extremely high water stress, such as India and Mexico, and reducing water consumption is an essential step in preserving the environment. Several sites use water-efficient equipment, such as low-flow toilets and sensor taps. We will continue work to understand risk, increase awareness and promote water saving practices throughout the Group.



## Waste management

We take measures to minimise waste in the manufacture of products, use recycling options where available and reduce packaging.

The majority of our products are non-hazardous. Where hazardous items are involved, environmental risks are minimised by use of appropriate labelling and technical information, in conjunction with training and procedures for handling, storage and disposal.

As an electronic and electrical manufacturer, we follow all relevant laws and regulations, including the following laws governing electronic waste handling, storage and disposal:

- Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment Regulations 2004 ("RoHS")
- Waste Electrical and Electronic Equipment Regulations 2006 ("WEEE")
- Producer Responsibility Obligations (Packaging Waste) Regulations 2005
- Waste Batteries and Accumulators Regulations 2009

Whilst plastic packaging is often necessary for protecting sensitive electronic components, discoverIE is committed to managing its use of plastics in a responsible and sustainable manner. One way that many of our businesses do this is by using recycled and recyclable plastics, where appropriate. Additionally, we are actively working to replace foam packaging with more environmentally friendly and recyclable options. By taking steps to reduce our use of non-recyclable materials, we are helping to reduce our environmental footprint and promote more sustainable business practices.

## ISO 14001 accreditation

The ISO 14001 (Environmental Management System) accreditation is an internationally recognised standard that sets out certain requirements for environmental management. It helps organisations improve environmental performance through more efficient use of resources and reduction of waste, and provides an objective, independent view of an organisation's environmental credentials.

Three further sites achieved ISO 14001 accreditation in CY2024. Sites generating 74% of Group revenue are now ISO 14001 certified (CY2023: 69%). This certification is becoming more important as customers place increasing focus on the environmental credentials of their value chain. This is in line with our target of 80% of revenue to be generated by ISO 14001 accredited sites by 2025.

There were no fines relating to environmental non-compliance during the year or the previous three years.

## CASE STUDY

### Women in Engineering & Operations

In April 2025, we hosted our first Group-wide 'discoverIE Women in Engineering and Operations' seminar. Colleagues from ten different operating companies in seven different countries participated in the event.

Recognising the importance of gender diversity, the key objectives of the seminar were to:

- **Connect** women and enable them to share experiences, provide peer support and enhance collaboration between Group operating companies.
- **Inspire** with success stories from senior women leaders. Vertec's Managing Director Kate O'Reilly and Antenova's Operations Director Christy Lin shared how their careers have progressed and opportunities and challenges they have faced along the way.
- **Develop** women into future business leaders, by looking at career development opportunities, break-out discussion sessions, and a chance to hear from Celia Baxter, our Senior Independent Director, who shared her experiences and advice.

The event was well received by the attendees, and identified concrete actions to further improve diversity across the Group. We will continue to build on events such as these, through our programme of diversity initiatives.



## SUSTAINABILITY IN ACTION



Our employees are highly valued, and we are committed to maintaining a supportive and inclusive workplace culture that promotes employee engagement, development and retention.

### Our culture

At discoverIE, we believe that a strong culture is key to achieving our mission and supporting our values. Our culture is built on a foundation of respect, fairness, and equality. We are committed to creating an inclusive workplace where everyone feels valued and empowered to contribute their best work.

#### Our culture is characterised by:

##### Diligence and determination:

We are dedicated to our work and take pride in delivering high-quality products and services to our customers.

##### Customer-centricity:

We prioritise our customers' needs and work closely with them to develop innovative solutions that meet their requirements.

##### Respect, fairness, and courtesy:

We treat our colleagues with respect, fairness, and courtesy, recognising that everyone's contributions are important to our success.

##### Open and constructive communication:

We believe in open and honest communication, with a willingness to listen and consider different perspectives.

##### Diversity and inclusion:

We value diversity and strive to create an open and inclusive environment where everyone has an equal opportunity to succeed.

##### High performance and target-driven:

We are go-getters, driven by a desire to achieve excellence in everything we do.

### Diversity and inclusion

We are committed to creating an inclusive and welcoming environment for all our employees. We believe that diversity is a strength and that everyone should be treated with respect, dignity and fairness. We are dedicated to providing equal opportunities for all individuals, regardless of their gender, race/ethnicity, social background, religion, sexual orientation, family responsibilities, disabilities, political opinion, age, sensitive medical condition or trade union membership. We aim to foster a culture that values diversity and inclusion, where everyone feels respected, empowered and appropriately rewarded.

Our employment policies are fair, equitable and consistent with the skills and abilities of our employees and the needs of our businesses. Our policies aim to ensure that everyone is accorded equal opportunity for recruitment, training and promotion. We do not tolerate any form of discrimination, harassment or bias in the workplace, whether it be sexual, physical or mental.

We recognise that diverse perspectives and backgrounds are essential to driving innovation, creativity and growth in our business. Therefore, we are committed to improving the diversity of our workforce and management team by promoting within and proactively managing our recruitment process.

Our Board Diversity Policy sets out our aim to achieve a Board that is diverse, not only in gender and race, but also in cultural background, experience and expertise. Our Board Diversity Policy can be found on our website: [www.discoverIEplc.com](http://www.discoverIEplc.com). See pages 52 and 94 for further details of our diversity.

### Our progress

- Three more sites achieved ISO 45001 certification, bringing the proportion of employees covered to 73% of our global workforce

### Our targets

- 80% of workforce in operations certified with ISO 45001 by 2025



With two female Non-Executive Directors and one Non-Executive Director from a non-white ethnic minority background, we have met our target of 33% female representation at Board level and have met our target of having at least one person from a non-white ethnic minority background on the Board.

We recruited our first female managing director of an operating business during the year and were delighted to welcome Kate O'Reilly as MD of Vertec. However, gender diversity in the senior management team overall decreased slightly to 23% female.

## Health and safety

We aim to provide healthy and safe working conditions. In addition to compliance with local regulations, discoverIE promotes working practices that protect the health, safety and well-being of its employees and other persons who enter its premises.

Our commitment to ensuring that none of our colleagues are injured at work was reinforced in FY2025 as we revised our definition of a lost time incident ("LTI") to be more stringent. Our definition of an LTI is now any incident or accident which results in an employee being unable to return to work the following day (previously after five days or more). This brings our definition in line with industry best practice.

During FY2025, we continued to emphasise the importance of health and safety training, conducting over 20,000 hours of training across the Group, equivalent to more than four hours per employee.

Three sites achieved ISO 45001 (Occupational Health and Safety Management System) accreditation in the year. This means that 73% of the Group's workforce now work in operations with the accreditation, up from 60% previously.

There have been no work-related fatalities in the last five years.

## Learning and development

Our businesses are proactive in anticipating both short and long-term employment needs and skills requirements. All employees are encouraged to actively engage in their career development and training opportunities are available across the Group. We provide technical training to our employees, as relevant for their role. This is scheduled and tracked.

Some of our operating businesses have structured apprenticeship and graduate schemes. In July 2024, we partnered with the University of Surrey on a student placements scheme, with a focus on engineering and data science. We launched a pilot programme in the UK, with the first electronics engineering students now approaching the end of their placements.

Our employees are actively encouraged to undertake further learning, such as National Vocational Qualifications or similar level courses, as well as continuing professional development to maintain any relevant professional accreditations. The Group supports the learning and development of our employees through various initiatives. For example, the 'discoverIE Connected' series of webinars launched in October 2023 covering a variety of topics, such as a technology deep dive, greenhouse gas emissions management, marketing and finance encourage knowledge and best practice sharing across the Group. The Group also has an online learning and development platform, which enables our operating businesses to manage their talent development and skill gaps, and our employees to take control of their learning experience. The vast

majority of employees receive annual performance appraisals, which include identifying their development needs.

## Recruitment and retention

Clear, fair and competitive terms of employment are in place. It is Group policy to communicate with employees on major matters to encourage them to take an interest in the affairs of their employing company and the Group. Each operating business is encouraged to maintain effective employee engagement arrangements, including keeping employees aware of the financial and economic factors affecting their employing company's performance. Please see pages 86 to 87 for further details of our engagement.

We remain supportive of the employment and advancement of disabled persons. Full consideration is given to applications for employment from disabled persons, where the candidate's particular aptitudes and abilities are consistent with meeting adequately the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment in the same or an alternative position wherever practicable, and to provide appropriate training and support to achieve this aim.

We are committed to retaining our talented and skilled workforce. We achieve this by offering clear and fair terms of employment, a competitive remuneration policy and regular communication with our employees on major matters. Our voluntary staff turnover rate for the year was 14% (excluding abnormal seasonal fluctuations linked to the Chinese New Year).

## Community engagement

We value community engagement and strive to be an active participant in the local communities where we operate. We support local good causes by offering opportunities for employees to volunteer and through charitable donations (no donations are made to political causes). Our commitment to community engagement is highlighted by the Group's support of the Community Foundation for Surrey as well as a number of employee volunteering opportunities.

As well as supporting the causes themselves, initiatives such as these motivate employees and increase their sense of purpose in working for an organisation that is keen to play a positive role in society.

## SUSTAINABILITY IN ACTION CONTINUED



The Group produces high-quality, reliable products that bring considerable benefits to customers and the environment alike.

### Product responsibility

Our products are essential components of electrical systems and electronic devices, and play a critical role in the functioning of larger systems, which tend to have long lifespans. Quality and reliability are paramount to our customers. In addition to designing for durability, the high quality and standards of our products are ensured and monitored through rigorous testing, which is often above the requirements of our customers, and the adoption of ISO 9001 Quality Management Systems. As a result, the overall rejection rates for our products due to quality issues are negligible.

### Product sustainability

The sustainability of our products is a priority. We ensure raw materials used are from responsible sources, which are procured in accordance with the principles in our Supplier Code of Conduct, Modern Slavery Statement and Conflict Minerals Policy (all are available at [www.discoverIEplc.com](http://www.discoverIEplc.com)). These are verified and monitored through regular local checks and supplier audits. In the event of non-compliance, we would engage with the supplier to seek measures to rectify the non-compliance or seek alternatives if appropriate. During the year, we repeated our Group-wide supplier audit programme. This process ensures that over 50% of our Group-wide spend is audited on a three-year cycle.

Our magnetic components use raw materials, such as copper and aluminium, which are essential to electrical equipment. We design, manufacture and deliver products with sustainability in mind. Where it is possible, and with customer permission, recycled raw materials are used in production processes. We also proactively reduce and recycle packaging and replace plastics with recyclable materials such as paper and cardboard.

Our products are components that are often embedded in larger systems, which means that the likelihood of replacements being required must be minimised. As such, our products are designed for long lifespans and are intended to be energy efficient in order to reduce downtime.

### Our progress

- In CY2024, 94% of the Group's products, measured by revenue, were manufactured under ISO 9001 Quality Management Systems (CY2023: 98%)

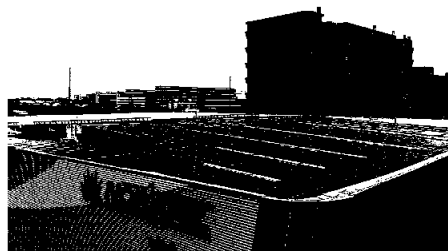
### Our targets

- 80% of Group products manufactured under ISO 9001

### CASE STUDY

#### Solar panels drive further emissions reductions

During FY2025, Noratel China became the latest site to add to the Group's self-generation capacity for electricity. The Noratel facility moved to a new 10,500 sqm facility in July 2024 and, by December, the solar panels were installed and connected, generating approximately one-third of the site's power requirements. Not only does this reduce our GHG emissions footprint at the Group's second largest site, but it also reduces our costs and helps to support future energy security.





## Key metrics

Location-based	Total Emissions <sup>1</sup> (tonnes)				Like-for-like Emissions <sup>2</sup> (tonnes)			
	CY2021	CY2022	CY2023	CY2024	CY2021	CY2022	CY2023	CY2024
Scope 1	1,488	1,338	1,606	<b>1,546</b>	1,860	1,670	1,762	<b>1,546</b>
Scope 2	9,365	8,710	6,736	<b>6,749</b>	9,633	8,948	6,892	<b>6,749</b>
Total Scope 1 & 2	10,853	10,048	8,342	<b>8,295</b>	11,493	10,618	8,654	<b>8,295</b>
Scope 3			2,626,883	<b>2,640,536</b>			2,680,950	<b>2,640,536</b>
Total emissions	10,853	10,048	2,635,225	<b>2,648,831</b>	11,493	10,618	2,689,604	<b>2,648,831</b>
Intensity – tCO <sub>2</sub> e / £m revenue (Scope 1 & 2)	30.73	23.49	18.61	<b>18.99</b>	28.67	22.48	19.63	<b>18.99</b>

Market-based	Total Emissions <sup>1</sup> (tonnes)				Like-for-like Emissions <sup>2</sup> (tonnes)			
	CY2021	CY2022	CY2023	CY2024	CY2021	CY2022	CY2023	CY2024
Scope 1	1,488	1,338	1,606	<b>1,546</b>	1,860	1,670	1,762	<b>1,546</b>
Scope 2	6,460	4,392	2,820	<b>2,006</b>	6,761	4,653	2,987	<b>2,006</b>
Total Scope 1 & 2	7,948	5,730	4,426	<b>3,552</b>	8,621	6,323	4,749	<b>3,552</b>
Reduction on CY21		28%	44%	<b>55%</b>		27%	45%	<b>59%</b>
Scope 3			2,626,883	<b>2,640,536</b>			2,680,950	<b>2,640,536</b>
Total emissions	7,948	5,730	2,631,309	<b>2,644,088</b>	8,621	6,323	2,685,699	<b>2,644,088</b>
Intensity – tCO <sub>2</sub> e / £m revenue (Scope 1 & 2)	22.50	13.39	9.88	<b>8.13</b>	21.51	13.39	10.78	<b>8.13</b>

Location-based	Total Emissions <sup>1</sup> (tonnes)				Like-for-like Emissions <sup>2</sup> (tonnes)			
	CY2021	CY2022	CY2023	CY2024	CY2021	CY2022	CY2023	CY2024
Energy consumption (kWh)	25,575,035	24,117,547	22,577,592	<b>24,616,042</b>	28,251,809	26,572,773	23,858,384	<b>24,616,042</b>
Energy intensity (kWh/£m revenue)	72,406	56,379	50,367	<b>56,366</b>	70,482	56,255	54,120	<b>56,366</b>
UK-based energy consumption <sup>3</sup>	7.2%	8.9%	10.1%	<b>8.9%</b>	N/A	N/A	N/A	<b>N/A</b>

<sup>1</sup> The "Total Emissions" columns include all continuing operations owned by the Group as at the end of each calendar year. The discontinued operations Vertec SA (disposed January 2022) and Acal BFI (disposed March 2022) are excluded from all figures.

<sup>2</sup> "Like-for-like Emissions" include the assumed impact of emissions from companies acquired since 2021. In accordance with GHG Protocol guidance, historic emissions for these companies are deemed to be the same in prior years as in the year of acquisition.

<sup>3</sup> The energy consumption of our UK-based businesses as a percentage of our total Group power consumption.

Net-zero KPIs	CY2021	CY2024	Target
Carbon reduction – absolute (Scope 1 & 2)	n/a	<b>59%</b>	65% reduction by 2025
Energy intensity – continuing operations (kWh/£m revenue)	72,406	<b>56,366</b>	10% reduction by 2030
% electricity from renewable/clean sources	58%	<b>83%</b>	80% by 2025
Company cars (EV/hybrid) <sup>1</sup>	19%	<b>50%</b>	50% by 2025
ISO 14001 accreditation <sup>2</sup>	61%	<b>74%</b>	80% by 2025

<sup>1</sup> Measured as the percentage of Group company cars that are electric or hybrid.

<sup>2</sup> Measured as a percentage of Group revenue generated by operations with an ISO 14001 accreditation.



## SUSTAINABILITY IN ACTION CONTINUED

### Health and safety

Lost time incident frequency rate ("LTIFR") information

	FY22	FY23	FY24	FY25
Lost time incidents ("LTIs") <sup>1</sup>	26	24	19	<b>23</b>
Average headcount <sup>2</sup>	4,522	4,863	4,441	<b>4,492</b>
LTIFR <sup>3</sup>	0.31	0.27	0.20	<b>0.25</b>

<sup>1</sup> LTI, or lost time incident, is defined as a work-related incident resulting in the employee being unable to return to work the following day. Previously, our definition was any incident which resulted in five or more days lost. Prior year figures have been restated for this change in policy.

<sup>2</sup> Reported headcount includes all full-time and part-time employees and contractors.

<sup>3</sup> LTIFR is the number of LTIs divided by the total work hours in the reported period, multiplying by 100,000 hours (representing the estimated number of working hours in an employee's work lifetime).

There were no fatalities among the Group's employees or contractors during any of the four years stated above.

### Gender Diversity<sup>1</sup>

	Group Management Committee			Senior Management <sup>2</sup>			Operational Management <sup>3</sup>			All Employees		
	FY25 (No.)	FY25 (%)	FY24 (%)	FY25 (No.)	FY25 (%)	FY24 (%)	FY25 (No.)	FY25 (%)	FY24 (%)	FY25 (No.)	FY25 (%)	FY24 (%)
Total	12	-	-	47	-	-	73	-	-	4,517	-	-
Male	9	75%	77%	36	77%	72%	45	62%	66%	2,264	50%	52%
Female	3	25%	23%	11	23%	28%	28	38%	34%	2,253	50%	48%

<sup>1</sup> As at 31 March.

<sup>2</sup> Senior Management is the Group Management Committee and direct reports.

<sup>3</sup> Operational Management is the most senior managers in the Group's operating businesses.

### Other ESG KPIs

	2024	2025	2025 Target
<b>Our Planet</b>			
ISO 14001 accreditation <sup>1</sup>	69%	<b>74%</b>	80%
Company cars (EV/hybrid) <sup>2</sup>	40%	<b>50%</b>	50%
<b>Our People</b>			
ISO 45001 accreditation <sup>3</sup>	60%	<b>73%</b>	80%
Voluntary staff turnover <sup>4</sup>	9%	<b>14%</b>	<15%
<b>Our Products</b>			
ISO 9001 accreditation <sup>5</sup>	98%	<b>94%</b>	80%

<sup>1</sup> Measured as a percentage of Group revenue generated by operations with ISO 14001 accreditation.

<sup>2</sup> Measured as the percentage of Group company cars that are electric or hybrid.

<sup>3</sup> Measured as the percentage of Group employees that work in operations covered by ISO 45001 accreditation.

<sup>4</sup> Measured on a financial year basis (i.e., from 1 April to 31 March). This excludes the abnormal seasonal labour fluctuations linked to the Chinese New Year. Non-production employee turnover remained stable at 10% (FY24: 11%).

<sup>5</sup> Measured as a percentage of Group revenue generated by operations with ISO 9001 accreditation.



## TCFD REPORT

At discoverIE, we understand the urgent need to preserve our planet for future generations and to mitigate the impact of climate change. We contribute to the transition to a low carbon economy through our products that help others reduce their emissions, and through our operations by committing to become a net-zero emissions business.

Climate-related risks and opportunities are routinely considered in our strategic and financial planning, operational management, M&A and capital allocation decisions. In this report, we outline how we identify, assess, and manage these risks and opportunities, as well as our plan for transitioning to a low carbon economy.

This report is prepared in accordance with UK Listing Rules 6.6.6 (8) and the UK Climate-Related Financial Disclosure Requirements ("CFD"), and is consistent with the recommended disclosures of The Task Force on Climate-related Financial Disclosures ("TCFD"). Being in the electrical and electronic components sector, the Group follows the TCFD's All Sector Guidance in the preparation of this report.

### WHAT'S IN THIS REPORT

- 1 Governance  
→ Page 54
- 2 Strategy  
→ Page 56
- 3 Risk Management  
→ Page 62
- 4 Metrics and Targets  
→ Page 64

## TCFD REPORT CONTINUED

### 1 Governance

While the Board has responsibility for overseeing our approach to sustainability, the Sustainability Committee (the “Committee”), on behalf of the Board, reviews the Group’s sustainability strategies and policies, and oversees and monitors practices and performance against commitments and targets.

The Sustainability Committee was established in April 2022 and currently encompasses all Board members. As all members of the Board are present at Committee meetings, the full Board is aware of the matters discussed, including climate-related issues.

The Group Chief Executive, supported by the Group Management Committee (“GMC”), is responsible for setting the Group’s sustainability strategies and targets. The GMC oversees implementation and reviews progress against our sustainability commitment and targets. All papers and updates prepared for the Sustainability Committee, including those relating to climate change, are reviewed and discussed by the GMC before submission to the Sustainability Committee, allowing GMC members to develop their understanding of sustainability matters and provide input.

The Group Sustainability Team (“GST”) comprises members with sustainability, finance, legal and operations experience, and is responsible for monitoring, reviewing, consolidating and reporting the Group’s operating businesses’ progress on sustainability implementation. It reports to the Sustainability Committee and the GMC. The GST drives sustainability initiatives throughout the Group, and works closely with divisional management and individual operating businesses on implementing the Group’s sustainability strategy.

Together with the Group Risk and Internal Audit and Group Finance teams, the GST identifies and assesses climate-related risks and opportunities, which are then reviewed and discussed by the GMC. Action plans to mitigate such risks are drawn up and agreed upon by the GMC, and investment required to implement these plans are factored into the annual budgets.

Our sustainability governance framework describes our approach to managing sustainability, including climate-related issues.

#### Sustainability Governance Framework

During FY2025, the Sustainability Committee met three times and climate change-related matters were discussed by the Committee at all of these meetings. The Sustainability Committee reviewed each key action of the Group’s three sustainability pillars and progress against our targets. Further details of our sustainability performance can be found on pages 45 to 52 of this Annual Report and Accounts.

#### TCFD recommended disclosures

- Describe the board’s oversight of climate-related risks and opportunities
- Describe management’s role in assessing and managing climate-related risks and opportunities

#### Further information



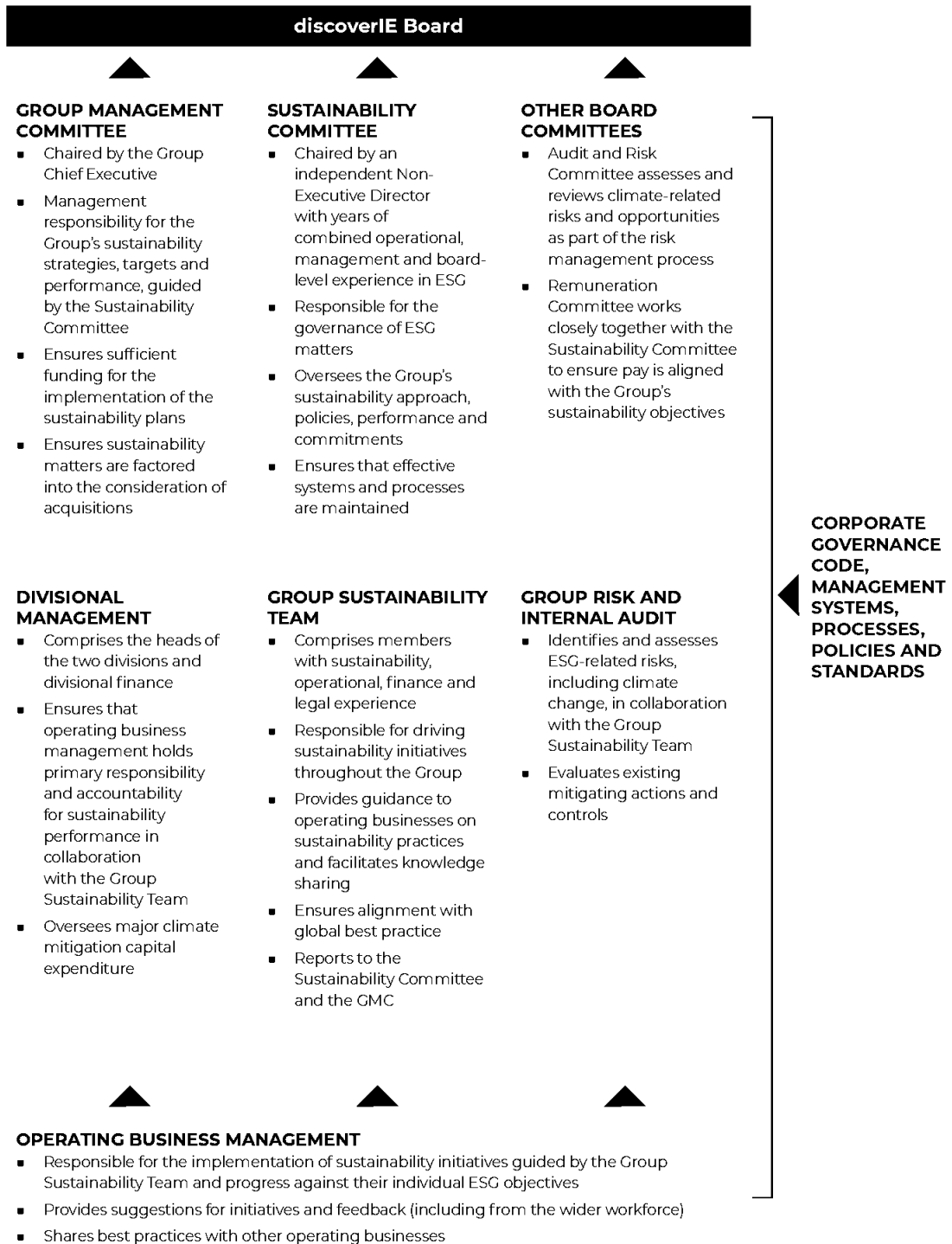
Read more about our **Corporate Governance Report** on pages **84 to 95**



Read more about our **Risk Management** on pages **68 to 72**

During the year, the Sustainability Committee reviewed and approved the submission of the Group’s net-zero commitment and associated plans for approval by the Science Based Targets initiative (“SBTi”). Alongside this, the Sustainability Committee also spent time considering the climate-change related risks and opportunities facing the Group in the context of the TCFD pillars. Each of the risks and opportunities were reviewed, and those identified as the most potentially impactful to the Group were discussed in detail. The Sustainability Committee acknowledges that this is an evolving process, with the methodologies applied being continually refined, and that the discussions support the development of the Committee’s understanding of these risks and opportunities and provide context for our net-zero plans.

Please see Sustainability Governance Framework on page 40 for a diagrammatic overview of our sustainability governance.



## TCFD REPORT CONTINUED

### 2 Strategy

In 2025, we reviewed the qualitative and quantitative analysis of the resilience of our business model and strategy under three climate scenarios – RCP2.6, RCP4.5, and RCP8.5, being the full range from best- to worst-case scenarios projected by the Intergovernmental Panel on Climate Change (“IPCC”).

This was an update on the full assessment exercise last completed in 2023. The analysis showed that the Group’s business model and strategy were not expected to be materially affected by climate-related risks and opportunities, and that the net financial impact of climate change was considered to be immaterial.

In order to better understand the potential financial impact of climate-related risks on the Group’s Statement of Financial Position and future cash flows, during the year we conducted further analysis and financial modelling for the identified risks and opportunities. The financial impact is considered in the estimates of future cash flows used in the Group’s goodwill impairment and viability assessment, as detailed on pages 79 and 80 of this Annual Report.

We assess and report the climate change-related transition risks and opportunities on short (up to three years), medium (three to six years) and long (more than six years) term bases. For physical risks, we define short term as the period up to 2030, medium-term up to 2050 and long-term up to 2100. Given the fast-changing and unpredictable nature of economic and environmental conditions, the potential financial impact was modelled up to 2030 only.

During the process, we identified and assessed 12 climate change-related risks, of which eight were transition risks and four physical. Assessment of these 12 risks can be found on page 57. Following this, we then prioritised four transition risks and two physical risks, being those with the highest risk scores, based on a combination of impact magnitude and likelihood. We also identified three climate-related opportunities.

We modelled the financial impact of these six risks and three opportunities. Assessment of the nine climate-related risks and opportunities and their potential financial impact can be found on pages 58 to 61.

The highest ranked transition risk was capital markets shifting investment to low carbon activities, which may impede the Group’s acquisition-fuelled growth strategy. The other key risks include customers and markets shifting to low carbon substitutes, and raw material price increases. The financial impact of these risks was modelled by applying appropriate assumptions of attrition rate to affected revenues for the RCP2.6 and RCP8.5 scenarios, respectively.

For the physical risks, we assessed the potential impact using scenarios RCP4.5 and RCP8.5, as it was judged that no increased risk would occur under the RCP2.6 scenario. Aided by the WTW Climate Diagnostic Analytical Tool, we took full mitigation costs into account. In the case of possible site relocations due to changes of climate pattern, we factored in relocation costs such as fit-out, staff relocation, recruitment and training, and certification, as

#### TCFD recommended disclosures

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term
- Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning
- Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

#### Further information



Read more about our **Principal Risks and Uncertainties** on **pages 73 to 78**

well as insurance coverage. Because the risk profiles were similar for both scenarios, the same mitigation approach was applied to both scenarios. It is estimated that 44% of the Group’s 64 locations would be exposed to some sorts of physical risks, such as heat stress, precipitation and river floods. Twelve sites (19%) were more vulnerable, and these were the focus of the mitigation scenario analysis.

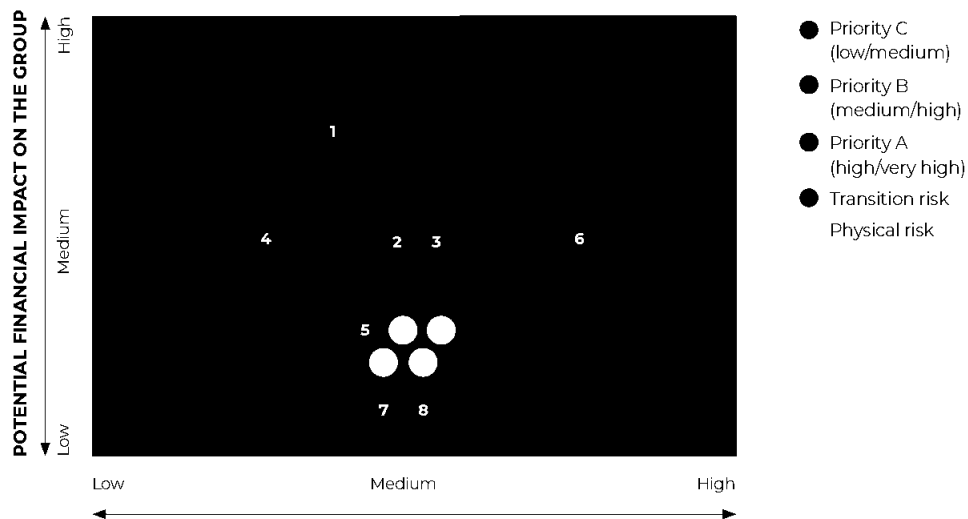
Our assumptions for each scenario included the following:

- Relocation costs of the sites most vulnerable to flooding. Under RCP4.5 we assumed one relocation in 2029. Under RCP8.5 we assumed three relocations, with each of the three most vulnerable sites relocating at a rate of one a year from 2027 to 2029.
- A reduction in site productivity, estimated as a 2% decrease in site gross margin. For RCP4.5 we assumed this decline would become evident from 2028 onwards, and from 2026 onwards under RCP8.5.
- Increasing insurance costs, with a 10% increase assumed under RCP4.5, and 20% under RCP8.5.
- Mitigation costs at the sites most vulnerable to heat stress. We estimated the cost of installing air conditioning at the four sites most affected. We assumed a cost of £0.5m in 2027 under RCP4.5, and a cost of £1m across two years (2026 and 2027) under RCP8.5.

For the climate-related opportunities, we applied an estimated excess growth rate to each of the opportunities in the RCP2.6 scenario and halved the rate in the RCP8.5 scenario on the assumption that growth in renewable energy, electrification of transportation, and automation would accelerate under the more aggressive reduction scenario.

We considered materiality both in terms of potential financial impact on the Group and the importance of climate change to our internal and external stakeholders. The outcome of the assessment showed that under all three scenarios the net financial impact over the five-year period to 2030 is immaterial and represents c.1-2% of the Group's operating cash flows. The net financial impact considered both the increased operational costs of quantifiable climate-related risks and mitigation costs, offset by the benefits arising from the climate-related opportunities.

### Climate-related risk matrix



- 1 Capital markets shift investment to low-carbon activities
- 2 Changing customers' preference to low emissions alternatives
- 3 New and emerging technologies substitute our customers' existing products and services
- 4 Increased stakeholder concern or negative stakeholder feedback from lack of climate action plan
- 5 Increased energy costs due to increasing carbon taxes and alternative low emission energy sources
- 6 Increasing costs of commodity and raw materials
- 7 Increased borrowing costs
- 8 Mandatory environmental standards or requirements for existing products and services
  - Extreme weather events such as cyclones or floods
  - Changes in precipitation patterns and extreme variability in weather patterns
  - Gradual changes in key climate variables such as temperature, humidity and precipitation
  - Rising sea levels

In summary, the estimated net financial impact of climate-related risks and opportunities is considered immaterial to the Group in the short term (up to 2030). However, we also recognise that climate change remains a threat to the Group's assets in the long-term and that there are growing expectations amongst our stakeholders that we, as a responsible corporate citizen, address climate risks in our business operations. As such, we have incorporated climate-related risks into our principal risks and uncertainties and manage them as such.



## TCFD REPORT CONTINUED

Climate-related risks	Estimated financial impact	Timeframe			Scenario sensitivity		
		Short	Medium	Long	RCP2.6	RCP8.5	
<b>Transition risks</b>	① Capital markets shifting investment to low carbon activities	Unquantifiable			○	■■■■	■■
	② Changing customer preferences	£5-9m			○	■■■■	■■
	③ Substitution of existing customer products and services	£4-8m	■	○		■■■	■■
	④ Commodity and raw material price increases	£4-8m	■	○		■■■■	■■■
<b>Physical risks</b>	⑤ Acute risks, e.g. extreme weather events	£6-8m	■		○	■■	■■■■
	⑥ Chronic risks, e.g. rising sea levels and temperature	£6-8m			○		■■■■
<b>Climate related opportunities</b>	⑦ Acceleration of renewable energy market	£6-20m	○			■■■■	■■■
	⑧ Electrification of transportation	£0-1m			○	■■■■	■■■
	⑨ Electrification and automation of plant and machinery	£4-9m			○	■■■	■■

### THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE

The Intergovernmental Panel on Climate Change ("IPCC") projects four Representative Concentration Pathways ("RCP") or scenarios for climate change. RCP2.6 is the peak or best-case scenario where the rise of surface temperature is kept below 2°C ("2DS"). This is equivalent to IEA's Sustainable Development Scenario ("SDS"). RCP8.5 is the business-as-usual ("BAU") or worst-case scenario, which projects that surface temperature will increase by 4°C.

This is equivalent to the IEA's Stated Policies Scenario ("STEPS").



Risk description	Our response	FY2025 progress
<b>CLIMATE-RELATED RISKS: TRANSITION RISKS</b>		
<b>1 CAPITAL MARKETS SHIFTING INVESTMENT TO LOW CARBON ACTIVITIES</b>		
<p>Our growth strategy relies on both organic sales generation and acquisitions, which require capital investment. We may need to raise additional funding in the capital markets. The shifting of investment to low carbon or green activities may impact our ability to raise capital or increase our cost of capital, in turn reducing our ability to invest in the existing business or acquire new businesses.</p> <p><b>TIMEFRAME</b> Medium - long term</p>	<p>Our strategy focuses on markets with structural, sustainable growth, such as renewable energy, electrification of transportation, industrial automation and connectivity, all of which support the transition to a low carbon economy. We constantly work to target 'green' markets and reduce our greenhouse gas emissions, and improve capital market perceptions of our performance in these areas by providing timely and transparent disclosures.</p>	<ul style="list-style-type: none"> <li>Target market revenue increased from 75% to 79%.</li> <li>Net-zero target approved by SBTi.</li> <li>Publicly demonstrated our improvement in environmental governance by increasing our Carbon Disclosure Project ("CDP") rating to B.</li> </ul>
<b>2 CHANGING CUSTOMERS' PREFERENCE TO LOW EMISSIONS ALTERNATIVES</b>		
<p>The majority of our customers are industrial OEMs. They may adopt an aggressive approach to reducing emissions in their value chain. This could mean developing low emission versions of their products to reduce their downstream emissions, or engaging suppliers with lower emission products and processes to reduce their upstream emissions.</p> <p><b>TIMEFRAME</b> Medium - long term</p>	<p>We have long-lasting relationships with our customers. Our business model of designing and manufacturing customised electronics means that we work closely and collaboratively with our customers, which allows us to support them in the development of new low-carbon products and ensures environmental compliance.</p> <p>We have set emission reduction targets and made good progress against these. This helps our customers reduce their Scope 3 emissions.</p> <p>We also work closely with our customers and suppliers to find better solutions to reduce carbon emissions where possible, such as replacing plastic packaging with sustainable options.</p>	<ul style="list-style-type: none"> <li>Reduced Group Scope 1 &amp; 2 emissions for continuing operations by 59% against the CY2021 baseline, despite acquisitions.</li> </ul>
<b>3 NEW AND EMERGING TECHNOLOGIES SUBSTITUTE OUR CUSTOMERS' EXISTING PRODUCTS AND SERVICES</b>		
<p>We supply to industrial OEMs. If our customers' existing products and services become obsolete, our ability to achieve growth well above GDP may be impacted.</p> <p><b>TIMEFRAME</b> Short - long term</p>	<p>The impact of this risk is minimised, as our product and technologies portfolio and customer base are broad. We do not rely heavily on single customers or end markets. Our customer concentration is considered low, with the top 10 customers representing around a quarter of Group revenue. We continue to focus our attention on supporting customers in markets which are essential for the transition to a low-carbon economy, such as renewable energy.</p>	<ul style="list-style-type: none"> <li>Completed two more acquisitions during the year, Hivolt Capacitors and the Burster Group. The acquisitions give the Group exposure to new verticals, such as the transport sector.</li> </ul>



## TCFD REPORT CONTINUED

Risk description	Our response	FY2025 progress
<p><b>4 INCREASING COSTS OF COMMODITY AND RAW MATERIALS</b></p>		
<p>Some of our products use raw materials, such as copper and aluminium, which are also used in electric vehicles and electrification projects. Prices of such materials are expected to continue to rise as supply cannot meet rapid increases in demand. Significant price rises may cause customers to switch to low cost suppliers. The raw material shortage may impact our ability to continue to supply certain products.</p> <p><b>TIMEFRAME</b> Short - long term</p>	<p>Our products are designed and customised for specific applications and are priced according to project specifications and material costs at the point in time, which to some extent protects the Group from price fluctuation. Furthermore, our products are designed in applications and are often protected by our design IP, preventing customers switching to low cost suppliers.</p> <p>Our supply chain is resilient, as tested and proven during the pandemic. We source materials and components from multiple suppliers where possible, except for those specified by customers. Copper and aluminium have similar conductivity and can be interchangeable in some cases.</p>	<p>N/A</p>
<p><b>CLIMATE-RELATED RISKS: PHYSICAL RISKS</b></p>		
<p><b>5 ACUTE RISKS – EXTREME WEATHER EVENTS SUCH AS CYCLONES OR FLOODS</b></p>		
<p>Increased severity of extreme weather events, such as cyclones and floods, may disrupt production activities and incur higher operating costs.</p> <p><b>TIMEFRAME</b> Short - long term</p>	<p>The Group has 64 sites globally, including 41 manufacturing facilities across Asia, Europe and North America. Some production activities can be transferred to other locations to ensure business continuity, if necessary. We have experience in moving manufacturing between sites where circumstances require us to do so.</p>	<ul style="list-style-type: none"> <li>Identified the manufacturing sites that are most vulnerable to extreme weather and assessed alternative options should situations require.</li> </ul>
<p><b>6 CHRONIC RISKS – GRADUAL CHANGES IN KEY CLIMATE VARIABLES SUCH AS TEMPERATURE, HUMIDITY AND PRECIPITATION</b></p>		
<p>Rising average temperature causes heat stress, drought, wildfires and changes in rainfall patterns. Some of the Group's manufacturing sites are in areas exposed to heat stress and precipitation, and some are at risk of rising sea levels. Our workforce may be affected if the average temperature continues to rise. Our supply chain may also be disrupted, causing delays and cancellations.</p> <p><b>TIMEFRAME</b> Medium - long term</p>	<p>Using the WTW Climate Diagnostic Analytical Tool, we have identified a number of sites that may be affected by changing climate patterns in the next 30 and 80 years. The analysis showed rising temperatures and precipitation were likely to impact a number of our businesses. Based on the insured asset value of each site and the predicted future impact, we have prioritised the 12 sites most at risk for further analysis and investigation. We are now working on plans that aim to mitigate the key risks within the next ten years. For leased properties at high-risk sites, relocation may also be considered when the lease is up for renewal.</p>	<ul style="list-style-type: none"> <li>We continue to monitor the ongoing risk at our most vulnerable sites.</li> </ul>



Opportunity description	Our response
<b>CLIMATE-RELATED OPPORTUNITIES</b>	
<b>7 ACCELERATION OF RENEWABLE ENERGY</b>	
<p>Driven by decarbonisation and increasing regulations, the renewable energy market will continue to grow in the RCP8.5 scenario and accelerate in the RCP2.6 scenario. The International Energy Agency has estimated over 45% of energy generated will be from renewable sources by 2030.</p> <p><b>TIMEFRAME</b> Short - long term</p>	<p>Renewable energy is one of our target markets, and we are leading in the fields we serve, such as transformers for wind turbines. Our products can also be applied to other types of renewable energy, such as hydro, which will be an addition to our existing renewable energy exposure.</p> <p>Our broad range of technologies is applicable to many parts of the renewable energy value chain. From generation to transportation and distribution, we will be able to take advantage of these opportunities.</p>
<b>8 ACCELERATION OF ELECTRIFICATION OF TRANSPORTATION</b>	
<p>Decarbonisation and the recent energy crisis have driven the acceleration of the electrification of transportation. This is reflected both in personal vehicles and mass transportation infrastructure. It is estimated that over US\$ 2.5 trillion will need to be invested in transportation by 2050 to meet global net-zero goals.</p> <p><b>TIMEFRAME</b> Short - long term</p>	<p>Transportation is one of the major sources of carbon emissions globally. Switching to cleaner methods of transportation is crucial for meeting the net-zero goals of many governments.</p> <p>Being one of the Group's target markets, we focus on mass transportation, such as rail, buses, and ships, and specialist vehicles, such as delivery trucks. We are targeting retrofitting ageing systems as well as developing new applications. In addition, our knowledge and knowhow of magnetic components will enable us to take advantage of growth in the electric vehicle infrastructure market, such as charging stations.</p>
<b>9 ACCELERATION OF PLANT AND MACHINERY AUTOMATION</b>	
<p>Climate change could reduce productivity as the workforce is impacted and production disrupted. An increasing number of companies will look to automate processes to improve efficiency and productivity.</p> <p><b>TIMEFRAME</b> Medium - long term</p>	<p>Industrial and connectivity are our largest target markets. Our fibre optic and wireless connections and a broad range of sensing capabilities, essential for automation, will enable us to continue growing in this market.</p>

## TCFD REPORT CONTINUED

### 3 Risk Management

Climate-related risks are considered one of our principal risks and this is reflected in our financial reporting. The process for identifying climate-related risks is integrated into our risk management framework.

As part of the climate change scenario analysis exercise, a multi-function working group was established in 2022. This comprises members from finance, divisional management, risk and internal audit, and the GST. This working group is a subset of the GMC.

In identifying and assessing climate-related risks to the Group's operations, assets, and reputation, we used primarily a top-down approach. Given the Group's decentralised structure, we consider this approach more appropriate for assessing climate-related risks, particularly physical ones. However, we have also taken a bottom-up approach by factoring in the feedback from our operating businesses where appropriate.

The scenario analysis working group conducted a top-down review of the Group's climate-related risks and opportunities in order to identify new or emerging risks and opportunities. The assessment considers two categories of climate-related risks: the transition to a low carbon economy (transition risks) and risks associated with the physical impacts of climate change (physical risks). The risks assessed for both the RCP2.6 and RCP8.5 scenarios were drought, heat stress, wild fires, precipitation, river and coastal flood, and tropical cyclones.

#### How we identify and prioritise climate-related risks

To assess transition risks, we engaged with each operating business to better understand the preferences of our customers, suppliers and employees and the challenges they face in tackling climate change. The outcome was factored in during the risk identification process. Each risk was discussed and scored based on the probability and magnitude of potential financial impact, and the multiplication of the two scores determined the materiality of the risk. Through this process, the most material risks were identified. Those risks that were deemed to be quantifiable were included in the financial modelling. Existing mitigations and progress made were also factored in during the quantification process. Cost and benefit analysis for the mitigations of each quantifiable risk was carried out. A five-year cash flow forecast was modelled for both RCP2.6 and RCP8.5 scenarios.

#### TCFD recommended disclosures

- Describe the organisation's process for identifying and assessing climate-related risks
- Describe the organisation's process for managing climate-related risks
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

#### Further information



Read more about our **Risk management** on **pages 68 to 72**

For physical risks, we used the WTW Climate Diagnostic Analytical Tool to help us with scenario analysis. We assessed our resilience in a time horizon between 10 and 80 years for relatability with asset lifespan, as recommended by TCFD. The WTW Climate Diagnostic Analytical Tool considered insured asset value and combined exposure to extreme weather events (acute risks) and to gradual changes in weather patterns (chronic risks) for each of our 64 facilities globally, including warehouses and offices. Based on the insured asset value and risk exposure, each site scored between 1 and 5 (5 being the highest risk). For those with the highest scores, mitigation plans were drawn up, and associated costs were assessed and factored into the scenario financial models.

Once the climate-related risks were identified and prioritised, the financial impact of the key risks up to 2030 was modelled and assessed for both RCP2.6 and RCP8.5 scenarios. The key climate risks, mitigation plans, and the net financial impact in both scenarios were presented and discussed at the GMC before being reviewed by the Sustainability Committee, which also included the Chairs of the Audit Committee and Remuneration Committee.

## How we manage climate-related risks

### We use the scenario analysis to inform our decision-making in the following areas:

- Strategic and financial planning
- Capital investment
- Acquisition suitability assessment
- Goodwill impairment assessment
- Insurance
- Lease renewals and procurement of new leases

Climate-related risks are managed as part of the Group risk management process, alongside other strategic and operational risks and, as with all matters in the Group Risk Register, these risks are reviewed annually. Action plans to mitigate such risks are managed and reported at Group level, whereas the responsibility for

implementing the plans is delegated to the management of the operating businesses. A bottom-up review of climate-related risks is carried out by the management of each business as part of their annual enterprise risk management exercise (please refer to pages 68 to 72 for further details of our risk management processes).

The GST conducts annual reviews with operating business management at the end of each financial year regarding progress against their ESG objectives. This is then reported to and discussed with the GMC and Sustainability Committee. The operating businesses report on ESG progress, including carbon reduction actions, in quarterly business reviews chaired by the divisional heads. The GST also provides progress updates to the Sustainability Committee at each Committee meeting.

Climate-related risks and mitigation progress are monitored by the Risk and Internal Audit team on an ongoing basis, which updates the Audit and Risk Committee at each meeting. The GST is responsible for identifying existing and new regulation applicable to the Group. It is supported by the Group's auditors and external consultants in this regard, and provides updates to the GMC and Sustainability Committee.

Local management are responsible for identifying new business opportunities in target markets, and report on progress to divisional heads on a quarterly basis. Local management are also responsible for identifying opportunities to reduce carbon emissions, such as the installation of electric heat pumps, with emissions reported to the GST quarterly.



## TCFD REPORT CONTINUED

### 4 Metrics and Targets

Since publishing our revised greenhouse gas emissions target to reduce emissions by 90% on 2021 levels by 2030, we have reduced our Scope 1 & 2 carbon emissions by 59% against the 2021 baseline.

In November 2022, we announced our commitment to achieve net-zero emissions and set science-based targets for the medium and long-term.

**Overall Net-Zero Target:** discoverIE Group plc commits to reach net-zero greenhouse gas emissions across the value chain by 2040.

**Near-Term Targets:** discoverIE Group plc commits to reduce absolute Scope 1 & 2 GHG emissions 90% by 2030 from a 2021 base year. discoverIE Group plc also commits to increase active annual sourcing of renewable electricity from 58% in 2021 to 100% by 2030. discoverIE Group plc further commits to reduce absolute Scope 3 GHG emissions 42% by 2030 from a 2023 base year.

**Long-Term Targets:** discoverIE Group plc commits to maintain a minimum of 90% absolute Scope 1 & 2 GHG emissions from 2030 through 2040 from a 2021 base year. discoverIE Group plc also commits to reduce absolute Scope 3 GHG emissions 90% by 2040 from a 2023 base year.

In order to fulfil the requirements of SBTi validation, we have now calculated an estimated figure for our downstream Scope 3 emissions in the categories 10, processing of sold products; 11, use of sold products; and 12, end-of-life treatment of sold products. Gathering detailed data for these categories across all our operating businesses would be prohibitively time-consuming, and we have therefore taken advantage of the provisions within the Greenhouse Gas Protocol to base our calculation of emissions in these categories on certain estimated information. Please see page 65 of this report for further details.

We have published a transition plan for net-zero Scope 1 & 2 emissions.

#### TCFD recommended disclosures

- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

#### Further information



Read more about our **Strategic and operational review** on pages **20 to 27**



Read more about our **Key strategic indicators** on page **11**

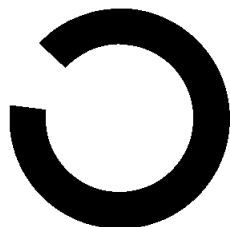


Read more about our **Our business model** on pages **14 and 15**

Key elements of the plan and all material information are contained in this report. Supplementary information can be found in the Road to Net Zero Emissions Report on our website [www.discoverIEplc.com/sustainability/our-net-zero-commitment/](http://www.discoverIEplc.com/sustainability/our-net-zero-commitment/)

The following sections outline the progress we have made in the past year.

#### SCOPE 1 & 2 EMISSIONS BY SOURCE



- Electricity 52%
- Natural gas 25%
- Company-owned cars 10%
- Refrigerants 6%
- Other 7%

To accelerate the transition to net-zero emissions, we have set out our strategy and a detailed plan to reduce our Scope 1 & 2 emissions.

#### OUR NET-ZERO STRATEGY HAS THREE PRIORITIES: REDUCE, REPLACE AND REMOVE.

<b>Reduce</b>	Reduce energy intensity across the Group
<b>Replace</b>	Replace higher carbon energy sources with lower or zero carbon options
<b>Remove</b>	Invest in removing emissions that cannot be replaced or reduced



## Scope 1 & 2

Our net-zero plan for Scope 1 & 2 focuses primarily on addressing four of the Group's largest emission sources: electricity, natural gas, company cars and refrigerants, and aims to achieve an absolute reduction of 65% by 2025 against the 2021 baseline. In calendar year (CY) 2024, we reduced Scope 1 & 2 emissions for continuing operations in absolute terms by 59%, primarily driven by more sites switching to renewable sources and reduced electricity consumption.

We report our greenhouse gas emissions using the operational control method to establish our organisational boundary. As all our subsidiaries are 100% owned by the Group there is no difference between this and the financial control or equity share methodologies.

**Based on the strategy, we have developed the following action plan and milestones:**

	Action	Milestones
<b>Reduce</b>	Reduce energy intensity by promoting process efficiency, employee awareness and engagement	<ul style="list-style-type: none"> <li>Reduce energy intensity by 10% by 2030</li> </ul>
<b>Replace</b>	Install solar panels in Sri Lanka and Thailand  Switch to zero emission energy sources through direct tariffs or renewable energy certificates ("RECs")  Replace gas heating with electric options  Replace company-owned cars with fully electric vehicles	<ul style="list-style-type: none"> <li>Completed in mid-2023</li> <li>80% zero emission energy by 2025, and 100% by 2030</li> <li>90% by 2029</li> <li>100% EV by 2030</li> </ul>
<b>Remove</b>	Remove all refrigerants  Invest in carbon removal projects to remove residual emissions	<ul style="list-style-type: none"> <li>100% removed by 2025</li> <li>From 2030 onwards</li> </ul>

By the end of 2024, 83% of our electricity was from renewable or clean sources (CY2023: 72%), benefitting from increased use of renewable tariffs, as well as the solar systems installed at our Sri Lankan and Thai sites.

Energy consumption during 2024 was 9% higher in absolute terms than in 2023, with over half of the increase driven by acquisitions. Energy intensity increased by 4% year-on-year, on a like-for-like basis, but at 20% lower than our 2021 base year, we remain ahead of our 10% target by 2030. We continue to find ways to reduce energy consumption, and leverage our inclusion in programmes such as the UK's Energy Savings Opportunity Scheme ("ESOS") to drive efficiency at the operational level.

## Scope 3

This year we completed our second comprehensive Group-wide exercise to capture data on our Scope 3 emissions. The exercise sought to cover the entire Group (including new acquisitions), and included as many of the Scope 3 sub-categories defined by the GHG Protocol as possible. Despite the significant improvements in processes already made, we are aware that data collection in respect of Scope 3 emissions is more challenging for businesses than for Scope 1 & 2. The Group will continue to

take this into account as our processes evolve in future years.

Compliance with SBTi target validation requires us to calculate emissions for the downstream Scope 3 categories processing of sold products (3:10), use of sold products (3:11) and end-of-life treatment of sold products (3:12) for our base year of CY2023. We have completed the calculation of these figures based upon a cross-section of our key products and continue to work with our businesses to further develop an acceptable, practical and repeatable methodology. Influencing the emissions from the use of sold products category, in particular, is largely out of our control. It is driven by the huge variety of applications for our products and the electrical energy generation mix of the countries into which they are sold, and this data is not readily available. For this reason, we have focused our Scope 3 reporting of CY2024 at a local business level on categories 1-9, and will continue to calculate categories 10-12 centrally for the foreseeable future.

Like Scope 1 & 2, Scope 3 emissions were reported on a calendar year basis, from 1 January to 31 December. This differs from our financial year to be consistent with previous emission assessments.

There were three key elements to the exercise in our second year:

- To enhance data availability and accuracy for the categories and sub-categories that are most relevant and material to the Group.
- To calculate a high-level emissions number for the remaining downstream Scope 3 (categories 10-12) emissions in our value chain.
- To identify the challenges faced in the accurate and comprehensive collection of downstream Scope 3 data at local business level and prepare the Group to complete this more efficiently and systematically in future.

A summary of the key findings is as follows:

- Our CY2024 Scope 3 emissions for categories 1-9 were 27% higher than those identified last year, at c.288,044 tCO<sub>2</sub>e (CY2023 226,341, restated for acquisitions and a correction of upstream transport data). We believe this increase represents the improvement in availability and accuracy of the source data used to calculate our Scope 3 emissions, and not an absolute increase in emissions. We will continue to enhance accuracy and completeness in future years.

## TCFD REPORT CONTINUED

- The largest upstream category of Scope 3 emissions was from purchased goods and services (Category 1), with that category alone representing c.77% of total upstream Scope 3 emissions.
- The second largest source of upstream Scope 3 emissions was freight (Category 4), which comprised almost 20% of upstream Scope 3 emissions. This year we were able to gather a more complete data set for both upstream and downstream transportation categories, and included a higher volume of primary data in our calculations. Data collection for downstream transportation poses a particular challenge because the data is often held by customers rather than the Group. We will continue to refine the data collection and accuracy of intra-Group shipments and customer distribution.
- The upstream emissions of our value chain are dwarfed by the downstream categories, particularly Category 11, use of sold products. Almost 90% of our total Scope 3 emissions are generated by this category. We pride ourselves on our products' potential to aid the global transition to a low-carbon economy. However, a small sub-section of our portfolio generates emissions in use due to their operation in countries where the electricity grids still rely on high-emitting fuels to generate power. The tiny inefficiencies in these products, when multiplied up by the huge through-put of energy over their long working lives, results in a large allocated emissions footprint of over 2.0m tCO<sub>2</sub>e in any one year. As national electricity grids become greener and rely more heavily on

renewable energy sources, we expect these emissions to decrease.

In terms of the methodology used to calculate our Scope 3 emissions:

- For Purchased Goods and Services (Category 1), we enhanced our analysis from last year, increasing the amount of activity-based data available, particularly in using the weights and quantities of raw materials consumed. Where quantity data was not available, all other goods and services purchased used spend-based data relating to the type of goods and materials purchased at a generic level (for example, copper, aluminium, plastics, paper, etc.). That data was then processed by our carbon emissions data capture and calculation tool. This is in line with the GHG Protocol reporting methodology but is less accurate than supplier-specific data (where such data is available). It also relies on the correct material codes having been applied. We expect our calculations to become more established and accurate as we continue to refine our methods and processes in the coming years. To this end, we have developed a taxonomy of purchases for use by our businesses, to enhance detail and consistency across our Scope 3:1 data collection in CY2025.
- Transportation data was based on weights carried, distances travelled and mode of transportation used where possible. Where such data was not available, spend on transportation was used to calculate an assumed emissions factor.
- In the centrally-calculated downstream categories (categories 10-12) we developed a methodology designed to balance the ambition

for credible emissions numbers with the need to minimise detailed information requests to our operating businesses. To this end, we developed a methodology whereby we divided our businesses into groups based on their operating characteristics (broadly equivalent to our sub-divisions) and selected businesses from each to assess the processing, in-use and end-of-life emissions of key products. These samples were used to develop standard emissions factors for our products, which we then used to extrapolate a Group-wide footprint by multiplying up the factors by quantity, weight and/or power output of the products sold.

We recognise that this is an iterative process, and our methodology and systems will be refined over time. However, within the next 12 months, we aim to:

- Publish a Greenhouse Gases Accounting Manual to support the many employees across our businesses involved in data collection, and ensure accuracy. Data is collected from 50 separate operating entities, and this guide will drive reporting standardisation across our businesses.
- Complete the equivalent exercise for our CY2025 Scope 3 emissions.
- Develop a transition plan for our Scope 3 emissions in line with the recommendations of the Transition Plan Taskforce ("TPT").

Building on our existing plan to achieve a 90% reduction in emissions by 2030 for our Scope 1 & 2 emissions, this work will help us achieve our ultimate goal of becoming a net-zero emissions business across all Scopes 1, 2 and 3 by 2040.





A summary of each of the categories within Scope 3, and their relevance and materiality to us as a Group, is provided below:

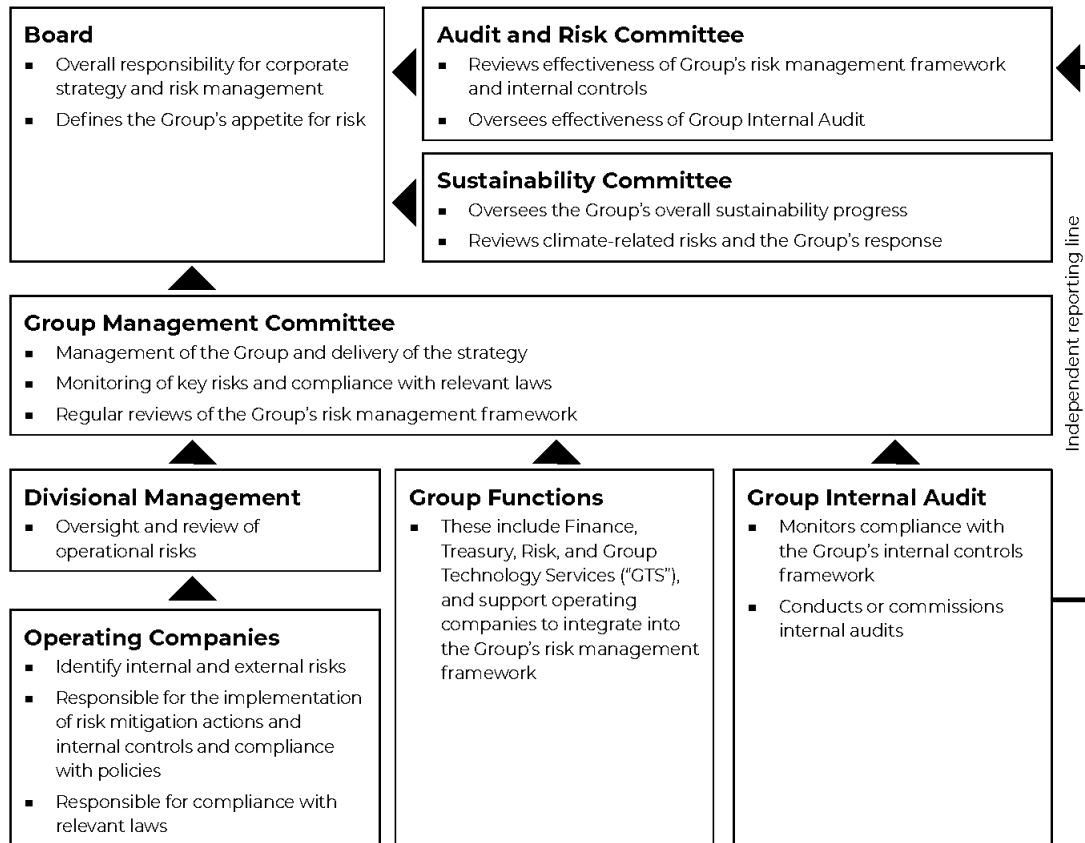
Category	Description	CY2023		CY2024	
		tCO <sub>2</sub> e	Percent Scope 3	tCO <sub>2</sub> e	Percent Scope 3
1 Purchased goods and services	Extraction, production, and transportation of goods and services purchased	149,676	5.6%	212,075	8.0%
2 Capital goods	Extraction, production, and transportation of capital goods purchased. Where this is not readily separable from other expenditure, items are reported under 3.1	590	0.0%	2,181	0.1%
3 Fuel- and energy-related activities	Extraction, production, and transportation of purchased fuels and energy that are not already accounted for in Scope 1 & 2	2,226	0.1%	2,077	0.1%
4 Upstream transportation and distribution	Transportation and distribution of products and services purchased	58,148	2.2%	53,650	2.0%
5 Waste generated in operations	Disposal and treatment of waste generated in operations	104	0.0%	141	0.0%
6 Business travel	Business travel in employee-owned cars, hire cars, flights, taxis, rail journeys and ferries	638	0.0%	2,200	0.1%
7 Employee commuting	Transportation of employees between their homes and workplaces	2,143	0.1%	2,312	0.1%
8 Upstream leased assets	The Group does not operate any leased assets that are not already included in Scope 1 & 2			N/A	
9 Downstream transportation and distribution	Transport emissions of lorry, sea, air, and rail freight purchased by customers	12,817	0.5%	13,409	0.5%
10 Processing of sold products	Processing of intermediate products sold by downstream companies	3,382	0.1%	2,734	0.1%
11 Use of sold products	End-use of goods and services sold	2,450,115	91.4%	2,348,740	88.9%
12 End-of-life treatment of sold products	Waste disposal and treatment of products sold	1,111	0.0%	1,019	0.0%
13 Downstream leased assets	The Group does not have assets leased to other entities			N/A	
14 Franchises	The Group does not have franchises			N/A	
15 Investments	The Group is not involved in financial investments			N/A	
		<b>2,680,950</b>	<b>100%</b>	<b>2,640,536</b>	<b>100%</b>

CY2023 figures in the table above are expressed on a "like-for-like" basis, including the assumed impact of emissions from companies acquired since 2023. In accordance with GHG Protocol guidance, historic emissions for these companies are deemed to be the same in prior years as in the year of acquisition. This figure is the same as that submitted to SBTi during our target validation process.

## RISK MANAGEMENT

### Governance and culture

The Board of Directors has overall responsibility for the Group's risk appetite and risk management strategy. Roles and responsibilities for managing risks across the discoverIE Group have been clearly defined as shown in the diagram below.



The Company's risk management framework follows a three lines of defence model. The first line of defence is operational management in our businesses. Day-to-day risk management controls, policies and procedures are implemented and monitored by the local management teams with oversight and review by Divisional Management. This is conducted within a series of delegated authority levels. Relevant internal control systems are in place to identify, evaluate and manage the Group's business risks.

The second line of defence comprises Group functions such as Risk, Finance, GTS, Treasury, and Tax. This focuses on monitoring of, and compliance with, risk and control systems, and processes implemented by the Group.

The Group Internal Audit function provides independent assurance of the operation of risk management processes, internal controls and governance, and serves as the third line of defence. As well as carrying out full audits on individual entities, the team conducts thematic audits, focusing on specific areas across the Group. All audits conducted by the Group Internal Audit function are completed on site. During FY2025, the team also continued preparations for complying with the revisions to the UK Corporate Governance Code, including, in particular, Provision 29 and the need for the Board to prepare a statement on the effectiveness of internal controls.

The Group operates a decentralised management model that is target and results driven, with a strong culture of

open, constructive communication and a willingness to listen. The Group Internal Audit function applies this culture in how it operates and reviews control environments across the Group.

In pursuing the Group strategy, a number of key objectives are agreed annually for the Group and for each business unit. Progress against these is reported on a regular basis to Divisional and Head Office functional management, the Group Management Committee and the Board. Having a clear understanding of our strategy and objectives assists with the effective identification and management of existing or emerging risks that have the potential to prevent or hinder these objectives from being achieved.

## Risk profile

The Group's overall risk profile is mitigated by a number of overriding factors, including:

- Our business units operate largely independently of one another and so if an issue were to arise in any one business, it would be unlikely to affect other businesses in the Group.
- We operate in 20 countries and no single site represents more than 6% of Group turnover or 13% of Group profit.
- Most of the Group's businesses operate on separate IT systems, which assists in minimising the risks of a major cyber security incident affecting the wider Group. During the year, a Group-wide Cyber Security Framework was rolled out to all Group businesses to enhance information security controls at a business level. In addition to this, the Group has implemented consistent web and

end-point security (i.e. security measures across all devices and web connections to ensure a uniform level of protection), as well as continuing to maintain an outsourced Security Operations Centre ("SOC") to monitor and respond to IT security threats 24/7.

- The Group operates from over 60 separate sites so that, if an incident were to occur at one site, it would not directly affect the other businesses within the Group. We also have business continuity arrangements in place to identify where there is scope to switch production between certain sites if needed.
- The Group has very limited reliance on any single customer or supplier, with the largest customer representing approximately 7% of revenue.
- The Group manufactures and sells multiple product lines, across multiple geographies and market sectors, removing reliance on

any single revenue stream. This is further reinforced by the innovative, bespoke nature of the Group's products, which continue to evolve as circumstances change.

- The Group operates in structural growth markets, which reflect long-term needs and are less cyclical in nature.

## Risk appetite

One of the Group's core principles is to deliver its strategic priorities in a sustainable and responsible manner. This requires that the Board gives careful consideration to the nature and level of risks that the Group should accept.

The Group draws a clear distinction between those risks that it is more willing to take (typically relating to advancing business prospects) and those that it is less willing to accept (e.g. safety, reputational, regulatory or compliance risks). The following table provides a summary:

Risk tolerant (Willing to take greater risk)	Risk neutral (Taking a balanced approach to risk)	Risk averse (Taking as little risk as possible)
<ul style="list-style-type: none"> <li>Product innovation</li> <li>Operating in new markets</li> </ul>	<ul style="list-style-type: none"> <li>Investment in facilities</li> <li>Business development initiatives</li> <li>Acquisitions and disposals</li> <li>New customers and suppliers in existing markets</li> <li>Foreign exchange translational risk</li> </ul>	<ul style="list-style-type: none"> <li>Product safety</li> <li>Health and safety</li> <li>Cyber risks</li> <li>Regulatory/covenant compliance</li> <li>Foreign exchange transactional risk</li> <li>Markets with greater business cyclicity</li> <li>Environmental risks</li> </ul>

The above table provides a high-level summary of the various types of risk that face the Group, with the most significant and material items being more specifically described in the table of Principal Risks and Uncertainties on pages 73 to 78.

Regardless of the appetite in respect of a particular risk, all risks are identified and managed in the appropriate manner.

## Enterprise risk management

discoverIE applies an Enterprise Risk Management framework to identify potential events or circumstances that may affect the Group and to manage the associated existing and emerging risks. These include climate-related opportunities and risks, further details of which can be found on pages 53 to 67 of this report. The risk management framework is made up of a number of discrete steps to identify, assess, mitigate and monitor risks.

## RISK MANAGEMENT CONTINUED

### Two processes are conducted in parallel:

- Step 1**
- A top-down review of the Group Risk Register to:
    - identify new or emerging risks
    - assess changes to existing risks
    - consider the potential impact and likelihood of risks
    - evaluate existing mitigating actions and controls
    - consider the residual risks remaining after the applications of the Group's internal control processes (and if appropriate, the implementation of further mitigating actions)
  - A bottom-up review by the management of each business to:
    - identify new or emerging risks
    - assess changes to existing risks
    - consider the potential impact of risks
    - evaluate existing mitigating actions and controls
    - consider residual risks (and if appropriate the implementation of further mitigating actions)

The top-down review of the Group Risk Register is conducted by the Group Risk team, Divisional Management, Group Technology Services, and the internal Group Sustainability Team. The bottom-up review is conducted by the management team within each business with support from the Risk team.

- Step 2**
- Comparison of the results of the top-down and bottom-up identification processes above. The benefits of conducting both top-down and bottom-up reviews are:
    - increased assurance that all risks have been identified, with input from multiple perspectives
    - ensuring alignment between local management and Head Office
    - ensuring that businesses take ownership of the risks most relevant to their individual operating unit
    - ensuring that controls in place to mitigate risks at the operating unit level are appropriate
  - An assessment of any differences identified and update of the Group Risk Register as appropriate. The Group Risk team conducts a review of any risks identified through the bottom-up process to determine whether they require escalation to the Group Risk Register. Risks suggested for escalation to the Group Risk Register are reviewed in the first instance by the Group Management Committee.

- Step 3**
- Review of the Group Risk Register by the Group Management Committee. This review focuses on:
    - the materiality of each of the risks identified
    - prioritisation of the allocation of the Group's resources to the most important areas
    - clarity of ownership for each of the risks identified

This review takes into account the Group's risk appetite in respect of the various types of risk identified.

The Group Risk Register is then updated as appropriate following the review.

This is then summarised in a table of principal risks and uncertainties, the final version of which (for FY2025) is set out on pages 73 to 78.

- Step 4**
- Review by the Audit and Risk Committee – this includes:
    - consideration of the Group's risk management framework
    - review of the Group Risk Register
    - identification of any other areas of potential risk
    - review of the table of principal risks and uncertainties
    - challenging actual or potential control weaknesses
    - review of the effectiveness of the Group's internal controls and risk management systems

These processes are conducted twice each financial year:

- an interim review, typically completed shortly ahead of announcement of the Group's interim results, focuses predominantly on changes during the first half of the year
- a comprehensive review of all risks within the Group Risk Register is completed shortly prior to the Group's full-year preliminary results announcement

The processes ultimately lead to the compilation of the Group's principal risks and uncertainties ("PRUs"), of which further detail can be found on pages 73 to 78.

The Group Risk function is continually looking to improve the Group's Enterprise Risk Management framework. During FY2024 the Group Risk function was subject to a maturity assessment, which assessed the effectiveness of the function against recognised risk management standards, such as ISO 31000 and the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control - Integrated Framework. The aim of this exercise was to ensure the function is best placed to manage the risks the Group currently faces and is effectively horizon scanning for new risks. Actions identified as part of this assessment were completed during FY2025 to further improve the effectiveness of the Group Risk function. The Group Risk function also regularly attends round-table events with service providers and peers to ensure that its activities are aligned with leading practices.

A key element in assessing the Group's principal risks is considering likelihood and potential magnitude of impact, over a range of time horizons, as well as whether the risks are new or emerging, or have changed in importance during the year. The below diagram provides a summary of the PRUs on that basis.

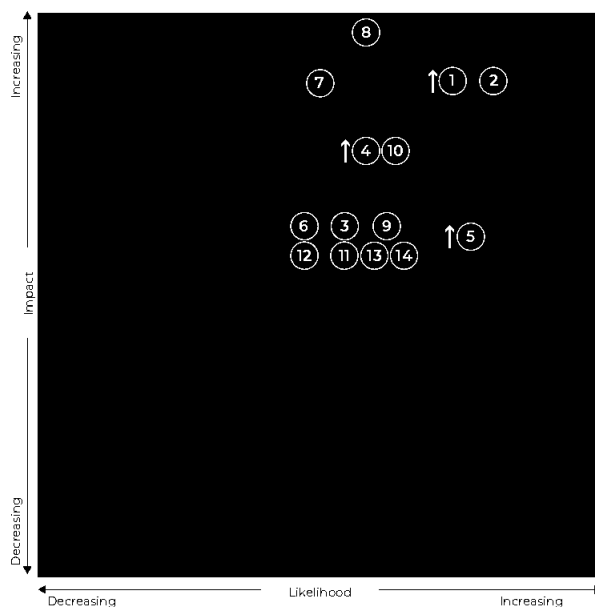
### Emerging Risks

To complement our existing enterprise risk management framework, we have enhanced and refined our approach to managing emerging risks. These risks are reviewed as part of our formal risk management process and are also considered in the day-to-day operations of the Group and its operating companies.

We assess the emerging risk landscape across three time horizons: short-term (0-3 years), medium-term (4-10 years), and long-term (10+ years). Our assessments are informed by:

- Emerging risk factors identified at the operating company level through a bottom-up process
- Insights from leading external thought leaders on global emerging risks
- Input from members of the Board and Group Management Committee on emerging risk trends

Each emerging risk is assigned a dedicated owner at Group Management Committee level. These risks are recorded in the Group Risk Register and monitored continuously throughout the year. These owners are responsible for tracking the development of risks and implementing appropriate mitigation strategies as needed.



- 1 Instability in the economic environment ●
- 2 Business acquisition underperformance ●
- 3 Climate-related risks ●
- 4 Cyber security ●
- 5 Loss of key customers ●
- 6 Loss of key suppliers/supply ●
- 7 Technological changes ●
- 8 Major business disruption ●
- 9 Loss of key personnel ●
- 10 Product liability ●
- 11 Financial controls ●
- 12 Liquidity and debt covenants ●
- 13 Foreign currency ●
- 14 Non-compliance with legal and regulatory requirements ●

### KEY

#### Category of risk:

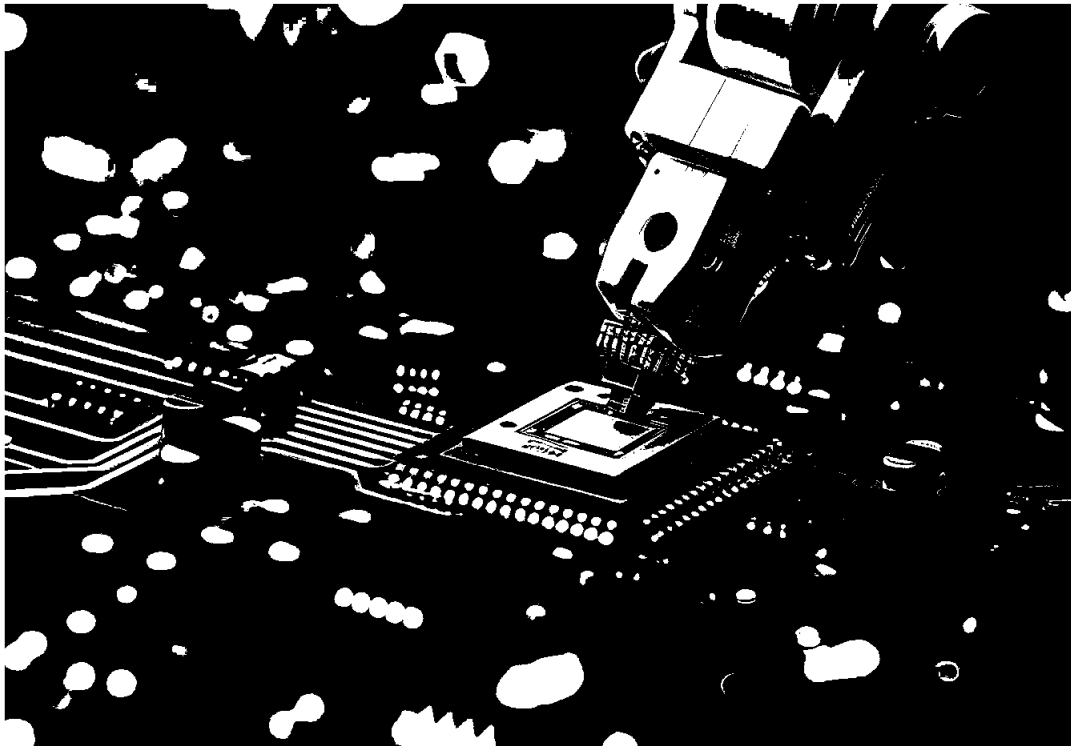
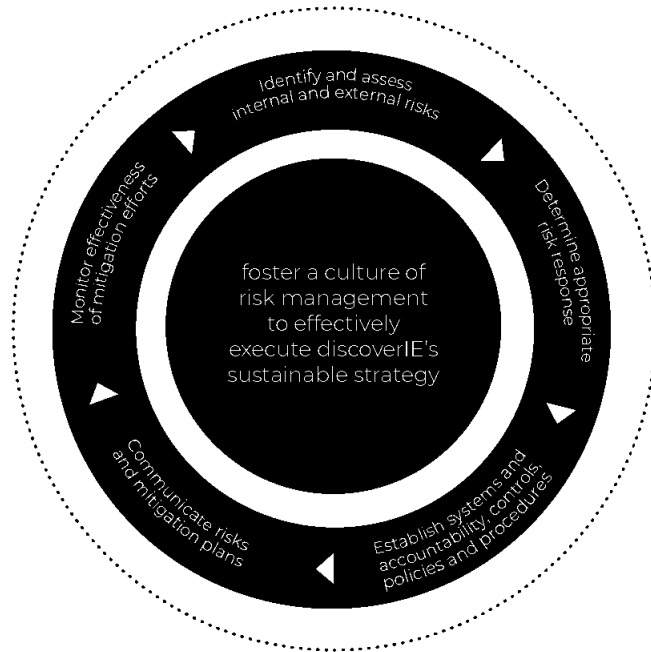
- Strategic risk
- Operational risk
- Financial risk
- Regulatory/ Compliance risk

## RISK MANAGEMENT CONTINUED

### Ongoing monitoring, mitigation and improvement

In addition to the processes outlined above, key risks, and the internal control processes adopted to address these risks, are monitored on an ongoing basis. Among other controls, this includes a review by the Group Management Committee in all of its regularly scheduled governance meetings (typically six per year) and escalation to the Board of any material developments as and when they arise.

discoverIE continually pursues improvements in its Enterprise Risk Management Framework. A summary of this continual cycle of risk identification, establishment of systems and processes to mitigate, communication and ongoing monitoring, is outlined in the diagram opposite.



## PRINCIPAL RISKS AND UNCERTAINTIES

### Focus on principal risks

This section of the Strategic Report provides an overview of the Group's approach to managing risk, focusing on the major risk factors to implementing the Group's strategy and business model. It is not an exhaustive list of all possible risks. Additional uncertainties exist, some of which may not be known to the Group and could have a negative effect on the Group's financial position and performance. The principal risks and uncertainties detailed below were considered in assessing the long-term viability of the Group. The viability statement can be found on pages 79 to 80. In line with the risk appetite statement found on page 69, the Group takes a risk averse approach to managing its principal risks.

The numbering of the below risks does not represent the ranking of these risks by the Group.

Risk description	Potential impact	Mitigating actions	Change in the year
<b>STRATEGIC RISK</b>			

#### 1 INSTABILITY IN THE ECONOMIC ENVIRONMENT

Risk of decline in financial performance due to recession, or geopolitical changes

- Reduction in sales
- Lower margins
- Closure of factories and suppliers stopping production
- Difficulty raising equity and debt, impacting ability to acquire businesses
- Market position as a specialist supplier focused on core target markets with diversified locations and product offerings
- A long-term credit facility is in place with significant headroom
- Careful monitoring of customers in relevant geographies to identify any issues early
- Flexible production and warehouse facilities to enable movement of production and supply to other countries if required
- Vigilance entering markets that are politically or financially unstable



- Increased global tariffs
- Continued conflicts in the Middle East and Ukraine

Link to KSIs:



#### 2 BUSINESS ACQUISITION UNDER-PERFORMANCE

A degree of uncertainty exists in valuing acquisitions and evaluating potential synergies

Post-acquisition risks arise due to change of control and integration challenges

Failure to deliver targets from business plan during first three years

- Financial impact due to underperformance of acquisitions
- Loss of key employees and their expertise
- Expected synergies are not realised
- Operational, financial and legal due diligence on target businesses
- Appropriate warranties and indemnities from vendors
- Use of earn-out structures to incentivise key management
- Monitoring of the acquired business performance against budget and forecast
- Hiring of experienced finance and management personnel
- Where possible, new acquisitions become part of a cluster reporting operationally to an existing established senior business
- Dedicated staff managing tailored onboarding process for all new acquisitions
- Acquisition assurance programme put in place by Group Internal Audit function to check alignment to essential Group controls



- Two new acquisitions in the year (for a total of £29m)

Link to KSIs:



#### KEY STRATEGIC INDICATORS

- A** Sales growth
- B** Adjusted operating margin
- C** Adjusted earnings per share growth
- D** Cash conversion
- E** Return on capital employed
- F** Carbon emissions reduction

## PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk description	Potential impact	Mitigating actions	Change in the year
<b>3 CLIMATE-RELATED RISKS</b>			
<p>Global warming leads to greater extremes of weather events and other local issues, which may cause production disruptions and increase operational costs</p> <p>Rising temperatures and sea levels may adversely affect several of the Group's sites</p> <p>Supply chains are affected by climate change on their operations</p> <p>Our products or other activities or decisions in relation to climate-related risks may be judged negatively by external stakeholders</p> <p>Failure to meet new ESG reporting requirements due to unreliable emissions data and/or resource constraints</p>	<ul style="list-style-type: none"> <li>The operations of Group facilities are affected by the impact of climate change (e.g., through weather-related events)</li> <li>Reduced revenue due to component and material shortages</li> <li>Increased commodity and raw material costs due to rapid increase in demand and supply shortages. This may also lead to reduced sales as some products become less or non-profitable</li> <li>Reduced sales due to customer revenues being impacted by climate-related effects on their businesses</li> <li>Unable to raise capital to fund acquisitions and/or increased finance costs due to reputational impact and deterioration of relationships with external stakeholders and staff</li> </ul>	<ul style="list-style-type: none"> <li>An assessment of the physical risks of climate change to the Group's facilities conducted using the WTW Climate Diagnostic analysis concluded that such risks are considered to be low impact overall for the Group. Those sites considered to be at high physical risk are insured for loss of revenue for 18 months resulting from climate-related disruptions. See the TCFD Report on pages 62 and 63 for further details. The sites acquired in FY2025 have been assessed using similar methodology and are considered low risk</li> <li>The Group has diverse supply chains and the ability to switch from individual suppliers that encounter issues. The agility of the Group's decentralised operating model enables us to deal with supply issues promptly and effectively</li> <li>Given the Group's target markets, customer revenues are expected to increase as a result of climate-related matters, which could offset the risk impact in other areas</li> <li>The Group has a comprehensive plan to reduce emissions within its operations and has committed to a 90% reduction in emissions for Scope 1 &amp; 2 by 2030 and net-zero across the value chain by 2040</li> <li>ESG matters are discussed at all meetings of the Board, Sustainability Committee and Group Management Committee, to ensure that the right activities are being prioritised and implemented. ESG targets are established at a Group and operating company level to ensure effective management of ESG matters</li> </ul>	<p style="text-align: center;"></p> <ul style="list-style-type: none"> <li>Good progress made against Scope 1 &amp; 2 net-zero emissions plan, with an absolute reduction of 59% on the CY2021 baseline. See further details on page 51</li> <li>Refreshed our Scope 3 assessment. See further details on page 46</li> <li>Rolled out ESG objectives to individual operating businesses</li> <li>Businesses have achieved their ESG objectives in year, including obtaining ISO accreditation where relevant</li> <li>Dedicated ESG resources at the Group level to ensure data quality and reporting standards are met</li> <li>Carbon reporting system in place across the Group to help streamline data collection, consolidation and reporting on greenhouse gas</li> <li>Sustainability Policy in place across the Group</li> </ul> <p><b>Link to KSIs:</b></p> <p><b>A B C</b> <b>D E F</b></p>

### KEY STRATEGIC INDICATORS

- A** Sales growth
- B** Adjusted operating margin
- C** Adjusted earnings per share growth
- D** Cash conversion
- E** Return on capital employed
- F** Carbon emissions reduction

Risk description	Potential impact	Mitigating actions	Change in the year
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**OPERATIONAL RISK**

**4 CYBER SECURITY**

System downtime, loss of data and/or financial impact due to external attack

- Business disruption
- Reduced service to customers
- Financial loss
- Theft of and/or access to confidential data
- Reputational damage
- Different operating units operating on separate IT systems and networks minimises risk of a major incident impacting the wider Group
- Next generation endpoint security, DNS monitoring and web security solution
- Outsourced SOC (Security Operations Centre) provides 24/7 continuous security monitoring
- Digital Forensics and Incident Response ("DFIR") Service
- Cyber security training platform rolled out across the Group
- Backup procedures in place



- General increase in cyber risks globally, driven by a rise in the number and sophistication of cyber attacks and the emergence of new technologies such as artificial intelligence
- Revised cyber security framework rolled out to all businesses
- Detailed review completed on outsourced IT support at a number of Group businesses, and remedial actions put in place
- Cyber threat exposure assessment completed at Group businesses

Link to KSIs:



**5 LOSS OF KEY CUSTOMERS**

A key customer moves to a competitor, significantly reduces operations or goes into insolvency

- Loss of market share
- Increased risk of bad debt
- Reduced profitability and cash flow
- Low dependence on any single customer (the largest customer represents c.7% of Group revenues)
- Culture of high-quality service and long-term customer relationships
- Robust quality management systems (including ISO 9001)
- Customer satisfaction surveys completed by all operating companies on a regular basis
- Regular dialogue with local management in relation to sales and design pipeline



- Global economic instability creating additional pressure on customers

Link to KSIs:



**6 LOSS OF KEY SUPPLIERS/SUPPLY**

A key supplier suffers major business disruption or quality issues or goes into insolvency

- Negative impact on production
- Damaged relationships with key customers
- Reduced sales
- Low dependency on any single supplier
- Dual source suppliers in place where possible
- Long-term supplier relationships, enhanced by strong customer relationships
- Monitoring of market and technological developments, including input from customers



Link to KSIs:





## PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk description	Potential impact	Mitigating actions	Change in the year
<b>7 TECHNOLOGICAL CHANGES</b>			
The development of new technologies that gives rise to significant new competition or renders our products obsolete	<ul style="list-style-type: none"> <li>Reduced sales</li> <li>Loss of market share</li> <li>Inventory write-offs</li> </ul>	<ul style="list-style-type: none"> <li>The Group is diversified into a number of differentiated technology units</li> <li>Focus on established technologies with low capital requirements</li> <li>Group-wide conference held to discuss use cases and best practice relating to AI</li> <li>Businesses work closely with core customers on new engineering projects to ensure products meet their needs</li> <li>All businesses contribute to a design pipeline aimed at widening the product portfolio</li> </ul>	<p>↔</p> <ul style="list-style-type: none"> <li>Emergence of AI presents both a risk and opportunity for the Group</li> <li>Acquisitions in the year increase the number of technologies within the Group</li> </ul> <p><b>Link to KSIs:</b> A B C</p>
<b>8 MAJOR BUSINESS DISRUPTION</b>			
Sustained disruption to production arising from a major incident at one or more sites Global pandemic	<ul style="list-style-type: none"> <li>Insufficient production to deliver goods on order</li> <li>Damaged relationships with key customers</li> <li>Reduced sales</li> <li>Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Ability to transfer between sites</li> <li>Not overly reliant on one site for sales Maximum revenue derived from a single site is equal to 6% of Group turnover</li> <li>Insurance coverage</li> </ul>	<p>↔</p> <ul style="list-style-type: none"> <li>Assessment of alternative manufacturing locations undertaken as part of TCFD analysis</li> </ul> <p><b>Link to KSIs:</b> A B C D E F</p>
<b>9 LOSS OF KEY PERSONNEL</b>			
Key employees leave, and effective replacements cannot be recruited on a timely basis	<ul style="list-style-type: none"> <li>Loss of expertise</li> <li>Potential business disruption</li> <li>Reduced growth</li> <li>Insufficient resources</li> <li>Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Staff development, training programmes and succession planning</li> <li>Remuneration based on personal objectives and business success</li> <li>Regular remuneration benchmarking</li> <li>Use of earn-out structures to incentivise key management of acquired companies</li> <li>The number of separate business units, each with their own management teams, minimises the risk that the underperformance of any one business impacts the Group as a whole</li> </ul>	<p>↔</p> <ul style="list-style-type: none"> <li>Recruitment market remains challenging</li> </ul> <p><b>Link to KSIs:</b> A B C</p>


### KEY STRATEGIC INDICATORS


- A** Sales growth
- B** Adjusted operating margin
- C** Adjusted earnings per share growth
- D** Cash conversion
- E** Return on capital employed
- F** Carbon emissions reduction

Risk description	Potential impact	Mitigating actions	Change in the year
<b>10 PRODUCT LIABILITY</b>			
A failure in one of our products results in serious injury, death, damage to property or non-compliance with product regulations	<ul style="list-style-type: none"> <li>Non-compliance with quality standards</li> <li>Financial loss</li> <li>Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Quality inspection controls before products are shipped to customers</li> <li>Terms and conditions limit companies' liabilities</li> <li>As a number of the Group's products are customised for individual customers, this reduces the risk relating to any one product and/or customer</li> <li>Product liability insurance in place covering all Group companies</li> </ul>	<p><b>Link to KSIs:</b></p>
<b>FINANCIAL RISK</b>			
<b>11 FINANCIAL CONTROLS</b>			
Inadequate financial controls resulting in financial misreporting, poor decision making and fraudulent activity	<ul style="list-style-type: none"> <li>Financial loss</li> <li>Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Group policies, manuals and guidance are provided to Group companies to outline the Group's requirements in relation to financial controls</li> <li>Programme of internal audits across Group companies to review adequacy of control environment</li> <li>External audit undertaken on material Group entities</li> <li>Fraud risk assessment performed by the Group Internal Audit function yearly</li> <li>Regular review of accounts by senior management</li> <li>A whistleblowing hotline is in place and available for use by all employees</li> </ul>	<p><b>Link to KSIs:</b></p>
<b>12 LIQUIDITY AND DEBT COVENANTS</b>			
There is a breach of funding terms/covenants	<ul style="list-style-type: none"> <li>Insufficient cash resources to support the Group's activities</li> </ul>	<ul style="list-style-type: none"> <li>The Group has a revolving credit facility of £240m, which runs to August 2027 with £101m available to be drawn down at the year-end</li> <li>Central treasury function oversees the Group's cash resources and financing requirements</li> <li>Regular review of headroom against committed facilities and financial covenants</li> <li>Working capital controls and monitoring of key working capital metrics</li> <li>Issuance of equity from time to time to support acquisitions programme</li> <li>Acquiring high margin, high cash-generative businesses</li> </ul>	<ul style="list-style-type: none"> <li>Gearing reduced in the year from 1.5x to 1.3x</li> </ul> <p><b>Link to KSIs:</b></p>



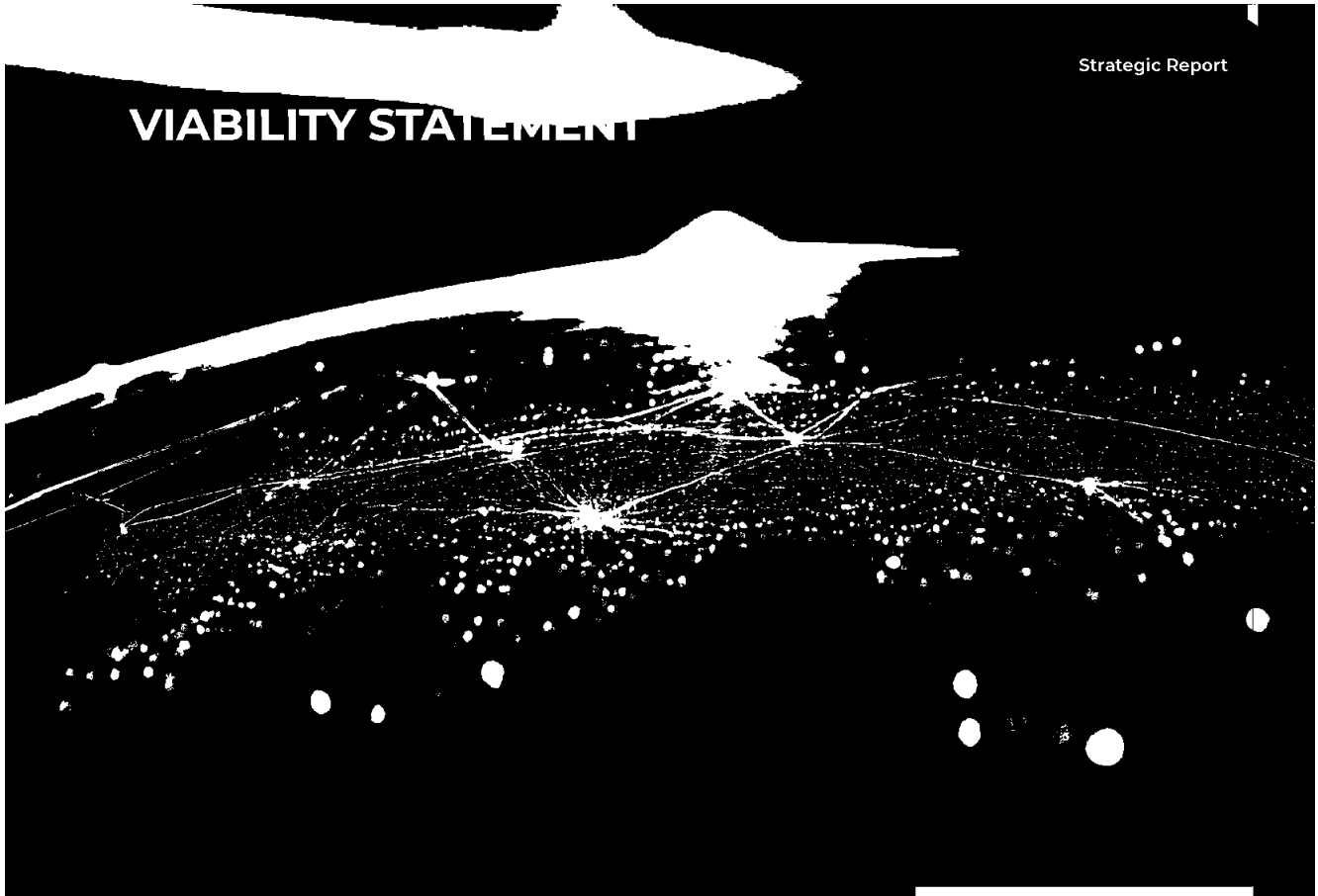
## PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk description	Potential impact	Mitigating actions	Change in the year
<b>13 FOREIGN CURRENCY</b>			
The Group transacts in many currencies for both its purchases and sales, which differ to its reporting currency, and so the Group has translational and transactional exposures to foreign currency fluctuations	<ul style="list-style-type: none"> <li>Reduction of the Group's reported results</li> <li>Volatility in operating margins</li> </ul>	<ul style="list-style-type: none"> <li>Use of forward currency contracts to hedge committed and forecast sales and purchases in foreign currency (the Group policy is not to hedge translation exposures)</li> <li>Currency borrowings as a natural hedge against same currency assets</li> <li>Central review of foreign currency exposures</li> </ul>	 <p><b>Link to KSIs:</b> C D</p>

<b>REGULATORY/COMPLIANCE RISK</b>			
<b>14 NON-COMPLIANCE WITH LEGAL AND REGULATORY REQUIREMENTS</b>			
Unintentional failure to comply with international and local legal and regulatory requirements	<ul style="list-style-type: none"> <li>Fines or penalties</li> <li>Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>The Group hires employees with relevant skills and uses external advisers to keep up to date with changes in regulations and legal requirements in order to remain in compliance</li> <li>Internal control framework including Group policies, procedures and training in risk areas such as export controls and supplier and customer credit risk. Annual internal controls self-assessments used to identify and address gaps in control within Group businesses</li> <li>Annual supplier audits undertaken across the Group to ensure compliance with Supplier Code of Conduct</li> <li>Ongoing internal audit reviews assess compliance with Group policies</li> <li>A whistleblowing hotline is in place and available for use by all employees</li> <li>Insurance covers all standard categories of insurable risk</li> </ul>	 <ul style="list-style-type: none"> <li>Work undertaken by Group Internal Audit function to ensure compliance with revisions to UK Corporate Governance Code which were finalised in January 2024</li> </ul> <p><b>Link to KSIs:</b> D</p>

### KEY STRATEGIC INDICATORS

- A** Sales growth
- B** Adjusted operating margin
- C** Adjusted earnings per share growth
- D** Cash conversion
- E** Return on capital employed
- F** Carbon emissions reduction



In accordance with section 4.31 of the 2018 UK Corporate Governance Code, the Directors have assessed the viability of the Group over a three-year period to 31 March 2028.

In making this assessment, the Directors have considered the Group's current financial position, recent and historic financial performance and forecasts, its strategy and business model and the principal risks and uncertainties.

#### Viability assessment period

The Directors have concluded that the most appropriate time period over which to assess the Group's prospects for this purpose should be the three-year period ending 31 March 2028. The selection of this period is consistent with the Group's strategic planning process, its review of external credit facilities, and its assessment of the Group's principal risks and uncertainties.

#### Viability base case

The financial projections for this three-year period are based upon the Group's budget for the year ending 31 March 2026 and forecast progression thereon. The budget is a consolidation of sales, profits, working

capital and cash flow forecasts made by each operating company and head office, incorporating associated key risk factors, including acquired company forecasts and associated contingent consideration payments, latest views on supplier and customer payments impacting working capital, interest rates and applicable foreign exchange and tax rates.

The budget for the financial year ending 31 March 2026 and the projections for the financial years FY 2026/27 and FY 2027/28 assume steady sales growth (in total, "The Viability Base Case").

#### Banking facilities and headroom

The Group has a syndicated banking facility of £240m, which is committed up to the end of August 2027. The Group is currently in the process of renewing its facility and it is expected to complete within the next 12 months under similar terms. In addition, the Group has an £80m accordion facility,

which it can use to extend the total facility up to £320m. The syndicated facility is available both for acquisitions and for working capital purposes.

The Group's financial covenants for its banking facility are:

1. Gearing: net debt (excluding IFRS 16) to Facility EBITDA (being Adjusted EBITDA plus the annualisation of acquisitions, excluding IFRS 16), of less than 3.0x and
2. Interest cover: Facility EBITDA to interest (excluding IFRS 16 and amortised upfront costs) greater than 4.0x.

At 31 March 2025, the Group had net debt of £94.3m and was significantly inside these covenants with gearing of 1.3x and interest cover of 7.8x.

The Viability Base Case model shows increasing headroom with annually reducing levels of net debt and gearing, and increasing interest cover compared with the position at 31 March 2025.

## VIABILITY STATEMENT CONTINUED

### Downside sensitivities

The Viability Base Case has been subjected to downside sensitivity analysis involving flexing a number of the underlying main assumptions, both individually and in conjunction. The sensitivities take into account the principal risks and uncertainties set out on pages 73 to 78, notably instability in the economic environment, underperformance of acquired businesses, climate-related risks, loss of key customers and suppliers, major business disruption, liquidity restriction, debt covenants, interest rate increases, the impact of US tariffs and counter tariffs and adverse foreign currency movements.

The most severe but plausible downside scenario assumes a worsening of the economic environment caused by a number of factors including geo-political events and significant reduction in consumer demand due to continuing inflationary pressures and elevated interest rates. This downside scenario results in a significant decline in the second half sales of FY 2025/26, with FY 2026/27 sales flat on the reduced FY 2025/26 level, and modest growth in FY 2027/28. Additionally, gross margin was reduced, working capital materially increased, significant one-off expenditures included (product liability, major customer insolvency or litigation, climate change, cyber-security incident, inventory obsolescence), interest rates increased and the Group effective tax rate increased.

After factoring in these significant additional downsides to the Viability Base Case, there remains good headroom both in terms of liquidity and our debt covenants. This is supported by the fact that the Group sells a wide portfolio of different products across a diverse set of industries and geographies, has low customer / supplier concentration, a global supply chain network, diverse manufacturing capacity, and has well-established relationships with its customers. These factors are considered important in mitigating many of the risks that could affect the long-term viability of the Group.

Reverse testing has also been applied to the most plausible downside scenario to determine the level of additional downside that would be required before the Group would breach its debt covenants or current liquidity headroom during the assessment period. The reverse stress test was conducted on the basis that certain mitigating actions would be undertaken to reduce overheads and capital expenditure during the period as sales declined and, on that basis, a fall in adjusted operating margin to below 6.7% in FY 2025/26 would be required before such a breach occurred.

The Board considers the possibility of such a scenario to be remote and further mitigation, such as hiring freezes, pay and bonus reductions, headcount reductions, reduction in planned capital expenditure, equity

raises and suspension of dividend payments, would be available if future trading conditions indicated that such an outcome were possible.

The Strategic Report on pages 01 to 81 sets out the key details of the Group's financial performance, capital management, business environment and principal risks and uncertainties. Based on the Directors' assessment, the Board has a reasonable expectation that, taking into account the Group's current position, having regard to the committed borrowing facilities available to the Company, and subject to the principal risks and uncertainties faced by the business as documented on pages 73 to 78 of the Strategic Report, the Group will be able to continue in operation and to meet its liabilities as they fall due for the three-year period of their assessment.

### Going concern

Based on the assessment outlined above, the Directors also believe that it is appropriate to continue to adopt the going concern basis in preparing the Group financial statements for a period of at least, but not limited to, 12 months from the date of approval of the Group financial statements.





## NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

In accordance with sections 414CA and 414CB of the Companies Act 2006, we set out below where the relevant non-financial information we need to report against can be found in this Annual Report:

<b>Environmental matters</b>	<ul style="list-style-type: none"> <li>■ Please see our Sustainability Report on pages 38 to 43.</li> <li>■ Our TCFD Report is on pages 53 to 67, including a detailed discussion of climate-related risks and opportunities on pages 56 to 61.</li> <li>■ Please see pages 62 to 63 for our general approach to risk management and pages 40 to 41, and 54 to 55 for a summary of our governance framework relating to sustainability matters and climate-related risks in particular. These governance arrangements fit within our broader governance framework, which can be seen in our Corporate Governance Report on pages 84 to 95.</li> </ul>														
<b>Employee matters</b>	<ul style="list-style-type: none"> <li>■ Please see pages 48 to 49 (Our People), page 34 (Our people engagement), page 37 (Section 172 statement) and pages 86 to 89 (Employee engagement).</li> </ul>														
<b>Social matters</b>	<ul style="list-style-type: none"> <li>■ Please see pages 34 to 35 and 49.</li> </ul>														
<b>Human rights</b>	<ul style="list-style-type: none"> <li>■ Please see pages 41, 48 to 49, 86 to 89 and 122.</li> </ul>														
<b>Anti-bribery and corruption matters</b>	<ul style="list-style-type: none"> <li>■ Please see page 41 (Anti-Bribery &amp; Corruption Policy and Whistleblowing Policy).</li> <li>■ Please also see pages 35, 84 and 99 to 101.</li> </ul>														
<b>Business model</b>	<ul style="list-style-type: none"> <li>■ Please see pages 14 to 15 for our Business Model.</li> <li>■ Please see pages 05 and 16 for our target markets, pages 12 to 13 for a summary of our strategy and pages 06 to 07 for a summary of the Group.</li> </ul>														
<b>Policies</b>	<ul style="list-style-type: none"> <li>■ The following codes, policies and standards can be found at our Group website (<a href="http://www.discoverIEplc.com">www.discoverIEplc.com</a>):             <table border="0" style="margin-left: 20px;"> <tr> <td>– Sustainability Policy</td> <td>– Group Tax Strategy</td> </tr> <tr> <td>– Whistleblowing Policy</td> <td>– Board Diversity Policy</td> </tr> <tr> <td>– Business Ethics Policy</td> <td>– Supplier Code of Conduct</td> </tr> <tr> <td>– Anti-Bribery &amp; Corruption Policy</td> <td>– Conflict Minerals Policy</td> </tr> <tr> <td>– Modern Slavery Statement</td> <td>– Environmental Policy</td> </tr> <tr> <td></td> <td>– Human Rights Policy</td> </tr> <tr> <td></td> <td>– Stakeholder Engagement Policy</td> </tr> </table> </li> </ul>	– Sustainability Policy	– Group Tax Strategy	– Whistleblowing Policy	– Board Diversity Policy	– Business Ethics Policy	– Supplier Code of Conduct	– Anti-Bribery & Corruption Policy	– Conflict Minerals Policy	– Modern Slavery Statement	– Environmental Policy		– Human Rights Policy		– Stakeholder Engagement Policy
– Sustainability Policy	– Group Tax Strategy														
– Whistleblowing Policy	– Board Diversity Policy														
– Business Ethics Policy	– Supplier Code of Conduct														
– Anti-Bribery & Corruption Policy	– Conflict Minerals Policy														
– Modern Slavery Statement	– Environmental Policy														
	– Human Rights Policy														
	– Stakeholder Engagement Policy														
<b>Outcome of policies</b>	<ul style="list-style-type: none"> <li>■ The above policies contribute to the overall governance framework of the Group, providing common standards that operating companies and suppliers must observe.</li> <li>■ The Group has a proven, flexible and resilient business model, as demonstrated by its strong financial performance over several years. These are underpinned by the Group's governance arrangements in general, including the Policies summarised above.</li> <li>■ The Group has good relations with its various stakeholders, including staff, customers and suppliers. The above Policies help support those relations.</li> </ul>														
<b>Principal risks</b>	<ul style="list-style-type: none"> <li>■ Where principal risks have been identified in relation to any of the matters listed above, these can be found on pages 73 to 78.</li> </ul>														
<b>Non-financial KPIs</b>	<ul style="list-style-type: none"> <li>■ Our non-financial key performance indicators are set out on pages 51 and 52.</li> </ul>														

The Strategic Report, as set out on pages 01 to 81, has been approved by the Board.

On behalf of the Board

**Nick Jefferies**  
Group Chief Executive  
3 June 2025

**Simon Gibbins**  
Group Finance Director  
3 June 2025



## BOARD OF DIRECTORS



**Bruce Thompson**

Non-Executive Chairman



**Appointment to the Board**

Non-Executive Director since February 2018 and Non-Executive Chairman since November 2022.

**Tenure**

7 years

**Independent**

Yes

**Previous experience**

Bruce brings a wide range of strategic and leadership expertise to the Board with proven experience of growing international industrial businesses. During his executive career, Bruce was Chief Executive Officer of Diploma plc. Prior to joining Diploma, Bruce was a director with the technology and management consulting firm Arthur D. Little Inc., both in the UK and the USA.

**External appointments**

Avon Technologies plc, Non-Executive Director and Chair.



**Nick Jefferies**

Group Chief Executive



**Appointment to the Board**

January 2009

**Tenure**

16 years

**Independent**

No

**Previous experience**

Nick joined discoverIE as Group Chief Executive in 2009. He started his career as an electronics engineer for Racal Defence (now part of Thales plc), before joining Toshiba and then Hitachi's European electronic component businesses. Prior to discoverIE, he was General Manager for electronics globally at Electrocomponents plc.

**External appointments**

None.



**Simon Gibbins**

Group Finance Director



**Appointment to the Board**

July 2010

**Tenure**

14 years

**Independent**

No

**Previous experience**

Simon brings significant financial expertise and experience gained at an international level. Prior to joining the Group, he was at Shire plc for nine years, latterly as Global Head of Finance and Deputy CFO, and at ICI plc for six years in various senior finance roles, both in the UK and overseas. His earlier career was spent with Coopers & Lybrand where he qualified as a chartered accountant.

**External appointments**

None.



**Celia Baxter**

Senior Independent Director



**Appointment to the Board**

Non-Executive Director since June 2023, Senior Independent Director and Chair of Remuneration Committee since November 2024

**Tenure**

2 years

**Independent**

Yes

**Previous experience**

Celia brings many years of senior management, executive and board experience in several FTSE 250 and FTSE 100 companies, and has a good understanding of industrial businesses that have grown by acquisition. She spent her executive career in Human Resources, starting with Ford Motor Company and then KPMG, before moving on to Tate & Lyle plc, Enterprise Oil and Hays plc. More recently, at Bunzl plc, she was a member of the Executive Committee responsible for HR and sustainability.

**External appointments**

Dowlais Group plc, Senior Independent Director and Remuneration Committee Chair.

Volution Group plc, Non-Executive Director.



**Clive Watson**  
Non-Executive Director



**Appointment to the Board**  
September 2019

**Tenure**  
5 years

**Independent**  
Yes

**Previous experience**  
Clive is a Chartered Accountant and brings wide-ranging experience in senior financial roles to the Board. Prior to retirement from executive roles, he spent almost 13 years as Group Finance Director of Spectris plc, having previously held a number of other senior finance positions both in the UK and overseas. He also served as Senior Independent Director and Audit Committee Chairman of Spirax-Sarco Engineering plc.

**External appointments**  
Breedon Group plc, Senior Independent Director and Chair of the Audit & Risk Committee.  
Kier Group plc, Non-Executive Director.  
Trifast plc, Senior Independent Director and Chair of the Audit & Risk Committee.



**Rosalind Kainyah**  
Non-Executive Director



**Appointment to the Board**  
January 2022

**Tenure**  
3 years

**Independent**  
Yes

**Previous experience**  
Rosalind has extensive experience in sustainability matters and currently runs Kina Advisory, an ESG consultancy. Previously, she was VP, External Affairs & Corporate Social Responsibility at Tullow Oil and held various roles at De Beers SA, latterly as President of De Beers Inc. in the USA.

**External appointments**  
GEM Diamonds Ltd, Non-Executive Director.  
WE Soda Ltd, Non-Executive Director.  
EnQuest plc, Non-Executive Director.



**Greg Davidson**  
Group General Counsel & Company Secretary



**Appointment to the Board**  
November 2019

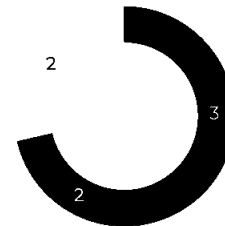
**Tenure**  
N/A

**Independent**  
No

**Previous experience**  
Greg joined discoverIE in November 2019 and is responsible for legal and company secretarial affairs. He is a qualified lawyer with extensive experience of technology, corporate and commercial matters. His experience includes five years at Wiggan & Co LLP, with clients focused predominantly in the technology sector and, prior to joining discoverIE, 16 years at RM plc, with seven years as General Counsel & Company Secretary.

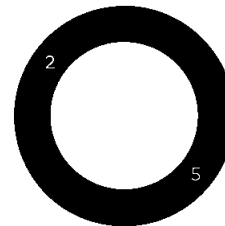
**External appointments**  
None.

**LENGTH OF TENURE**



- 1-5 years
- 6-10 years
- Over 10 years

**INDEPENDENCE**



- Independent
- Non-independent

**COMMITTEE MEMBERSHIP**

- A** Audit and Risk Committee
- N** Nomination Committee
- S** Sustainability Committee
- G** Group Management Committee
- R** Remuneration Committee
- Chairman of the Committee

## CORPORATE GOVERNANCE REPORT



**Our corporate governance structures continue to underpin the long-term success of the Group.”**

**Bruce Thompson**  
Chairman

### Chairman’s Governance Overview:






discoverIE is a strong business, with a clear purpose and set of values. This is underpinned by a governance structure that enables the Group’s long-term objectives to be met.

The Group’s performance over the last year was underpinned by our governance arrangements. These structures help ensure we are well positioned for continued growth and to meet the social and environmental challenges facing the Group today.

**Bruce Thompson**

### Compliance with the UK Corporate Governance Code 2018

During the year ended 31 March 2025, the Company fully complied with the UK Corporate Governance Code 2018 (the “Code”), with one exception. The Company conducted an externally facilitated Board evaluation in 2022 and provision 21 of the Code would require the Board to conduct another during FY2025. The Board conducted a set of evaluations (see page 95 for further details) but this was not externally facilitated. The Board intends to conduct an externally facilitated review in the year ending 31 March 2026.

Section	Progress made
 <b>Board Leadership and Company Purpose</b>	The Board leads from the front in setting the tone for the business and has established a clear purpose, set of values and strategy, taking into account the interests of our various stakeholders. The right resources, structures and processes are in place to ensure that these are then implemented properly throughout the Group.
 <b>Division and Responsibilities</b>	The respective roles and responsibilities of the Executive and Non-Executive Directors are clear and consistently applied, providing for constructive and effective dialogue and clear accountability.
 <b>Composition, Succession and Evaluation</b>	The Board has a healthy balance of skills, knowledge and experience and the appointment process is rigorous and carefully applied. Annual evaluations keep the effectiveness of the Board and its Committees under regular review to ensure this remains the case. During the year ended 31 March 2025, an evaluation of the Board and its Committees was completed.
 <b>Audit, Risk and Internal Controls</b>	The Board has established clear processes and procedures to ensure that risks are carefully identified, monitored and mitigated against and then reported externally in an open and transparent manner. This helps ensure that the Company’s financial statements are fair, balanced and understandable. Effective risk management is critical to achieving our strategy.
 <b>Remuneration</b>	Remuneration supports the Company’s strategy and is appropriate to the nature and size of the business. The Board has clear processes in place and aims to report in a straightforward and easy to understand way, with a view to providing external stakeholders with reassurance that pay, performance and wider interests are aligned.



## Board Leadership and Company Purpose

### Current composition and changes to the Board in the year

Details of the current members of the Board are set out on pages 82 and 83.

Celia Baxter is Senior Independent Director and Chair of the Remuneration Committee (succeeding Tracey Graham who retired on 31 October 2024), Clive Watson is Chair of the Audit and Risk Committee and Rosalind Kainyah is Chair of the Sustainability Committee.

All of the Non-Executive Directors have considerable expertise in their respective roles.

### Section 172 Statement

The Board takes all of its duties seriously, including those set out in section 172 of the Companies Act 2006. The statement required by section 172(1), explaining how it has taken those duties into account, can be found on pages 36 and 37.

### Stakeholder engagement

We engage proactively with our stakeholder groups. Further details can be found on pages 34 and 35 and pages 86 to 89.

### Sustainability

Provision 1 of the Code deals with the Company generating value over the long-term in the context of future risks and opportunities. This is addressed in the Sustainability Report and in

the Risk Management section of this Annual Report and Accounts. Further details of how climate-related risks and opportunities are assessed and managed can be found in the Sustainability Report.

### Good governance

Following the introduction of the 2018 UK Corporate Governance Code, the Board reviewed the Group's governance frameworks and its purpose, culture and values. This was reviewed during the year ended 31 March 2023 and was updated as set out below. Our purpose, culture and values are communicated to our workforce through internal newsletters, meeting colleagues in-person, town hall meetings, digital channels and corporate brochures.

### Our Purpose:

To create innovative electronics that help to improve the world and people's lives.

### Values

- **Integrity** – we act with honesty and openness, treating our partners and stakeholders fairly
- **Quality** – we strive for excellence and make constant improvements that deliver superior value to our customers
- **Empowerment** – we inspire growth and innovation by providing an entrepreneurial environment
- **Collaboration** – we work together, trust and respect each other
- **Positive impact** – we care about the environment and societies we live in and commit to making a positive impact

### Culture

- **Dedication and determination** – driven by empowerment and a sense of ownership
- **Customer centricity** – allow employees closest to the customers to make decisions that directly affect customer satisfaction
- **Respect, fairness and equality** – create an open and inclusive environment in which everyone has an equal opportunity to flourish and grow
- **Open communication** – create a trusting environment where information flows freely and collaboration thrives
- **Target driven** – strive for results and high performance

### Vision

To be a leading global innovator in electronics.

### Mission

To design and manufacture innovative customised electronics that help our customers create ever better technical solutions around the world. We aim to achieve this through a motivated, entrepreneurial and empowered workforce that adheres to the highest ethical and quality standards.

In doing so, we expect to create value for Shareholders, while being seen as an attractive and responsible employer and a trusted partner for customers and suppliers.

### Strategy

To grow our business in custom and differentiated electronics for niche industrial applications by focusing on markets with structural, sustained growth prospects, complemented by value-enhancing acquisitions.

This is underpinned by strong cash generation and our commitment to the UN Sustainable Development Goals.

### Strategic Priorities

This strategy comprises the following priorities:

- Grow sales well ahead of GDP through the economic cycle by focusing on sustainable, structural growth markets
- Acquire high quality businesses with attractive growth prospects, strong and sustainable margins, and discover IE DNA
- Generate efficiencies and improve operating margin through effective pricing and increased product innovation and differentiation
- Reduce environmental impact by achieving net-zero carbon emissions

Progress against our objectives is measured through our key strategic indicators. Details are set out on page 11.



# CORPORATE GOVERNANCE REPORT CONTINUED



## Board Leadership and Company Purpose continued

### Employee engagement

Our employees are highly valued and skilled and we depend upon their dedication and hard work for the Group's success. Our decentralised business model relies on the expertise of our teams in different businesses and across different locations. Our strategy recognises the benefits of maintaining our businesses' individual identities, whilst contributing to the success of the Group overall. The Board therefore considers it most appropriate that engagement activities are carried out directly at a local level, with all feedback received by any member of the Board shared with the rest of the Board.

The below summarises why and how the Board and senior management both from Head Office and within our businesses engage, how it influences our strategic thinking, the feedback we receive as to any key concerns, and other factors that affect the day-to-day working environment.

### Why we engage

- The well-being, dedication and performance of our people are critical to our continued success as a Group, the products that are delivered to and relationships maintained with customers and, as a result, the value delivered to all of our stakeholders.
- An engaged workforce can help us achieve our long-term strategic goals.
- Knowledgeable and well-trained employees help in the continued development of new and innovative products, both for us and our customers.
- Strong working relations help attract and retain talent.

We aim for a well-motivated workforce and recognise that, without their commitment, the Group would not have achieved its various successes over the last several years. This is both in terms of financial performance and our wider contribution to tackling the issues facing the world today, such as climate change and the need to reduce carbon emissions. As such,

it is important to the Board that our colleagues know how highly they are valued and that it recognises that our success depends on their continued invaluable contribution to the Group.

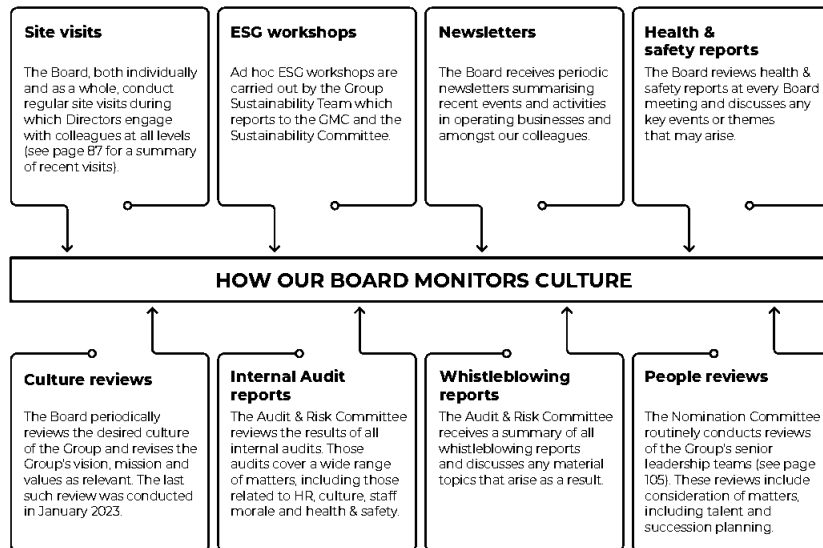
### How we engage

A range of employee engagement mechanisms are in place, including employee surveys, performance evaluations, ESG workshops, newsletters, apprenticeship and graduate programmes, employee assistance programmes, employee conferences and town hall meetings. The Board receives updates at every meeting from the Group Chief Executive, the Group General Counsel & Company Secretary and other senior managers on a range of employee-related matters, including any local issues encountered, health and safety matters and the general health and well-being of our workforce. This was particularly important during the pandemic and more recently during the cost-of-living crisis. The Audit & Risk Committee also receives details of any whistleblowing reports, the steps taken to investigate, and any follow-up actions identified as a result.

## Reviewing, embedding and managing our culture

We embrace a decentralised operating model, and our success hinges on a culture built on respect, fairness, and equality, that empowers our teams locally, fosters open communication, and unites us towards our shared ambitions.

Engagement is conducted using a variety of methods, starting within businesses at a local level, complemented by oversight from Head Office, and by the Board engaging directly. The diagram opposite provides a summary.





However, it is the personal interactions that the Board and senior management have that provide the most direct and valuable feedback. Since 2009, the Board has visited the Group's operating sites, meeting management and employees directly. In recent years, this has included visits in 2017 to Flux (Asnaes, Denmark), in 2018 to Myrra and Noratel (Guangdong, China) and in 2019 to Cursor Controls (Newark, UK). During the pandemic these visits ceased but the Board

continued with various forms of engagement, including in particular a virtual meeting with a team from Noratel involving nine colleagues covering a range of areas within the business.

In FY2023, following the easing of lockdown restrictions, the Board resumed its schedule of face-to-face meetings and this has continued since. Further details are given below. These visits enable all members

of the Board to meet with people directly and because the interaction is between all members of the Board, as opposed to just one or two holding this responsibility, this means that the Board is able to meet with a wider cross-section of our global workforce. It also enables the different experience and perspectives that each of our Board members brings to contribute to engagement, thereby fostering a much broader range of interactions than would otherwise be the case.

The below provides a summary of the Board's visits over the last couple of years:

Date	Board member(s)	Site
April 2022	Rosalind Kainyah	Cursor Controls
April 2022	Rosalind Kainyah	Sens-Tech
October 2022	Bruce Thompson Nick Jefferies	Hectronic
October 2022	Bruce Thompson Clive Watson	Sens-Tech
November 2022	Nick Jefferies Simon Gibbins	CPI, Beacon
January 2023	Bruce Thompson Simon Gibbins Tracey Graham Nick Jefferies Rosalind Kainyah Clive Watson	Variohm
February 2023	Bruce Thompson Nick Jefferies	Limitor
May 2023	Nick Jefferies Simon Gibbins	Magnasphere, Phoenix America
September 2023	Celia Baxter	Cursor Controls
October 2023	Celia Baxter	Variohm Eurosensor
November 2023	Celia Baxter	Sens-Tech
January 2024	Bruce Thompson Celia Baxter Simon Gibbins Tracey Graham Nick Jefferies Rosalind Kainyah Clive Watson	MTC
April 2024	Bruce Thompson Nick Jefferies	CPI, Phoenix America, Shape, Magnasphere, Beacon
May 2024	Nick Jefferies	DTI
July 2024	Nick Jefferies Simon Gibbins	Positek
January 2025	Nick Jefferies	Sens-Tech
March 2025	Nick Jefferies	Myrra China, Noratel China, DTI
April 2025	Nick Jefferies	CPI, Beacon, Shape



## CORPORATE GOVERNANCE REPORT CONTINUED



### Board Leadership and Company Purpose continued

During these visits the Board seeks to better understand:

- The nature of each business, the products it makes and the customers and markets it serves
- Any operational challenges or constraints that the business may face
- Opportunities that have been identified for future product innovation and business growth
- Employee morale and motivation, working conditions, local skills and expertise, and the strength of relations among the workforce generally and with the local senior management team
- Relations between the business and the wider Group
- Where a business sits within a cluster of Group companies, how that cluster is working together

and the opportunities and challenges that this brings

- Possible future acquisition targets that may complement the existing business
- Any health and safety concerns

In addition to regularly scheduled business reviews, several members of the Group Management Committee ("GMC") conduct routine functional meetings and other site visits with our businesses.

Updates from these visits are reported to the Board, either directly or via the Group Chief Executive. These reports typically include the matters referred to above, thereby enabling the Board to have oversight of workforce relations and benefit from their collective input.

The Audit & Risk Committee also receives updates at every meeting from the Risk & Internal Audit team, following internal audits that have

been conducted at each site. One key item that is checked on all internal audits is that the Group's whistleblowing posters are clearly displayed at all sites, so that if there are any matters that staff wish to raise in confidence, and anonymously if preferred, they know the channels through which they can do so. For further details on our Global Whistleblowing Policy and the independent helpline available to all staff globally, please see page 41.

As well as numerous visits throughout the year by members of the GMC, an internal conference was held in September 2024 in London, bringing together over 100 of the Group's senior leaders, together with the Board and GMC. That conference fostered further collaboration and knowledge sharing between the Board, GMC and all of our global businesses on a wide range of





matters. This has led to a number of initiatives which are still underway.

One area of key focus for the Board is to ensure that the right leadership teams are in place at all of our businesses. As well as guiding those businesses generally, these leaders shape the day-to-day experience of the people within each of those businesses, and regular direct employee engagement is delegated to them. On behalf of the Board, the Nomination Committee regularly reviews the most senior leaders throughout the Group and, in FY2025, that review covered over 100 of our most senior business leaders. Please see page 104 and 105 of the Nomination Committee Report for further details.

### Outcomes of engagement

The purpose of the various forms of engagement is as follows:

- To deepen the Board's knowledge, by using the expertise and insights of our workforce.
- To assess the culture of the Group.
- To identify any issues or concerns that staff may have.
- To ensure that the employee's voice is heard.

The Group's core strategy is well established and has been settled for several years. As such, employee engagement helps influence the Board's decision-making as to how that strategy is implemented in practice.

For example:

- During the pandemic, it was crucial that our businesses adapted to flexible working arrangements.
- Over the last few years, the need to support staff during the cost-of-living crisis has been highlighted and addressed. The Group's Human Rights Policy includes a commitment to pay wages at rates that are meaningfully ahead of minimum statutory rates. As part of its annual review of pay and working conditions, the Remuneration Committee received updates on pay rises being given to our colleagues globally, how they compared to

local rates of inflation and how they compared to local minimum wage requirements.

- The Group closely monitored the political, economic and social situation in Sri Lanka. Additional allowances, food and transportation were consequently provided.
- In light of a general desire to increase knowledge-sharing and collaboration between Group companies, an internal communication platform has been set up, to enable people in similar functions at all levels to work together to solve common issues.
- Regular webinars have been held for colleagues in operating businesses across the Group to share best practice and knowledge, covering a variety of topics such as greenhouse gas emissions, technology deep dives and finance.
- In October 2022, the UK workforce employer pension rate was increased.
- Following interest from staff, a salary sacrifice electric vehicle car scheme was rolled out to our UK businesses in FY2023.
- Given the rise in living costs, the Group rolled out an employee rewards programme across our UK businesses to help support our employees through these challenging times.
- Our employee assistance programme provides our employees with various types of support, including advice on financial difficulties, and mental health and well-being.

The metrics and other measures that are used by the Board to help assess employee relations include:

- Staff turnover rates (see page 52 for more details)
- Pay rates globally (both in absolute terms and in relation to local inflation and minimum wages)
- Accident frequency rates (see page 52 for more details)
- Whistleblowing reports

- Employee rewards programme registration and activities
- The level of collaboration activities between businesses
- Diversity (see pages 52 and 94 for more details)
- Gender pay gap data (UK only)

### Policies and procedures

The Board puts in place a range of policies and procedures that support employees in their various business activities. These policies consider the need to foster reasonable business relationships with suppliers, customers and others, the impact of the Group's operations on its workforce, the community and the environment, and the maintenance of high standards of business conduct. Our policies and procedures include the following:

- Sustainability Policy
- Human Rights Policy
- Group Health and Safety Policy
- Anti-Bribery and Corruption Policy
- Business Ethics Policy
- Whistleblowing Policy
- Board Diversity Policy
- Supplier Code of Conduct
- Modern Slavery Statement
- Conflict Minerals Policy
- Environmental Policy
- Group Tax Strategy

In addition to the above, clear and fair terms of employment are in place throughout the Group. The Group remains supportive of the employment and advancement of disabled persons and full consideration is given to applications for employment from disabled persons, where the candidate's particular aptitudes and abilities are consistent with meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment, wherever practicable, in the same or an alternative position and to provide appropriate training and support to achieve this aim.

## CORPORATE GOVERNANCE REPORT CONTINUED



### Board Leadership and Company Purpose continued

#### Time allocation, Board and Committee meetings and attendance

During the year, attendance by Directors at Board and Committee meetings was as follows:

Director	Committees					Overall Attendance %
	Board	Audit and Risk	Remuneration	Nomination	Sustainability	
Bruce Thompson	7/7	–	4/4	2/2	3/3	100%
Celia Baxter	7/7	3/3	4/4	2/2	3/3	100%
Simon Gibbins	6/7	–	–	–	3/3	90%
Tracey Graham <sup>1</sup>	4/4	1/1	1/1	–	1/1	100%
Nick Jefferies	7/7	–	–	2/2	3/3	100%
Rosalind Kainyah	7/7	3/3	4/4	1/1 <sup>2</sup>	3/3	100%
Clive Watson	6/7	3/3	3/4	2/2	2/3	84%

<sup>1</sup> Retired 31 October 2024

<sup>2</sup> The Nomination Committee meeting that Rosalind Kainyah did not attend was to discuss her own appointment

Time is provided at the start and the end of each meeting for the Chairman to meet privately with the Senior Independent Director and Non-Executive Directors. The Board's commitments are taken into account in the preparation and planning of meetings to ensure that all Directors are able to allocate sufficient time to discharge their responsibilities.

Board approval is required prior to any Director accepting any external appointments.





## Board activities

Topic	Key activities and discussions in FY 2024/25	Key priorities in FY 2025/26
<b>Strategy</b>	<ul style="list-style-type: none"> <li>Reviewed and approved the acquisitions of Hivolt Capacitors and Burster</li> <li>Reviewed key strategic indicators ("KSIs")</li> <li>Reviewed the Group's approach to sustainability practices and reporting, as well as priorities and progress against targets</li> </ul>	<ul style="list-style-type: none"> <li>Consider acquisitions as identified and determine the appropriate course of action</li> <li>Keep KSIs under review</li> <li>Keep the Group's dividend policy under review</li> <li>Continue to focus on international growth in key markets, including expansion into North America</li> <li>Review of the Group's long-term sustainability related targets</li> </ul>
<b>Risk and risk management</b>	<ul style="list-style-type: none"> <li>Carried out a robust assessment of principal and emerging risks (see pages 73 to 78 and 57 to 61)</li> <li>Considered the Group's exposure to climate-related and other ESG risks</li> <li>Conducted a further roll-out of the Group's Anti-Bribery Policy and related training</li> <li>Reviewed internal audit reports and actions taken to address findings identified</li> <li>Continued work in preparation for the coming into force of Provision 29 of the Corporate Governance Code 2024</li> </ul>	<ul style="list-style-type: none"> <li>Review key risks and ensure that the Group's internal control process remains appropriate</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Continued focus on the composition, balance and effectiveness of the Board</li> <li>Signed off and published the Group's modern slavery statement</li> <li>Engaged with institutional Shareholders, investors and other stakeholders throughout the year</li> <li>Reviewed and approved the 2024 Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Build further understanding and plan actions in relation to new regulations over the period</li> </ul>
<b>Organisational capacity</b>	<ul style="list-style-type: none"> <li>Monitored health and safety performance across the Group. Regular Board updates received on actions improving health and safety</li> <li>Received presentations by senior management including on M&amp;A strategy</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor health and safety performance across the Group</li> <li>Consideration of the Group's capacity as it continues to grow</li> </ul>
<b>Board development</b>	<ul style="list-style-type: none"> <li>Continued focus on the composition, balance and effectiveness of the Board</li> <li>Reviewed Board and Committee composition and discussed and acted on the recommendations of the Nomination Committee</li> <li>Undertook an evaluation of the Board, its Committees and individual Directors</li> </ul>	<ul style="list-style-type: none"> <li>Focus on increasing diversity both for the Board and across the Group more generally</li> </ul>

## CORPORATE GOVERNANCE REPORT CONTINUED



### Division of Responsibilities

discoverIE is led by a strong and experienced Board with a broad range of skills, experience and knowledge.

Throughout the year under review, the Board consisted of Bruce Thompson as Non-Executive Chairman, Tracey Graham as Senior Independent Director (until her retirement on 31 October 2024), Celia Baxter as Senior Independent Director (from 1 November 2024), Rosalind Kainyah and Clive Watson as Non-Executive Directors, with Nick Jefferies as Group Chief Executive and Simon Gibbins as Group Finance Director.

The Non-Executive Directors constructively challenge management proposals where appropriate and carefully monitor management performance and reporting on an ongoing basis. The Company has both a Chairman and a Group Chief Executive.

There is a clear division of responsibilities, which has been agreed by the Board, and a summary of their respective roles is described below.

#### Role of the Chairman

- Responsible for leading the Board, which includes the operation of the Board's overall procedures.
- Providing a forum for constructive discussion and ensuring receipt of clear and timely information.
- Overseeing Corporate Governance matters.
- Leading the performance evaluations of the Group Chief Executive, the Non-Executive Directors and the Board.

The Chairman, in conjunction with the Group Company Secretary, ensures that Directors receive a full, formal and tailored induction to the Group and ongoing training as relevant.

#### Role of the Group Chief Executive

- Leading the development and implementation of the Group's strategy.
- Communicating with Shareholders and other stakeholders.
- Responsible for the day-to-day management of the Group's businesses and reporting on their progress to the Board.
- Leading the Group Management Committee.

The Group Chief Executive is assisted in meeting his responsibilities by the Group Management Committee.

#### Role of the Board

- Setting the strategy.
- Oversight of the management of discoverIE.
- Review of KSIs.
- Review of acquisitions and corporate transactions.
- Recommending or declaring dividends.
- Approval of financial statements, business plans, financing and treasury matters.
- Approval of major capital expenditure and commitments.
- Maintaining sound internal controls and risk management systems.
- Review of the Group's overall corporate governance.
- Any litigation of a material nature.

As set out on the following page, certain matters are delegated to the Group Management Committee and to the Audit and Risk, Remuneration, Nomination and Sustainability Committees.



## Governance framework

### The Board

#### Chaired by Bruce Thompson

The Board meets a minimum of six times a year.

It is accountable to Shareholders for the long-term success of the Group. This is achieved via a clear division of responsibilities between the Chairman and Group Chief Executive, the setting of strategic aims and ensuring that the necessary resources are in place.

#### Nomination Committee

##### Chaired by Bruce Thompson

The Nomination Committee regularly reviews the structure, size and composition of the Board and its Committees. It identifies and nominates suitable candidates to be appointed to the Board (subject to Board approval) and considers diversity, culture, talent and succession generally.



Further information on the **Nomination Committee** is on **pages 104 to 105**.

#### Audit and Risk Committee

##### Chaired by Clive Watson

The Audit and Risk Committee has responsibility for overseeing and monitoring the Group's financial statements, accounting processes, audit processes (internal and external), and controls.



Further information on the **Audit and Risk Committee** is on **pages 96 to 102**.

#### Remuneration Committee

##### Chaired by Celia Baxter

The Remuneration Committee reviews and recommends to the Board the framework and policy for the remuneration of the Chairman, the Executive Directors and the Group Management Committee.

The Committee ensures that the remuneration policy of the Group reflects the Group's strategy.



Further information on the **Remuneration Committee** is on **pages 110 to 113**.

#### Sustainability Committee

##### Chaired by Rosalind Kainyah

The Sustainability Committee reviews the Group's ESG plans and arrangements, seeking to align with best practice and underpinning the long-term sustainability of the Group.



Further information on the **Sustainability Committee** is on **pages 38 to 52**.

### Group Management Committee

The Group Management Committee is chaired by Nick Jefferies, Group Chief Executive, and comprises Simon Gibbins, the Group Finance Director, the Group Commercial Directors, Head of Corporate Development, Group General Counsel & Company Secretary, Group Financial Controller, Head of Tax, Head of Acquisitions, Head of Risk & Internal Audit, Head of Investor Relations and Group Development, and Group Projects Director. Further information about Committee members can be found on the Group's website [www.discoverIEplc.com](http://www.discoverIEplc.com).

The Committee typically meets 12 times a year (six times to discuss governance matters and six times to discuss operational matters) and is responsible for the Group's day-to-day operations, for delivering results, and for driving growth and ensuring that this is done in a sustainable and ethical manner.

## CORPORATE GOVERNANCE REPORT CONTINUED



### Composition, succession and evaluation

#### Current composition

The biographies of the current members of the Board are set out on pages 82 and 83.

#### Work of the Nomination Committee

The Nomination Committee Report, which can be found on pages 104 and 105, describes the work of the Nomination Committee in ensuring that the Board continues to have the right mix of skills, knowledge and experience, and the process for ensuring that there is an effective process in place for succession planning.

#### Independence

The independence of the Non-Executive Directors is reviewed annually.

The Board considers that the Non-Executive Directors bring strong, independent oversight and continue to demonstrate independence. The

Board recognises the recommended term for Non-Executive Directors as set out in the Code and is mindful of the need for suitable succession.

Celia Baxter is the Senior Independent Director and is available to Shareholders should they have concerns that cannot be resolved through other channels.

#### Induction

All new Directors receive induction training on joining the Board and are expected to regularly update and refresh their skills and knowledge, with the Company providing the necessary resources, as required. The induction programme includes meeting with the Group's senior management and visits to key locations, as well as a comprehensive briefing pack.

#### Board composition

The composition of the Board, both as at 31 March 2025 and as at the date of

this Annual Report and Accounts, is set out below

- The Board is 33% female
- The Senior Independent Director (Celia Baxter) is female
- The Board has one Director from a minority ethnic background

discoverIE collects the data used for these purposes from members of the Board and Group Management Committee on a voluntary basis, with each person confirming their gender and ethnicity. The senior positions are defined as Chairman, Group Chief Executive ("CEO"), Group Finance Director ("CFO") and Senior Independent Director ("SID"). The Group Management Committee is considered to be the Company's executive management as defined by the Listing Rules.

#### Gender diversity

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
Men	4	67%	3	8	73%
Women	2	33%	1	3	27%
Not specified / prefer not to say	0	0%	0	0	0%

#### Ethnic diversity

Ethnicity	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	5	83%	4	8	73%
Mixed / Multiple Ethnic Groups	0	0%	0	0	0%
Asian / Asian British	0	0%	0	3	27%
Black / African / Caribbean / Black British	1	17%	0	0	0%
Other ethnic group, including Arab	0	0%	0	0	0%
Not specified / prefer not to say	0	0%	0	0	0%

The Company confirms that, both as at 31 March 2025 and as at the date of this Annual Report and Accounts, it meets the targets on board diversity specified in Listing Rules 6.6.6(9) and 14.3.30(1), save for the requirement for 40% of the Board to be women (currently 33%). The reason for not meeting that target is as follows. As explained in our Board Diversity Policy (which can be found on our website at [www.discoverieplc.com/sustainability/company-policies](http://www.discoverieplc.com/sustainability/company-policies)), the Company is committed to maintaining a diverse Board that is appropriate for the size and nature of the Group and, at present, it has been determined that this is met by maintaining a Board of six Directors, comprising two Executive Directors and four independent Non-Executive Directors. All of the current Directors of the Board provide a valuable contribution to the success of the Group, and it would be inappropriate to either seek to remove one of the current male Directors and replace them with a female Director, or to maintain a larger Board, simply to enable the Company to confirm compliance with this requirement. The current composition of the Board has been considered as appropriate and in the best interests of all stakeholders. If it is determined in future that a Board of seven or more members is appropriate, we would target maintaining a minimum 40% female board representation.



### Evaluation

In accordance with the Code, the Board and each of its Committees undertake an evaluation each financial year. Such evaluations were completed during the year ended 31 March 2025.

As noted in last year's report, the Company conducted an externally facilitated set of evaluations during the year ended 31 March 2022 and intends to conduct an externally facilitated review in the year ending 31 March 2026.

A summary of the process and findings for the 2025 evaluation are provided below.

#### Step 1

Each Director considers his or her individual performance, the performance of the Chairman and the overall performance of the Board and each of its Committees by using questionnaires. Additionally, Celia Baxter, as Senior Independent Director, considered the performance of the Chairman based on the feedback received.

#### Step 2

The results of the evaluation are discussed by the Board and actions for improvement are decided upon.

A summary of the 2025 Board evaluation is detailed in the box below.

#### Step 3

One-on-one discussions are held between the Chairman and Senior Independent Director on the evaluation of the Chairman and between the Chairman and the Non-Executive Directors on their respective evaluations.

#### Re-election

In accordance with the Code, all Directors stand for re-election annually at each AGM.

#### Audit, risk and internal control

The Strategic Report notes that delivering the Group's strategic priorities in a sustainable and responsible manner requires careful consideration to be given by the Board to the nature and level of risks that the Group should accept.

The Board's approach to risk generally, including the identification, management and mitigation of risks (including internal controls), is described in further detail in the following sections of this Annual Report and Accounts:

- Our approach to Risk Management is described on pages 68 to 72.
- The Group's Principal Risks and Uncertainties are set out on pages 73 to 78.
- The Audit and Risk Committee Report on pages 96 to 102 summarises how the Committee provides oversight, and supports the Board, in relation to audit, risk and internal controls generally.
- The Board's approach to climate-related risks and opportunities can be found in the TCFD Report (see pages 53 to 67.)

#### Remuneration

The Board's approach to remuneration is set out in the Remuneration Report (see pages 110 to 133).

#### Approval

This Corporate Governance Report has been approved by the Board and signed on its behalf by

#### Greg Davidson

Group General Counsel and Company Secretary

## Summary of the 2025 Board evaluation

### Board composition

The composition of the Board was positively rated.

### Board's expertise and knowledge

The Board's understanding of the views of major investors and other stakeholders was rated positively, and all members of the Board were especially keen to continue visits to our operating businesses to interact with staff directly (a visit by the entire Board to one of our sites in Poland is scheduled for September 2025). It was acknowledged that none of the individual members of the Board have in-depth digital experience but it was agreed that this was already sufficiently addressed through the regular briefings given by management which in the year included, for example, a specific briefing on artificial intelligence, as well as knowledge acquired externally via other sources. It was also acknowledged that this was an area that would be difficult for any one individual to cover and that it was more important to ensure that the Group has in place resources and controls to both exploit the opportunities presented in this area, as well as manage the risks.

### Board dynamics

The interaction among and between Board members was rated highly, with there being a positive atmosphere and strong relationships, set in the context of proper and constructive challenge.

### Management of meetings

The management of meetings and the structure of the Committees, together with Board support, were appropriate.

### Risk management

The effectiveness with which the Board takes risk into account when making decisions was positively rated. The Group's approach to risk is set out in the Risk Management section of this Annual Report on pages 68 to 72.

## AUDIT AND RISK COMMITTEE REPORT



**Clive Watson**  
Chair of the Audit & Risk Committee



### Members

	Member since
Clive Watson (Chair)	2019
Tracey Graham (until 31 October 2024)	2017
Rosalino Kairyeh	2022
Celia Baxter	2023

The Group Company Secretary acts as Secretary to the Committee.



**The Committee fulfils an essential role in overseeing the Group’s risk management and controls framework.”**

### Dear Shareholder,

I am pleased to report on the activities of the Audit and Risk Committee (the “Committee”) during the year under review.

### Role of the Committee

The Committee’s role is central in bringing together the Group’s risk management activities and control framework to ensure adherence to policies, the integrity of financial reporting and the maintenance of a strong, risk-focused culture. The Committee oversees and reviews the management of risk, financial results, and the Group Internal Audit function. This includes reviews of recent and upcoming regulatory changes and the Group’s exposure to all risks and opportunities, including those related to climate change and the changes to the UK Corporate Governance Code announced in January 2024. As Chair of the Audit and Risk Committee, I attend the Annual General Meeting and make myself available for any Shareholder questions within the Committee’s remit.

### Key responsibilities of the Committee:

- Consideration of the appropriateness of the accounting principles, policies and practices adopted in the Group’s accounts
- Review of external financial reporting and associated announcements to ensure they are fair, balanced and understandable
- Managing the appointment and remuneration of the Group’s external auditor, together with an assessment of the effectiveness and independence of the audit,

including the policy on the award of non-audit services

- Initiating and supervising a competitive tender process for the external audit, as and when required
- Oversight of the Group Internal Audit function
- Ensuring the effectiveness of the Group’s risk management processes and internal controls
- Oversight and update of the Group risk register
- Oversight of the Group’s whistleblowing procedures in conjunction with the Board. If any issues are reported that require further investigation, this is typically conducted by the Group Internal Audit function, which reports back to the Committee as to its findings and whether any further action is necessary or desirable. Additionally, where any investigations reveal wrongdoing, or where remedial actions are required, the Committee maintains oversight of those actions until such time as it is satisfied that the underlying issues have been adequately addressed.
- Monitoring compliance with the UK Corporate Governance Code

### Meetings

During the year, the Committee met three times and also met privately with the external auditor. The Committee comprised the people shown in the table above, all of whom are Non-Executive Directors.

In addition to the Committee members, the Group Chairman, Group Chief Executive Officer, Group Finance



Corporate Governance

Director, representatives from the external auditor, the Head of Risk and Internal Audit and the Head of Group Reporting attended some or all of these meetings by invitation. As Chair of the Committee, I maintain direct communication with the external auditor and the Head of Risk and Internal Audit, independently of the management of the Company.

Meetings of the Committee are scheduled so as to ensure the Committee is informed fully, and on a timely basis, on areas of significant risks and judgement. The Committee also receives sufficient, reliable and timely information from management on significant changes to financial accounting standards and reporting requirements, regulatory and governance changes and developments concerning risk management, fraud prevention and detection, and cyber security. As Chair of the Committee, I report to the Board on any significant matters arising from the activities of the Committee.

The Board is satisfied that the members of the Committee have both recent and relevant experience (as set out on pages 82 and 83). The Committee is satisfied that the Group's executive compensation arrangements do not prejudice robust controls and good stewardship.

### **Committee activities during FY 2024/25 and FY 2025/26 to date**

#### **May 2024**

- Reviewed the results of the external audit of the 2024 Annual Report and Accounts

- Reviewed the going concern and viability statements
- Reviewed the 2024 Annual Report and Accounts, including assessing and confirming the presentation of the consolidated Statement of Profit and Loss and that the Report was fair, balanced and understandable
- Assessed and agreed the independent status of the external auditor
- Discussed the transition arrangements between PriceWaterhouseCooper LLP and Deloitte LLP ("Deloitte") as the Group's external auditor
- Discussed the overall adequacy and effectiveness of the Group's internal controls and reviewed the Group Internal Audit function's annual opinion on the Group's control framework
- Reviewed the half yearly update of the Group Risk Register, including agreeing key risks for inclusion in the 2024 Annual Report and Accounts

#### **November 2024**

- Reviewed half-year results and judgemental accounting areas
- Reviewed the results of the interim review conducted by the external auditor
- Reviewed the external auditor's preliminary view of FY 2024/25 audit planning considerations
- Reviewed the half yearly update of the Group Risk Register, including risk reporting by each operating business
- Discussed the updates to the UK Corporate Governance Code

due to come into effect from 1 January 2025 (effective for the Company from the financial year ending 31 March 2026)

- Reviewed a fraud risk assessment undertaken by the Risk & Internal Audit team
- Considered the results of an external review of the Group's export control processes
- Reviewed proposed changes to the Committee's Terms of Reference (which were then recommended to the Board)

#### **January 2025**

- Reviewed the external audit planning report for the 2025 Annual Report and Accounts (including review and approval of audit scope and fees)
- Reviewed and approved the 2025 Annual Report and Accounts timetable along with the approach for ensuring the Annual Report would be fair, balanced and understandable
- Agreed a risk management and internal audit programme and resource requirements in detail for FY 2025/26, and at a higher level for the following three years to ensure all businesses would be audited over a four-year cycle
- Considered and approved a revised Non-Audit Services Policy
- Annual review and update of the Group's Tax Strategy
- Reviewed the Group's Anti-Bribery & Corruption Policy and its implementation

## AUDIT AND RISK COMMITTEE REPORT CONTINUED

### May 2025

- Reviewed the results of the external audit of the 2025 Annual Report and Accounts
- Reviewed the going concern and viability statements
- Reviewed the 2025 Annual Report and Accounts, including assessing and confirming that the Report was fair, balanced and understandable
- Assessed and agreed the independent status of the external auditor
- Discussed the overall adequacy and effectiveness of the Group's internal controls, including reviewing the Group Internal Audit function's annual opinion on the Group's control framework
- Reviewed progress against the recommendations arising from the external quality assessment
- Half-yearly review of the Group Risk Register, including agreeing key risks for inclusion in the 2025 Annual Report and Accounts

### Standing items

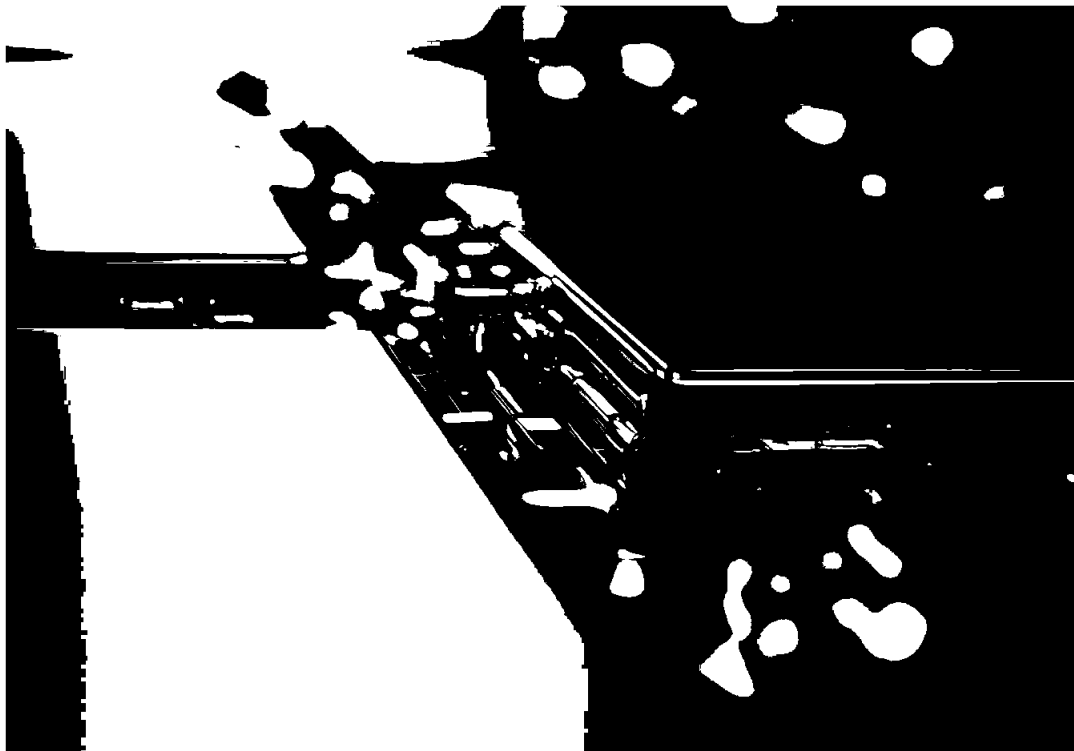
**The following matters were covered at all of the above Audit and Risk Committee meetings:**

- Private session with the external auditor without management presence
- Update on internal audits conducted and progress with management's implementation of actions
- Update on alignment of newly acquired businesses to Group policies and procedures
- Review of regulatory updates
- Update on risk management projects
- Update on fraud and whistleblowing reports

After each meeting of the Committee, the Chair of the Committee reports to the Board, to enable the Board to discharge its responsibilities.

### Fair, balanced and understandable

The Committee has, at the request of the Board, reviewed this year's Annual Report and Accounts to assess whether it presents a fair, balanced and understandable view of the Company's position and prospects. The Committee's review took account of the process by which the Annual Report and Accounts are prepared, which includes analysis of changes to applicable reporting requirements and standards, and a robust schedule of review and verification by senior management and external advisers to ensure disclosures are accurate. The Committee is satisfied that, taken as a whole, the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy, and has advised the Board accordingly.





## Significant accounting matters considered and decisions taken

As part of the monitoring of the integrity of the financial statements, the Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. The viewpoint of the external auditor is sought when undertaking these assessments.

During the year, the Committee's review of significant accounting and financial reporting issues included a focus on the following key areas:

<b>Impairment of goodwill</b>	Consideration of the carrying value of goodwill and the assumptions underlying the impairment review. The judgements in relation to goodwill impairment largely relate to the assumptions underlying the calculations of the recoverable amount of each of the Group's four sub-divisions being tested for impairment, primarily the achievability of long-term plans and macroeconomic assumptions underlying the valuation process. The assumptions are sensitised to ensure that there is adequate headroom between the recoverable amount and the carrying value of the sub-divisions being tested for impairment.
<b>Accounting for acquisitions and disposals</b>	A review of the accounting for acquisitions and disposals in FY 2024/25, including the appropriateness of the assumptions used in assessing the fair value of the assets and liabilities acquired, as well as assumptions used to estimate the fair value of the contingent consideration at its initial recognition and its subsequent measurement, including discount rate and trading forecasts.
<b>Valuation of the legacy defined benefit pension scheme</b>	A review of the appropriateness of the assumptions used in the valuation of the legacy defined benefit pension scheme under IAS 19 – Employee Benefits.
<b>The recognition and valuation of judgemental provisions</b>	A review of the appropriateness of the assumptions used in the recognition and valuation of judgemental provisions, which relate mainly to onerous contracts, inventory, severance, indemnities, acquisition earn-out arrangements, long-term incentive plans, restructuring and integration.
<b>Presentation of adjusted profit adjustments</b>	A review of the appropriateness of items disclosed as acquisition and disposal-related costs (including amortisation of acquired intangibles and acquisition and disposal expenses) in the Supplementary Statement of Profit or Loss Information and notes to the Group Financial Statements, in line with the Group's stated policy.
<b>Climate-related financial disclosures</b>	An evaluation of the impact of climate change on the Group in accordance with the TCFD framework. The process involved a review of risks and opportunities from climate change and evaluating the quantifiable financial impact on the Group under different climate change scenarios.
<b>Going concern and viability-related financial disclosures</b>	A review of the paper prepared by management on the Group's going concern and viability assessment, including underlying forecasts, cash flow assumptions and downside scenarios.

The Committee was satisfied that each of the matters set out above had been fully and adequately addressed by the Executive Directors and then reviewed by the external auditor, and that the disclosures made in this Annual Report and Accounts were appropriate.

In respect of each significant matter reviewed, the Committee considered the assumptions made, the reasonableness of judgements made and how such matters have been presented. The Committee evaluated and challenged each of these to

ensure that the Annual Report and Accounts are complete and accurate in all material respects.

### Tax and Treasury

The Committee typically meets annually with the Head of Tax and the Group Treasurer to review the key tax and financing matters affecting the Group and to understand the areas of focus in the forthcoming year. In FY 2024/25, these meetings were conducted by the Board.

### Risk management and internal controls

The Board has overall responsibility for the Group's risk appetite and risk management strategy, including determining the nature and extent of the risks it is willing to take in achieving the Group's strategy and objectives. In order to discharge these duties effectively, the Board is also required to ensure the effectiveness of the risk management strategy and framework, and internal controls systems.

## AUDIT AND RISK COMMITTEE REPORT CONTINUED

Oversight of risk management is undertaken by the Committee, in accordance with its terms of reference. In order to ensure the effectiveness of the risk management and internal control systems, the Committee undertook a number of key activities during the year, including:

- Consideration of the risk management activities during the year, including a particular focus on cyber security, and any related incidents, including how those incidents were handled and whether any action was required, either in response to the specific incident itself or in the business more widely in response to lessons learnt from any such incident
- Review of risk management and reporting to ensure effectiveness and that the balance between risk and opportunity was in keeping with the Group's risk appetite
- Regular meetings with members of senior management and the Group Internal Audit function
- Review of reports on control matters and challenge of management's response to any matters raised
- Review of the maturity assessment conducted against the Group's Risk Management function to ensure that it continues to align with best practice
- Evaluation and challenge of the results and recommendations of audits undertaken by the Group Internal Audit function and the external auditor
- Review of the resource requirements of the Group Internal Audit function
- Review of the annual Audit and Risk Committee agenda

### Preparation for changes in audit and governance reform

The Audit and Risk Committee, on behalf of the Board, is currently mapping the material internal controls that underpin the Group's reporting, to ensure that any strengthening of controls or further assurance desired can be implemented ahead of the

revised Code Provision 29 coming into force from 2026. This supports our continued focus on enhancing our risk management framework.

Developments and enhancements have continued to be made to the Group's internal control and risk management processes during the year, further details of which are set out below. The Committee has been pleased with the enhancements being made to the Group's internal control and risk management framework and the preparations for enabling an explicit conclusion on the effectiveness of internal controls within the FY27 Annual Report.

This work has included:

- The embedding of critical controls aligned to the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework and implementation of agreed remediation actions
- The issue of an updated Group Accounting Manual and Internal Controls Manual to all Group companies
- The issue of a revised Group Reporting Manual to all Group companies
- The roll-out and embedding of a revised Cyber Security Framework aligned to Center for Internet Security ("CIS 8")
- The embedding of a Group governance, risk and compliance system to provide a more efficient way to document, test and evidence internal controls
- Defined a target operating model for risk, control and internal audit
- A detailed update at each meeting on the progress being made to enhance the internal controls framework

The Committee will continue to receive regular updates and engage closely with management on any changes that might benefit the Group's existing approach to internal controls and to ensure compliance with legislation and best practice as they are updated.

The corporate criminal offence of failure to prevent fraud comes into effect on 1 September 2025 and the Committee has placed a specific focus on monitoring the Group's activities to ensure compliance with this new legislation. As a result, the Group now conducts annual fraud risk assessments, has issued guidance to businesses within the Group on fraud 'red flags', and has rolled out training related to the failure to prevent fraud offence. The work undertaken complements the Group's existing risk management framework and its preparations for compliance with Provision 29 of the UK Corporate Governance Code, further enhancing discoverIE's overall control framework.

Throughout the year, the Committee has monitored the Group's internal control and risk management systems and, at its meeting in May, specifically reviewed the effectiveness of these.

### Internal Audit

The Group Internal Audit function's primary purpose is to provide risk-based and independent assurance, advice and insight to help improve all aspects of the organisation's governance and system of internal control, including management of risk. The remit of the internal audit function covers discoverIE Group plc and all of its subsidiaries. Resource in the function remained fixed during FY 2024/25 with three full-time staff, as well as support from external consultants and outsourced providers. Further details on the operation of the Group Internal Audit function can be found in the Risk Management section on pages 68 to 72.

The Committee has overall responsibility for reviewing the effectiveness of the Group's risk management and internal control systems framework as well as the Group Internal Audit function. As part of this, we ensure that the Group Internal Audit function has unrestricted scope, the necessary resources, and appropriate access to information to enable it to perform its function effectively. The suitability of resources available to the Group Internal Audit function was considered in the year. The Committee also

reviews regular updates on internal audit work carried out and the actions taken by management to implement the recommendations of internal audit reviews.

The Head of Risk and Internal Audit and I meet regularly between Committee meetings to ensure the team can effectively discharge its duties and to discuss pertinent issues, such as changes in legislation. Outside of the scheduled meetings, I have conducted the following activities on behalf of the Committee related to Risk and Internal Audit:

- Reviewed the self-assessment of the Group's compliance with the revised Institute of Internal Auditors ("IIA") Global Internal Audit Standards effective from January 2025 (November 2024)
- Reviewed and approved the internal audit charter (November 2024)
- Input into the Group Risk and Internal Audit team's plans for FY26 (April 2025)

A programme of internal audit activities has been completed during the year. The scope of work carried out by the Group Internal Audit function generally focuses on the internal financial and operational controls within each business, particularly in recently acquired businesses. Further internal audit work is outsourced to external providers, where appropriate.

The Group Internal Audit function was subject to an External Quality Assessment ("EQA") in August 2022. This assessment concluded that the function had made significant progress in meeting most of the Standards, as well as the Definition, Core Principles and the Code of Ethics, which form the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"), the globally recognised standard for quality in internal auditing. The function will be subject to a further self-assessment exercise against the revised IIA Global Internal Audit Standards during FY26 to ensure it is best prepared for its next EQA due in FY28.

### Control Environment

While no system of controls can provide absolute assurance against material misstatement or loss, the Group's systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and provide reasonable, and not absolute, assurance against material misstatement or loss. As part of the annual review of the effectiveness of the Group's internal controls, the Committee, on behalf of the Board, has regard to the design of the risk management framework, including the three lines of defence model, the significance of the risks involved, the likelihood and severity of an event occurring, and the costs associated with any relevant controls. The formal Annual Opinion for FY 2024/25 issued by the Group Internal Audit function was reviewed by the Committee, concluding that there were no material failings or weaknesses identified in the Group's internal control systems. Where improvements are identified through internal audits or through the Group's external audit remedial actions are put in place and progress monitored by the Audit & Risk Committee.

The principal components of the Group's systems of control are:

- A well defined organisational structure with short and clear reporting lines
- Recruitment of high-quality staff
- An ongoing process for the identification, regular review and management of the principal risks and issues affecting the business, both at Group and operating levels
- In-house and outsourced internal audit activities
- An ongoing review of regulatory compliance
- A regular review of the principal suppliers and customers of the Group, and how each impacts upon the Group's businesses
- A comprehensive planning process, which starts with a strategic plan and culminates in an annual budget and a long-term plan

- Regular rolling forecasting throughout the year of orders, sales, profitability, cash flow, working capital and balance sheets
- A monthly review by divisional management of operating company performances against budget and forecast, plus bi-monthly reviews by the Group Management Committee and Board
- Clearly defined procedures for the authorisation of major new investments and commitments
- A requirement for each operating company to maintain a system of internal controls appropriate to its own local business environment. Recognising that where individual businesses are small there are inherent limitations.

The Finance team is responsible for producing financial information that is timely, accurate and in accordance with applicable laws and regulations. In addition, it is responsible for the distribution of financial information, both internally and externally. Key financial and operational performance is reported on a timely basis and measured against both the Board approved budget, management's rolling forecasts and comparable information from prior periods. A review of the financial statements is completed by management to ensure that the financial position and results of the Group are appropriately reflected. All financial information published externally by the Group is approved by the Board.

The above procedures apply to discoverIE Group plc and all of its subsidiary companies.

### External audit

The Committee is responsible for managing the relationship with the Group's external auditor on behalf of the Board including their appointment, remuneration, independence and performance.

During the year, the Committee's activities in respect of external audit were as follows:



## AUDIT AND RISK COMMITTEE REPORT CONTINUED

- Overseeing the transition to Deloitte as the Group's new external auditor
- Considering and approving the appointment of Deloitte as the external auditor as a resolution at the 2024 Annual General Meeting
- Considering and approving the audit approach and scope of the audit undertaken by Deloitte and related fees
- Agreeing reporting materiality thresholds
- Reviewing reports on audit findings
- Considering and approving letters of representation issued to the external auditor
- Considering the independence of the external auditor.

### Audit performance and effectiveness

The performance and effectiveness of the external auditor, and the related audit, is reviewed annually by the Committee. This covers the robustness of the audit at both a Head Office and entity level.

The review covers the following:

- Robustness of the audit plan and, in particular, the identification of significant risks
- Execution of the above plan, including the external auditor's ability to challenge management on key accounting judgements and assumptions adopted
- Ensuring the external auditor demonstrates a deep and thorough knowledge of the business to enable them to reach appropriate conclusions on key accounting judgements
- Quality of reports provided to the Committee
- Communication between the external auditor and the Committee
- Feedback from management on the quality of the audit team
- Professional scepticism of the external auditor.

The Committee concluded that the audit team had the necessary professionalism, experience and understanding of the business to carry out a thorough and robust audit in FY 2024/25.

### External auditor independence

The Committee believes that the provision of non-audit services to the Group is closely related to external auditor independence and objectivity. The Committee recognises that the independence of the external auditor may risk becoming compromised if it also acts as the Company's consultant and adviser to any material extent.

The Committee accepts that certain work of a non-audit nature is best undertaken by the external auditor. The Committee reviewed its policy on the provision of non-audit services during the year to ensure that there is no likelihood of any impairment of external auditor independence or objectivity.

Fees for non-audit services provided by the external auditor during the financial year totalled £83,500 (FY 2023/24: £123,000). Of that total of £80,000 related to the interim review (FY 2023/24: £112,000) and £3,500 (2024: £11,000) related to reporting required by regulators in overseas countries. These were not considered to adversely impact the independence of the external auditor, were in line with the Group's policy on non-audit services and were permissible under ethical standards.

### Key areas of focus in 2025/26

- Continuing assessment of ESG-related risks and reporting requirements
- Monitoring the Group's activities to comply with the revisions to the UK Corporate Governance Code effective from January 2025. Specifically, the agreement and development of an assurance framework over material controls to support the Group meeting the reporting requirements of Provision 29 of the Corporate Governance Code.

### Terms of reference

The Committee's terms of reference are available upon request and are on the Company's website: [www.discoverIEplc.com](http://www.discoverIEplc.com)

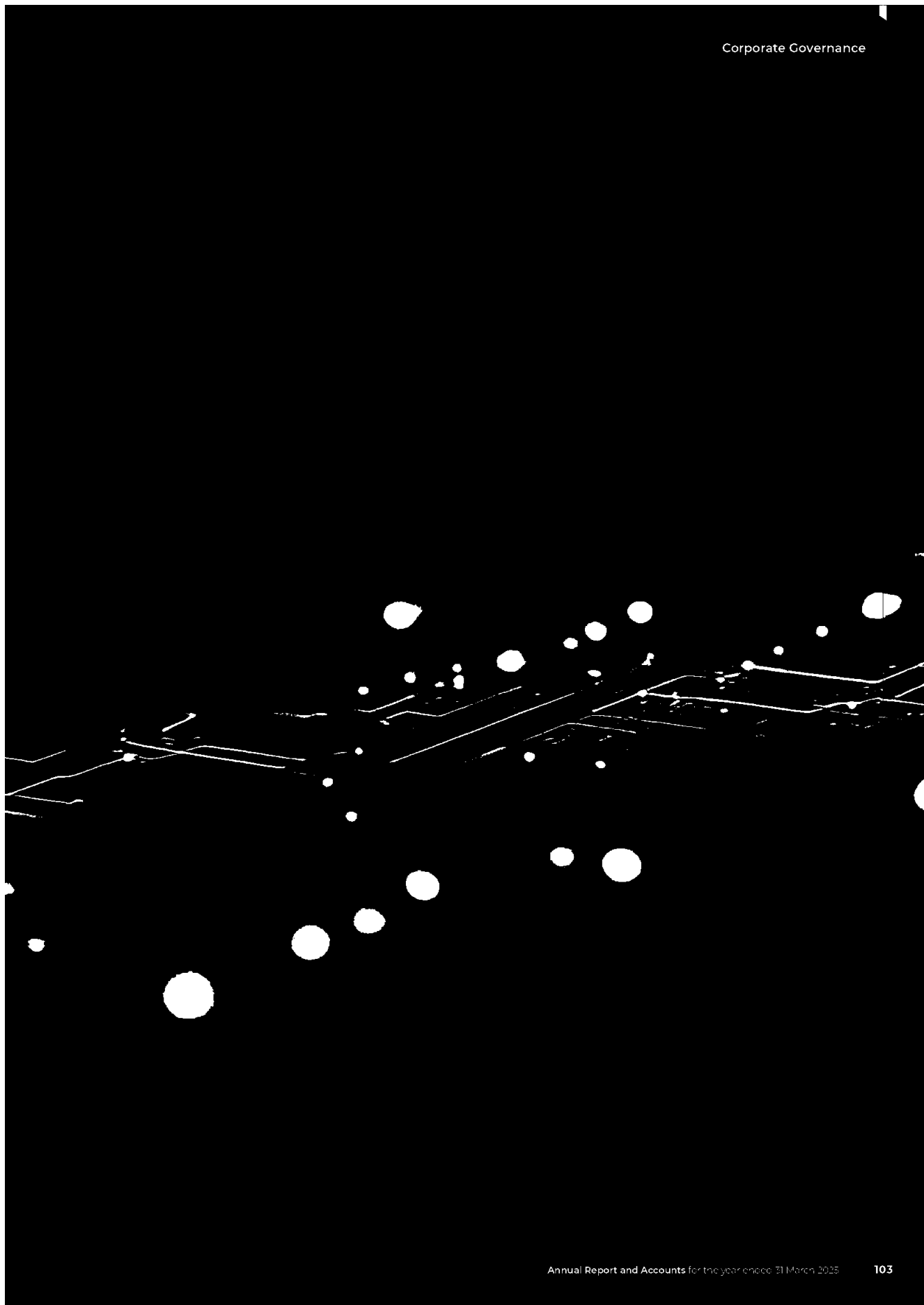
### Clive Watson

Chair of the Audit and Risk Committee

3 June 2025



Corporate Governance

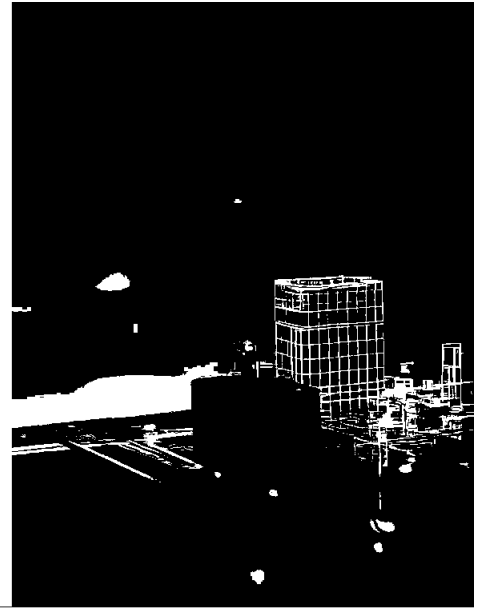




# NOMINATION COMMITTEE REPORT



**Bruce Thompson**  
Chairman of the Nomination Committee



Members	
	Member since
Bruce Thompson (Chairman)	2018
Celia Baxter	2023
Tracey Graham (until 31 October 2024)	2018
Nick Jefferies	2009
Rosalino Kairyah	2022
Clive Watson	2021

The Group Company Secretary acts as Secretary to the Committee.

## 2024/25 key achievements

- Review of talent and succession planning
- Review of Board composition and size
- Review of the Company's Board Diversity Policy
- Identified priorities for the coming year

## Key areas of focus in 2025/26

- Continuing focus on diversity across the Group
- Continued evaluation of knowledge and skills

## Dear Shareholder,

During the year, the Committee met twice, with all Committee members attending (other than where re-appointment related to a member who was conflicted) and participating in a separate evaluation process, which identified areas for improvement. The Committee's recommendations were made after careful consideration of the independence, performance and ability to continue to contribute to the Board of the relevant people, in the light of the knowledge, skills, commitment and experience required.

## Composition

The majority of the Committee members are independent Non-Executive Directors. During the year under review, the Committee was chaired by me, with Celia Baxter, Tracey Graham (until 31 October 2024), Clive Watson, Rosalind Kairyah and Nick Jefferies as Committee members.

The Committee specifically considered the size and composition of the Board

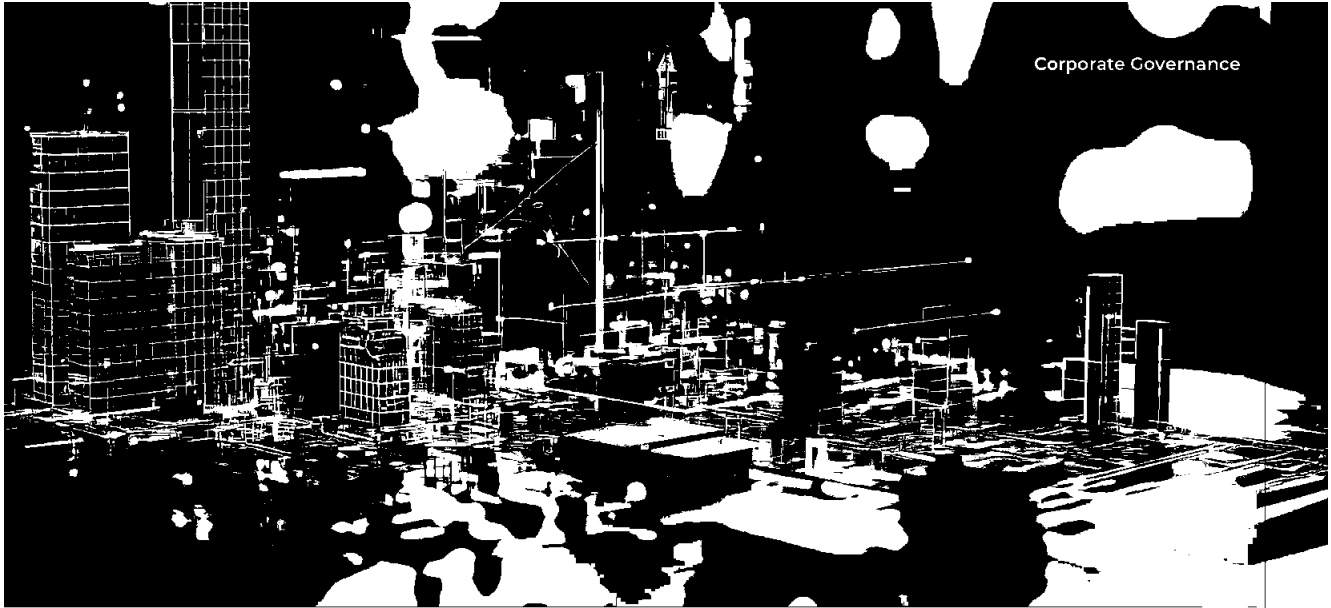
in FY2025 and, given the size and nature of the Group, determined that it was appropriate at the present time to maintain a Board of six Directors, comprising four Non-Executive Directors and two Executive Directors. Please see pages 94 to 95 of the Corporate Governance Report for more details.

## Key responsibilities

The Committee's key duties are:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board and to recommend changes where appropriate
- To consider succession planning for the Directors and the right balance of skills, knowledge, experience and diversity on the Board
- To identify and nominate candidates to fill Board vacancies, having previously prepared a description of the role and capabilities required for a particular appointment
- To review the leadership needs of the organisation, both executive and non-executive
- To make recommendations to the Board on the reappointment of any Non-Executive Director at the conclusion of their specified term of office and on appointments to the Audit and Risk, Remuneration and Sustainability Committees
- To review, as part of the annual assessment exercise, the time commitment of the Non-Executive Directors to the role and to their external appointments.

“  
**This year's succession planning exercise re-affirmed the strength and depth of our management teams across the Group.**”



## Appointment of Directors

The Committee's principal role is to make recommendations to the Board on suitable candidates to fill Board vacancies as and when they arise, or when other changes or appointments may be desirable. In managing this process, the Committee takes into account the Board's existing balance of skills, knowledge and experience and has due regard for diversity. Unless the appointment is as an Executive Director, for which a suitable candidate is available from within the Group, the Committee will create a shortlist of suitable candidates for final selection by the Committee. References from appropriate third parties will then be taken on the prospective Director. Candidates meet all members of the Committee, which then makes recommendations to the Board. Adopted practice is for all members of the Board to meet with the relevant candidate before an appointment is made.

As noted in last year's Annual Report and Accounts, Celia Baxter succeeded Tracey Graham as both Senior Independent Director and Chair of the Remuneration Committee following Tracey Graham's retirement from the Board on 31 October 2024.

## Diversity and succession planning

The Board is committed to a culture which attracts and retains talented people and to ensure that a proper process exists for succession planning for the Board and senior management.

The Company's Board Diversity Policy can be found on the Company's website [www.discoverIEplc.com](http://www.discoverIEplc.com)

Please see page 52 of this report for a summary of the Group's current gender diversity and page 94 of the Corporate Governance Report for the current Board composition.

## Terms of reference

The Committee's terms of reference are available upon request and are on the Company's website: [www.discoverIEplc.com](http://www.discoverIEplc.com)

### Bruce Thompson

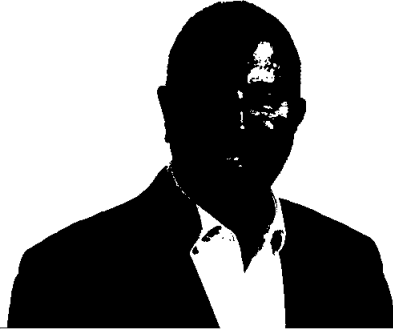
Chairman of the Nomination Committee

3 June 2025

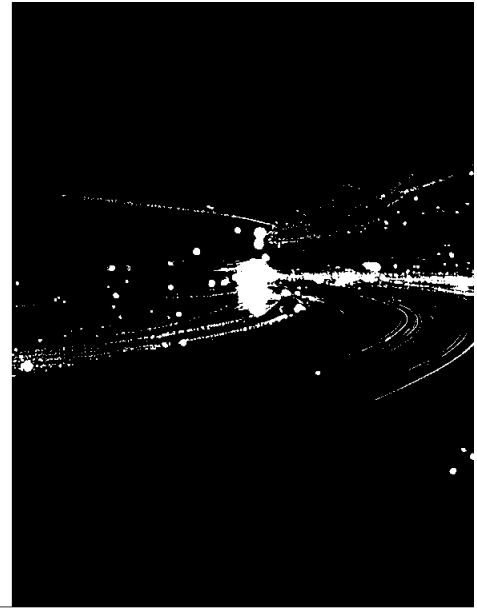
## FOCUS ON TALENT AND SUCCESSION

- The Committee oversees and reviews the output from regular reviews of the Group's key roles and talent carried out by the Group Management Committee.
- A comprehensive review was conducted in FY2025, with the process covering over 100 people from across the Group's senior management teams. This followed a similar review conducted in FY2023 that covered 92 people. The Committee considers it crucial to maintain a regular programme of such reviews.
- Reviews such as these help ensure that long-term and emergency succession plans are in place for all senior/key roles. It also considers the personal aspirations and opportunities for the people in those roles, as well as both cultural alignment and diversity across the wider Group.
- Both the 2023 review, and the more recent review conducted in FY2025, confirmed the Committee's belief in the strength and talent of the Group's management teams and wider employee population.

## DIRECTORS' REPORT



**Greg Davidson**  
Group General Counsel &  
Company Secretary



**As an acquisitive growth company, the Board believes in maintaining a progressive dividend policy that enables both dividend growth and a higher level of investment from internally generated resources.”**

The Directors' report for the financial year ended 31 March 2025 is set out below.

Certain matters required to be included in the Directors' report are included in the Strategic report, as the Board considers them to be of strategic importance, as follows:

Section	Progress made
Future business developments	Throughout the Strategic Report (pages 01 to 81)
Risk management	Risk management and principal risks and uncertainties (pages 68 to 78)
Employee engagement	Please see pages 34, and 86 to 89
Greenhouse gas emissions	Sustainability Report (pages 38 to 52)
Stakeholder engagement	Please see pages 34 to 35
Corporate Governance Statement	Corporate Governance Report (pages 82 to 134)

The Group's policies and processes for managing capital, financial risk management objectives, financial instruments and hedging activities, and exposure to credit and liquidity risk, are disclosed in note 27 to the Group Financial Statements.

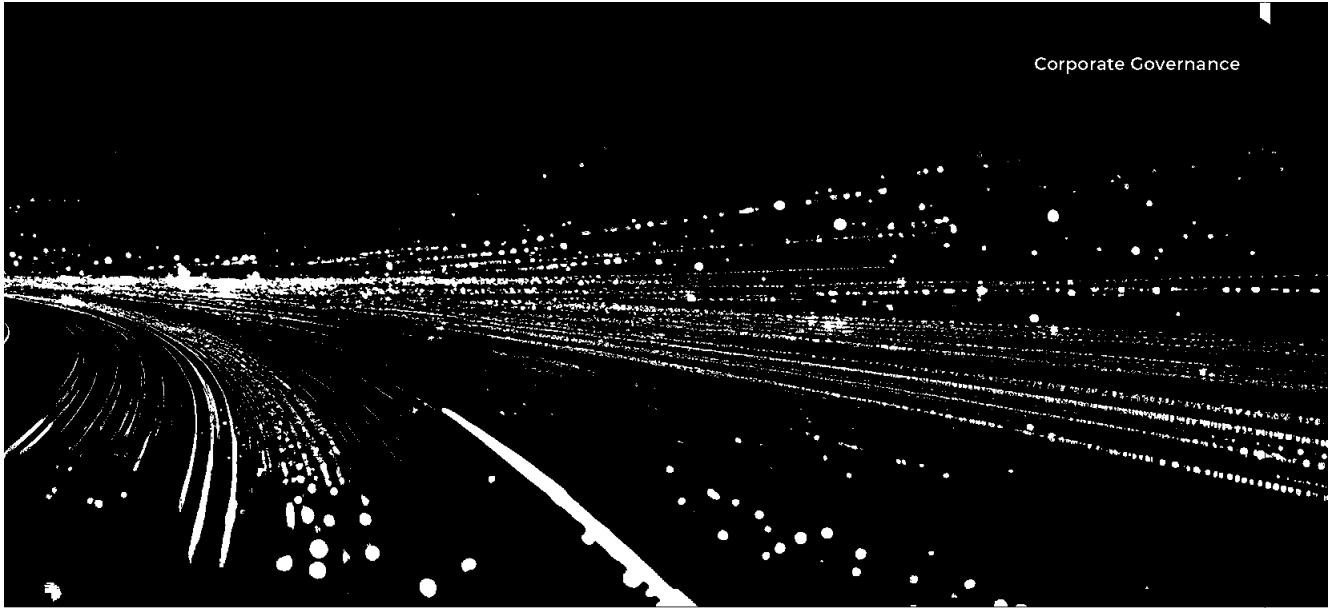
Both the Directors' report and the Strategic Report have been drawn up in accordance with English company law. The liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

### Financial results and dividends

The audited consolidated Financial Statements set out the results of the Group for the financial year to 31 March 2025 and are shown on pages 146 to 205. The key strategic indicators of the business are set out in the Strategic report on page 11.

The Directors recommend a final dividend of 8.60p per share (2023/24: 8.25p) which, together with the interim dividend of 3.90p per share (2023/24: 3.75p), makes a total dividend for the year of 12.5p per ordinary share (2023/24: 12.00p). Subject to approval by Shareholders of the recommended final dividend, the dividend award to Shareholders for 2024/25 will total £12.1m (2023/24: £11.5m). If approved, the Company will pay the final dividend on 1 August 2025 to Shareholders on the register of members at 27 June 2025.

The Board believes that, as an acquisitive growth company, maintaining a progressive dividend policy, with the long-term dividend covered over three times by adjusted earnings, is appropriate to enable both dividend growth and a higher level of investment from internally generated resources.



Corporate Governance

## Directors

Board membership and biographical details of the Directors are on pages 82 and 83 and are incorporated by reference.

Copies of Executive Directors' service contracts are available to Shareholders for inspection at the Company's registered office and at the Annual General Meeting. Details of the Directors' remuneration and service contracts and their interests in the shares of the Company are included in the Directors' Remuneration Report, which is set out on pages 110 to 133.

## Powers of the Directors

The Board of Directors is responsible for the management of the business of the Company and may exercise all the powers of the Company, subject to the Company's Articles of Association (the "Articles"), the Companies Act 2006, and any directions given by the Shareholders by special resolution. The Articles may be amended by a special resolution of the Company's Shareholders.

## Appointment and replacement of Directors

The Board can appoint a Director but anyone so appointed must be elected by an ordinary resolution at the next General Meeting. All Directors offer themselves for re-election at each Annual General Meeting.

## Directors' conflicts of interest

The Company has procedures in place for managing conflicts of interest. Should a Director become aware that they, or any of their connected parties,

have any interest in an existing or proposed transaction with discoverIE, they should notify the Board in writing or at the next Board meeting. Internal controls are in place to ensure that any related party transactions involving Directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to these conflicts.

## Directors' indemnity

The Articles of the Company contain an indemnity in favour of the Directors, which is a qualifying third party indemnity within the meaning of s.234 of the Companies Act 2006. This was in force throughout the year ended 31 March 2025 and at the time of the approval of this Annual Report and Accounts. Directors of subsidiary undertakings are also subject to this qualifying third party indemnity.

In addition, each Director of the Company has entered into a Deed of Indemnity with the Company, which operates only in excess of any right to indemnity that a Director may enjoy under any such other indemnity or contract of insurance. The Company has also arranged appropriate insurance cover in respect of legal action against its Directors and officers.

## Share capital

As at 31 March 2025, the Company's issued share capital consisted of 96,356,109 ordinary shares of 5p each (no shares are held in treasury).

Details of movements in the Company's issued share capital can be found in note 30 to the Group financial statements.

## Restrictions on transfer of securities in the Company

There are no restrictions on the transfer of securities in the Company, except that certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws such as the Market Abuse Regulation) and pursuant to the Listing Rules of the Financial Conduct Authority, whereby certain employees of the Company require the approval of the Company to deal in the Company's ordinary shares. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities.

## Rights and obligations attaching to shares

Subject to the Articles, the Companies Act 2006 and other Shareholders' rights, shares in the Company may be issued with such rights and restrictions as the Shareholders may by ordinary resolution decide, or, if there is no such resolution, as the Board may decide, provided it does not conflict with any resolution passed by Shareholders.

The rights attached to any class of shares can be amended if approved, either by 75% of Shareholders holding the issued shares in the class by amount, or by special resolution passed at a separate meeting of the holders of the relevant class of shares.

Every member and every duly appointed proxy present at a General Meeting or class meeting has, upon a show of hands, one vote and every member present in person or by proxy has, upon a poll, one vote for every share held.



## DIRECTORS' REPORT CONTINUED

No person holds securities in the Company carrying special rights with regard to control of the Company.

### Substantial shareholdings

As at 31 March 2025, the Company had been notified of, or was aware of, the following major shareholdings equal to, or greater than, 3% of the issued share capital of the Company:

Shareholder	Holdings of ordinary shares (5p)	% of issued share capital
Kempen Capital Management NV	9,367,239	9.72
Impax Asset Management	6,998,337	7.26
BlackRock, Inc.	6,967,278	7.23
Montanaro Asset Management	4,550,000	4.72
Aberdeen	4,306,226	4.47
Columbia Threadneedle	4,129,364	4.29
Swedbank Robur	3,966,000	4.12
Martin Currie Investment	3,243,298	3.37
NFU Mutual	2,987,212	3.10

As at 1 June 2025, the Company had been notified of, or was aware of, the following Shareholders holding 3% or more of the issued share capital of the Company:

Shareholder	Holdings of ordinary shares (5p)	% of issued share capital
Kempen Capital Management NV	10,087,986	10.47
BlackRock, Inc.	6,711,760	6.97
Impax Asset Management	6,575,881	6.82
Montanaro Asset Management	4,220,000	4.38
Aberdeen	3,999,604	4.15
Swedbank Robur	3,966,000	4.12
Columbia Threadneedle	3,373,022	3.50
Martin Currie Investment	3,337,000	3.46
NFU Mutual	2,992,841	3.11

### Authority to purchase own shares

At the Annual General Meeting held on 26 July 2024, Shareholders authorised the Company to purchase in the market up to 10% of its issued share capital (9,635,610 ordinary shares) and, as at 31 March 2025, all of this authority remained in force and unused. This authority is renewable annually, and a special resolution will be proposed at the 2025 Annual General Meeting to renew it. The Directors will only purchase the Company's shares in the market if they believe it is in the best interest of Shareholders generally.

### Change of control

Details of the Group's borrowing facilities are provided in the Financial Review section of the Strategic Report on pages 28 to 33. These agreements contain a change of control provision, which may result in the facility being withdrawn or amended upon a change of control of the Group.

The Group is party to a number of commercial agreements which, in line with industry practice, may be affected by a change of control following a takeover bid. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment which occurs because of a takeover bid.

### Political donations

There were no political donations during the year (FY 2023/24: nil).

### Auditor and disclosure of information to auditor

Deloitte LLP has indicated its willingness to continue in office and a resolution to re-appoint it as auditor will be proposed at the forthcoming Annual General Meeting. Each of the Directors in office as at the date of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group 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 and Company's auditors are aware of that information.

### Annual General Meeting

The Notice of the Annual General Meeting to be held at 11.30 am on Thursday 24 July 2025 will be sent to Shareholders separately from this report. The venue for the meeting is 2 Chancellor Court, Occam Road, Guildford, Surrey, GU2 7AH. Details of the arrangements for that meeting will be as set out in the Notice for that meeting.

### Going concern

For the reasons explained in the Viability Statement on pages 79 to 80, the Directors continue to adopt the going concern basis in preparing this Annual Report and Accounts.

By order of the Board

### Greg Davidson

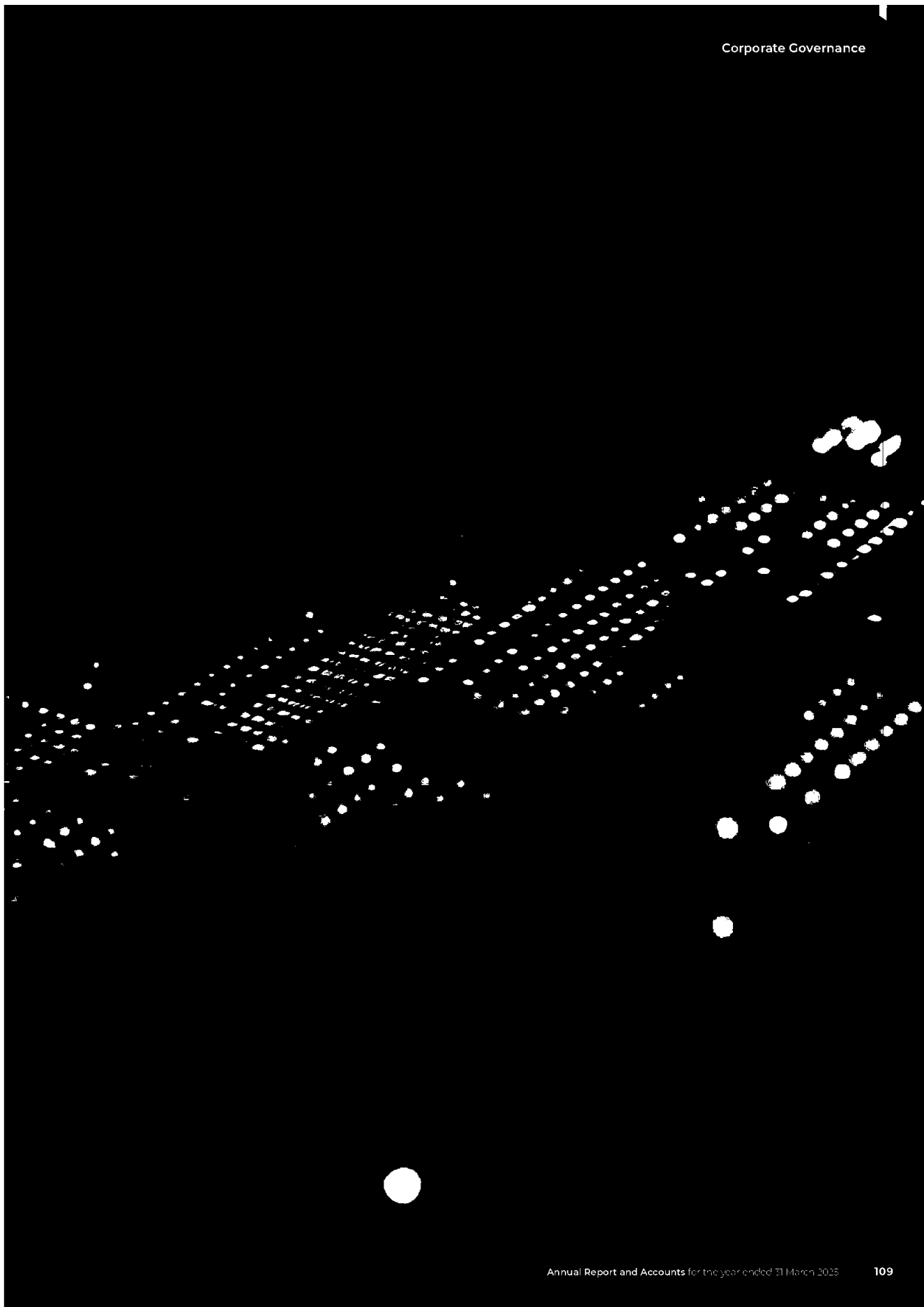
Group General Counsel & Company Secretary

3 June 2025

2 Chancellor Court  
Occam Road  
Surrey Research Park  
Guildford  
Surrey GU2 7AH  
Registered number: 02008246



Corporate Governance



# DIRECTORS' REMUNERATION REPORT



**Celia Baxter**  
Chair of the Remuneration Committee



## Members

	Member since
Tracey Graham {Chair until 31 October 2024}	2016
Celia Baxter {Chair from 1 November 2024}	2023
Bruce Thompson	2018
Clive Watson	2020
Rosalino Kalinyah	2022

The Committee consults with the Group Chief Executive and Group Finance Director who may attend meetings by invitation of the Committee Chair, although neither is involved in deciding their own remuneration. The Group Company Secretary acts as Secretary to the Committee. The Directors' Remuneration Report has been approved by the Board.

### 2024/25 key achievements

- Received strong Shareholder support for the 2024 Directors' Remuneration Report and for the revised Directors' Remuneration Policy put to votes at the 2024 Annual General Meeting
- Approved bonus outcomes for 2023/24 performance and the vesting of the 2021 LTIP award; reviewed anticipated outcomes for the 2024/25 bonus and 2022 LTIP awards
- Setting of appropriate 2024/25 annual bonus and LTIP measures, and targets for Executive Directors and senior management
- Considered wider workforce remuneration and approved the implementation of out-of-cycle cost of living adjustments for areas with high rates of inflation
- Undertook a review of senior executive pay below the Board
- Considered gender pay gap data and initiatives to close the gap
- Reviewed other remuneration-related items within the 2024 UK Corporate Governance Code and received an update from the Committee's independent adviser on market trends and the latest views from investors and proxy voting agencies

### Areas of focus in 2025/26

- Review the competitiveness and structure of remuneration for Executive Directors and senior management and its alignment with strategy, taking into account pay across the wider workforce
- Set annual bonus and LTIP measures and targets for 2025/26
- Determine incentive outcomes for Executive Directors and senior management in respect of 2024/25; and receive updates on 2026 bonus and LTIP outcomes
- Keeping abreast of corporate governance and regulatory developments
- Monitoring of performance against all personal objectives for the Executive Directors and Group Management Committee
- Sign off on the 2025 Directors' Remuneration Report and respond to Shareholder feedback at the 2025 Annual General Meeting, as required



**Our remuneration policies and practices continue to support the strategy of the business."**



## Annual statement

Information not subject to audit.

### Dear Shareholder,

On behalf of the Board, I am pleased to present our Directors' Remuneration Report for the year ended 31 March 2025, my first since becoming Chair of the Remuneration Committee on 1 November 2024. I would like to take this opportunity to thank my predecessor, Tracey Graham, for providing me with a thorough handover and for guiding the Remuneration Committee through the Policy review, which resulted in very strong Shareholder support for the Directors' Remuneration Policy at the 2024 Annual General Meeting.

This report comprises:

- This Annual Statement, which summarises the work of the Remuneration Committee (the "Committee") in FY 2024/25 and remuneration outcomes for the year.
- The Directors' Remuneration Policy (the "Policy") approved by Shareholders at our 2024 Annual General Meeting.
- The Annual Report on Remuneration, which provides (i) details of the remuneration earned by Directors and the link between Company performance and pay in the year ended 31 March 2025, and (ii) how we intend to implement the Policy in FY 2025/26.

### Business performance and resulting remuneration outcomes for the year ended 31 March 2025

The Group made further progress in FY 2024/25 towards our near and

medium-term goals, delivering record earnings and operating margins, whilst continuing to generate excellent cash flow, despite prolonged industry destocking.

The Group delivered adjusted operating profit of £60.5m, up 8% at CER, and adjusted operating margin increased by 1.2ppt at CER to 14.3%, exceeding our 13.5% target for this financial year. Organically, sales were 7% lower, reflecting industry destocking and the normalisation of supply chains. Free cash flow for the year increased by 9% to £40.4m, with a conversion rate of 106%, being well ahead of our target of 85%, driven by another strong working capital performance. Design wins were also up 5% in the year.

We have also continued to make good progress on our ESG (Environmental, Social and Governance) objectives. Our Scope 1 & 2 carbon emissions were 59% down in CY2024 against the CY2021 baseline. Importantly, our near and long-term science-based emissions reduction targets have now been approved by the Science Based Target initiative ("SBTi"), demonstrating the level of commitment we have as a Group. Please see page 45 of this report for more details. Three more sites achieved the occupational health and safety ISO 45001 accreditation, bringing coverage to 73% of our global workforce, up from 6% just a few years ago. We have made continued progress against all of our ESG objectives and further details can be found in this report on pages 38 to 52.

Delivering record earnings, as well as continued progress against non-financial objectives, against an economic backdrop of prolonged

industry destocking, demonstrates the long-term commitment of the Group's leadership and the quality of our business and its operating model. With our alignment to target markets with structural growth drivers, a strong pipeline of organic and inorganic opportunities, and a dedicated and strong leadership team, the Group is well positioned to continue its resilient performance and development.

### Annual bonus for FY 2024/25

The annual bonus for both Executive Directors for FY 2024/25 was based on Group adjusted operating profit (60%), adjusted operating cash flow (24%), strategic objectives (8%) and ESG objectives (8%).

Based on the performance as set out above, actual adjusted operating profit of £60.5m was between threshold and target, adjusted operating cash flow of £62.3m was above maximum, and the strategic and ESG-related objectives were determined to have been substantially met. This results in an overall bonus payout of 55.5% of maximum for both Executive Directors.

The Remuneration Committee has considered whether any adjustment is required to the formulaic outcomes to reflect the underlying financial and non-financial performance of the business and decided that no such adjustment is appropriate given the overall performance of the business during the year.

In line with the Directors' Remuneration Policy, as the Executive Directors have met their shareholding requirements (1,289% and 651% of salary respectively), 20% of the bonus



## DIRECTORS' REMUNERATION REPORT CONTINUED

earned will be deferred in share awards. Full details of the bonus outcome for FY 2024/25 is set out in the Annual Report on Remuneration.

### 2022 LTIP vesting

The Group Chief Executive and Group Finance Director received awards under the LTIP on 21 June 2022 that were based on relative TSR (Total Shareholder Return) and adjusted EPS (earnings per share) performance criteria, each with an equal weighting.

- Relative TSR – discoverIE delivered a TSR over the three-year period to 31 March 2025 which ranked the Company below median and, as such, none of this part of the award vested.
- EPS – adjusted EPS grew by 31.5% over the three-year period, resulting in 68% of this element of the award vesting.

Taken together, this has resulted in 34% of these LTIP awards vesting. The Committee believes this is an appropriate reflection of performance over the last three years and has not applied any discretion to the formulaic vesting outcome. These vested awards will be subject to a two-year holding period.

### Approval of the 2024 Policy

During the year ended 31 March 2024, the Committee reviewed Executive Directors' pay arrangements and proposed a new Directors' Remuneration Policy to Shareholders at the 2024 Annual General Meeting. Shareholders were very supportive, with over 96% of Shareholders voting in favour of the new Policy.

### Application of policy in 2025

As part of the 2024 Policy review, we sought to increase the Group Chief Executive's salary to £590,000 (11.3% increase) and the Group Finance Director's salary to £392,000 (13% increase) from 1 April 2024. Despite strong shareholder support, as the 2023/24 year end approached, the Executive Directors requested not to take any increases in light of the macroeconomic volatility and cost pressures in place at the time. The Committee kept the timing of the increases under review during 2024/25 and, as the year progressed, we felt it appropriate to wait until the start of

2025/26 before making a decision on timing of implementation.

Reflecting another resilient performance in a challenging trading environment and last year's executive director pay freeze, the Committee believes it is fair and appropriate to increase the Executive Directors' salaries from 1 April 2025. However, reflecting continued cost pressures and once again at the Executive Directors' request, the Committee has decided to implement the previously agreed base salary increases, but on a phased basis. Accordingly, the Group Chief Executive's base salary will be set at £550,000 and the Group Finance Director's at £360,000 (both 3.8% increases) from 1 April 2025. The workforce increases for 2025/26 vary between the countries within which we operate, with some being up to 15%, and the average UK increase being 3%. The Committee will consider the appropriate time to apply the second increase which will seek to position base salaries at £590,000 and £392,000 for the Group Chief Executive and Group Finance Director respectively plus the UK 2025/26 workforce increase of 3%, which, when implemented, would increase the salaries to £608,000 and £404,000 respectively.

Our approach to other elements of remuneration will be as follows:

- Pension: The pension contribution for Executive Directors is an entitlement of up to 8% of salary, the same as the UK workforce rate.
- Bonus: The bonus opportunity will be 150% of salary for the Group Chief Executive and 125% of salary for the Group Finance Director, in line with policy. The measures remain unchanged from the previous year and will be based on adjusted operating profit (60%), adjusted operating cash flow (24%) and non-financial objectives (16%). The non-financial objectives element will continue to be split into two equal parts with 8% based on strategic objectives and 8% on ESG-related objectives.
- LTIP: The award to the Group Chief Executive will be 175% of salary and 160% of salary for the Group Finance Director. The Committee and the Executive Directors have agreed, once again, that it is not the right time to implement the

increased grant level approved by shareholders at last year's policy review. The Committee has decided that the 2025 LTIP performance measures will be relative TSR (50%) and adjusted EPS growth (50%). The removal of the carbon emissions metric does not reflect any diminution of our commitment to delivering our net-zero goals, as evidenced by the fact that, in May 2025, the Group's net-zero targets were formally approved by the SBTi. Significant progress has been made in this area and existing LTIP awards already include carbon emission reduction targets covering the period to 2027. The Group continues to work hard to build a more sustainable business, and we retain our net-zero plan to reduce Scope 1 & 2 emissions to by 90% by 2030 and Scope 3 emissions by 90% by 2040. Any residual emissions will be offset by carbon capture or abatement projects to achieve our net-zero goal. Since CY2021, Scope 1 & 2 emissions have reduced by 59%. Environmental metrics will continue to feature in our 2025/26 annual bonus plan. Further details of the approach for 2024/25 and the performance targets can be found in the Annual Report on Remuneration.

The Remuneration Committee will consider the share price at the time of grant when finalising LTIP award levels, expected to be in June 2025. At the current time, based on the current share price, the Committee's intention is to grant at the normal award levels but will consider, at the point of vesting, whether there have been any windfall gains and if an adjustment to the vesting outcome is appropriate.

There will be a single advisory vote at the upcoming Annual General Meeting to approve this Directors' Remuneration Report. I hope you find the information in the report clear and are able to support both resolutions. If you have any questions on our Policy or on this Report, then please contact me via the Company Secretary.

**Celia Baxter**

Chair of the Remuneration Committee

3 June 2025



## Remuneration at a glance

In determining the 2024 Remuneration Policy, the Committee considered the following factors: clarity, simplicity, risk, predictability, proportionality and alignment to culture. Further details can be found on page 117 of the 2024 Annual Report.

### Executive Directors

In this section, we show the link between corporate performance for the year under review and the remuneration outcomes for the Executive Directors. The key features of the Executive Directors' remuneration for the year ended 31 March 2025 are also shown.

### Remuneration outcomes for the Executive Directors for the year ended 31 March 2025

	Nick Jefferies £000		Simon Gibbins £000	
Salary FY 2024/25	530		340	
Bonus (£k and as % of salary) <sup>1</sup>	441	83%	240	69%
Taxable benefits	14		15	
Pension benefits/allowance	42		28	
Value of LTIP vesting <sup>2</sup>	285	34%	171	34%
Single figure of total remuneration	1,313		794	

<sup>1</sup> In accordance with the Remuneration Policy, 20% of the bonus will be deferred in shares.

<sup>2</sup> The values shown are estimates based on the average three-month share price to 31 March 2025 (£6.03). Awards are subject to a two-year holding period.

### REVENUE

**£422.9m**

### ADJUSTED OPERATING PROFIT

**£60.5m**

### ADJUSTED EPS

**38.7p**

## Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out the Directors' Remuneration Policy which was approved at the Annual General Meeting on 26 July 2024 and which took formal effect from that date. It has been prepared in accordance with the Companies Act 2006 (the "Act") and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

The Committee reviewed the Executive Directors' remuneration packages to ensure that they reflect the Company's own particular circumstances and are aligned with the Company's key strategic objectives, as set out in the Strategic Report, and with the long-term interests of its Shareholders.

### Key objectives of our reward policy

The Remuneration Committee undertook a comprehensive review of the Executive Directors' remuneration arrangements and engaged with the Company's largest Shareholders on the proposed changes. The Committee has developed a set of principles and aims to ensure that directors' remuneration is:

- Aligned with the Group's strategy at this stage of its development and supports the business's medium and long-term plans
- Better aligned with practice internally and externally
- Competitive and fair compared against companies of our size and geographical complexity

- Focused on delivering long-term sustainable returns
- Compliant with Shareholders' latest views on executive pay and the requirements of the UK Corporate Governance Code
- Able to attract and retain high calibre Executive Directors and senior managers in a challenging and competitive business environment
- Simple, delivering an appropriate balance between fixed and variable pay.

### When implementing the policy, the Committee:

- Takes account of pay and employment conditions elsewhere in the Group
- Ensures that incentive arrangements encourage responsible behaviour in all aspects of the Company's business, including financial, social, environmental and governance aspects; do not encourage excessive risk-taking; and are compatible with the Company's risk policies and procedures. The Committee has the discretion to take these factors into account when adjudicating bonus and LTIP outcomes
- Enters into open dialogue and consults with key Shareholders, when looking to make material changes to its approach to paying Executive Directors
- Considers market practice in terms of the structure and levels of executive remuneration.



## DIRECTORS' REMUNERATION REPORT CONTINUED

### Remuneration Policy table

Element, purpose and link to strategy	Operation	Maximum opportunity	Performance targets
<p><b>Base salary</b></p> <p>To recognise knowledge, skills and experience, as well as reflect the scope and size of the role and to attract and retain quality staff.</p>	<p>Salaries are normally reviewed annually with increases typically effective from 1 April.</p> <p>In determining Executive Directors' salaries, the Remuneration Committee takes into account:</p> <ul style="list-style-type: none"> <li>▪ Each Director's role, competence, experience and performance;</li> <li>▪ Average change in broader workforce pay; and</li> <li>▪ Total organisational salary budgets.</li> </ul> <p>Salaries are also benchmarked against companies of a comparable size and complexity and against companies which operate internationally, in similar sectors.</p>	<p>There is no prescribed maximum or maximum increase.</p> <p>However, any percentage increases will ordinarily be in line with those across the wider workforce.</p> <p>Salary increases may be higher in exceptional circumstances, such as the need to retain a critical executive, or an increase in the scope of the executive's role (including promotion to a more senior role) and/or in the size of the Group.</p>	<p>Although there are no formal performance conditions, any increase in base salary is only implemented after careful consideration of individual contribution and performance and having due regard to the factors set out in the "Operation" column of this table.</p>
<p><b>Benefits</b></p> <p>To help retain executives and remain competitive in the marketplace.</p>	<p>Directors, along with other senior UK executives, may receive certain benefits such as a car allowance, life assurance and critical illness cover, and family medical insurance.</p> <p>Any reasonable business-related expense (and any tax thereon) can be reimbursed if determined to be a taxable benefit.</p> <p>Executive Directors will be eligible to participate in any all-employee share plan operated by the Company, on the same terms as other eligible employees.</p> <p>For external and internal appointments or relocations, the Company may pay certain relocation and/or incidental expenses and provide tax equalisation, as appropriate.</p>	<p>There is no prescribed maximum as insurance cover can vary based on market rates.</p> <p>The maximum level of participation in all-employee share plans is subject to the limits imposed by the relevant tax authority from time to time.</p>	<p>Not applicable</p>
<p><b>Pension</b></p> <p>To facilitate long-term savings provisions.</p>	<p>The Company operates a defined contribution pension scheme.</p> <p>Executive Directors may receive a contribution to the pension scheme or take a cash allowance in lieu of pension contributions.</p>	<p>The maximum contribution rate for current and future Executive Directors will be the workforce contribution rate in the home country which is currently 8% of salary in the UK.</p>	<p>Not applicable</p>



Element, purpose and link to strategy	Operation	Maximum opportunity	Performance targets
<p><b>Annual bonus</b></p> <p>To reward the achievement of annual financial and strategic business targets.</p>	<p>Bonus is based on performance targets determined and reviewed by the Committee which are selected to be relevant for the year in question.</p> <p>Any payment is discretionary and the bonus payable is determined by the Committee after the financial year end, based on performance against these targets.</p> <p>Financial objectives are updated to reflect acquisitions, disposals and currency movements during the year.</p> <p>One third of any bonus earned will be deferred into share awards which vest after three years. For Executive Directors that have met their shareholding guideline, deferral reduces to 20% of any bonus earned. Dividends may accrue on deferred bonus shares.</p> <p>Malus and clawback provisions apply to cash and deferred elements of the bonus. Further details are provided in the notes to the Policy table.</p>	<p>The maximum bonus opportunity is 150% of salary for the Group Chief Executive and 125% of salary for other Executive Directors. Maximum bonus is payable for significant over-achievement of financial and non-financial bonus objectives.</p> <p>Typically, no more than 50% of the maximum bonus opportunity will be payable for achieving target performance.</p>	<p>The Committee sets performance measures and targets that are appropriately stretching each year, taking into account key strategic and financial priorities and ensuring there is an appropriate balance between incentivising Executive Directors to meet targets, while ensuring they do not drive unacceptable levels of risk or inappropriate behaviours.</p> <p>Financial measures may include (but are not limited to) adjusted operating profit, working capital and cash flow. Non-financial measures may include strategic measures directly linked to the Company's priorities.</p> <p>A graduated scale of targets is normally set for each measure, with no payout for performance below a threshold level of performance.</p> <p>The Committee has discretion to amend the pay-out should any formulaic outcome not reflect the Committee's assessment of overall business or individual performance.</p>



## DIRECTORS' REMUNERATION REPORT CONTINUED

Element, purpose and link to strategy	Operation	Maximum opportunity	Performance targets
<p><b>Long-Term Incentive Plan</b></p> <p>To motivate Executives to deliver Shareholder value over the longer term.</p>	<p>Awards of conditional shares or nil-cost options are typically granted annually, which vest after three years dependent on the achievement of performance conditions and continued service.</p> <p>Vested awards are subject to a two-year post-vesting holding period (net of tax, if applicable).</p> <p>Dividend equivalents may be paid in respect of awards to the extent they vest by reference to dividends declared during the award's vesting period and holding period.</p> <p>Malus and clawback provisions apply to vested and unvested LTIP awards. Further details are provided in the notes to the Policy table.</p> <p>Vested share awards are settled through a combination of shares purchased in the market and newly issued shares, as appropriate. The Company monitors the number of shares issued under the schemes and their impact on dilution limits.</p>	<p>The maximum award in respect of any one financial year is an award over shares of market value at grant of 200% of salary. The Committee will engage with Shareholders prior to increasing award levels from FY 2024/25 levels.</p> <p>The Committee may increase the grant size of an LTIP award on grant (subject to the maximum award limit) if the award terms include that participants bear the cost of the Company's liability to employer's National Insurance arising on the settlement of their awards. The increased award size ensures that the participants are in a neutral position on an after-tax basis, assuming no change in tax rates.</p> <p>The Company is committed to remaining within The Investment Association's 10% dilution limit.</p>	<p>Performance metrics reflect the Group's strategic goals and milestones.</p> <p>The performance conditions may include, and are not limited to, relative TSR, earnings per share growth, return-based measures, strategic measures and ESG-related objectives.</p> <p>The Committee retains discretion to set alternative weightings or performance measures for awards granted over the life of the policy.</p> <p>Threshold performance will normally result in no more than 25% of the award vesting.</p> <p>The Committee retains discretion to adjust vesting levels taking into account such factors as it considers relevant, including, but not limited to, the overall performance of the Company or the relevant Participant who holds the Award.</p>
<p><b>Shareholding guidelines</b></p> <p>To further align the interests of Executives with those of Shareholders.</p>	<p>Executive Directors are expected to accumulate shares to the value of the relevant shareholding requirement.</p> <p>Wholly owned shares or share awards held which are no longer subject to performance conditions count towards the requirement (on a net of tax basis, if applicable). Shares held by a Director's spouse or dependents count towards the guideline.</p> <p>Executive Directors are required to retain at least 50% of their net of tax vested share awards until the in-employment shareholding guideline is met.</p>	<p>The current Executive Directors are required to build up and hold shareholdings to the value of 250% of salary.</p> <p>Any new Executive Directors appointed will be required to build up and hold shareholdings to the value of 200% of salary.</p> <p>Post cessation: Executive Directors are normally required to hold shares at a level equal to the lower of their shareholding at cessation and 200% of salary, for two years post-employment, from share awards granted after 29 July 2021. This excludes any share awards vesting from share plan awards made before this date and excludes shares purchased with own funds.</p>	<p>Not applicable.</p>



Element, purpose and link to strategy	Operation	Maximum opportunity	Performance targets
<p><b>Chairman and Non-Executive Director fees</b></p> <p>Provision of a competitive fee to attract Non-Executives who have a broad range of experience and skills.</p>	<p>Fees are normally reviewed annually to ensure that they reflect an individual's time commitment and responsibilities.</p> <p>Annual fees are paid in 12 equal monthly instalments during the year.</p> <p>Fees for the Non-Executive Directors are determined by the Chairman and the Executive Directors. When determining fees, due regard is given to fees paid to Non-Executive Directors in other similarly-sized UK quoted companies, the time commitment and the responsibilities of the roles.</p> <p>Non-Executive Directors cannot participate in any of the Company's share incentive schemes and no Director is involved in any decision regarding their own remuneration.</p> <p>Additional fees, over and above the base fee payable to the Non-Executive Directors, are payable for chairing the Audit and Risk, Remuneration and Sustainability Committees and for acting as Senior Independent Director.</p> <p>Additional fees may be provided for chairing any other major Committee established by the Board or for material additional work undertaken.</p> <p>The Chairman's fee is reviewed annually and is set by the Committee (excluding the Chairman). The fee payable to the Chairman is typically an all-encompassing fee for all duties performed.</p>	<p>There is no limit on the individual fee level.</p>	<p>Not eligible to participate in any performance-related elements of remuneration.</p>

## DIRECTORS' REMUNERATION REPORT CONTINUED

### Notes to the Remuneration Policy table

#### Performance conditions and target setting

Each year, the Committee will determine the weightings, measures and targets as well as timing of grants and payments for the annual bonus and LTIP plans within the approved Policy and relevant plan rules (or documents). The Committee considers a number of factors which assist in forming a view. These include, but are not limited to, the strategic priorities for the Company over the short to long-term, Shareholder feedback, the risk profile of the business and the macroeconomic climate.

The current Annual Bonus Scheme is measured against a balance of profitability, cash and the delivery of key strategic areas of importance for the business. Other measures may apply in future years depending on the priorities at the start of each year under the three-year Policy period.

The LTIP measures currently used are adjusted EPS growth targets and relative TSR. These measures were identified as those most relevant to driving sustainable bottom-line business performance and providing value for Shareholders.

Targets are set against the annual and long-term plans, taking into account analysts' forecasts, the Company's strategic plans, prior year performance, estimated vesting levels and the affordability of pay arrangements. Targets are set to provide an appropriate balance of risk and reward to ensure that, while being motivational for participants, maximum payments are only made for exceptional performance.

#### Malus and clawback

Malus and clawback provisions apply to the cash and deferred elements of the annual bonus and to LTIP awards. The malus and clawback provisions may be enforced in the event of material misstatement, serious misconduct, errors in calculation or calculations based on inaccurate or misleading information or assumptions, corporate failure (entailing the appointment

of an administrator or liquidator) and material reputational damage. Malus or clawback as relevant may be effected in a number of ways, including by a reduction in the amount of any future bonus or subsisting award, the vesting of any subsisting award or future share award and/or a requirement to make a cash payment. In respect of bonus or deferred bonus the relevant discovery period expires three years from the payment of the bonus or grant of the deferred award as relevant. In respect of LTIP awards, the relevant discovery period expires on the second anniversary of the vesting of the awards.

#### Discretions and judgements

The Committee will operate the annual bonus plan and long-term incentive plan according to their respective rules and ancillary documents. Consistent with market practice, the Committee has discretion in a number of respects in relation to the operation of each plan. Discretions include:

- who participates in the plan
- determining the timing of grants of awards and/or payments
- determining the quantum of an award and/or payment
- determining the extent of vesting
- how to deal with a change of control or restructuring of the Group
- whether or not an Executive Director or a senior manager is a good/bad leaver for incentive plan purposes and whether the proportion of awards that vest do so at the time of leaving or at the normal vesting date(s)
- whether and how an award may be adjusted in certain circumstances (e.g., for a rights issue, a corporate restructuring or for special dividends)
- what the weighting, measures and targets should be for the annual bonus plan and LTIP plans from year to year
- the ability within the Policy to vary and/or adjust targets and/or set different measures or weightings for in-flight annual bonus and LTIP plans, if events occur that cause it to

consider it appropriate to do so, and, in the case of the LTIP, any amended performance conditions are not materially less challenging than the original conditions would have been but for the events in question

- the ability to use its judgement to make adjustments to published outturns for significant events or changes in the Company's asset base that were not envisaged when the targets were originally set or for changes to accounting standards, to ensure that the performance conditions achieve their original purpose
- reduce or apply other restrictions to an award if, after taking into account all circumstances known to the Committee, it determines that the amount which a participant would otherwise receive pursuant to an incentive award in accordance with its terms would result in the participant receiving an amount which the Committee considers cannot be justified or which the Committee considers to be an unfair or undeserved benefit to the participant
- override formulaic outcomes to the bonus and the LTIP in order to ensure that outcomes reflect true underlying business performance or to reduce awards if the business has suffered an exceptional negative event in order to ensure that outcomes reflect overall corporate performance
- reduce or waive the post-employment shareholding requirement in the event of ill health or death. The post-employment shareholding requirement would normally fall away on a change of control, although the Committee reserves the right to continue its application where there is a merger involving a share-for-share exchange
- amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await Shareholder approval



Any discretion exercised by the Committee in the adjustment of performance conditions will be fully explained to Shareholders in the relevant report.

### Legacy arrangements

The proposed and previous directors' remuneration policies give authority to the Company to honour any commitments entered into with current or former Directors (that have been disclosed to Shareholders in previous remuneration reports) or internally promoted future Directors (in each case, such as the payment of a pension or the unwind of legacy share plans). Details of any payments to former Directors will be set out in the relevant remuneration report as they arise.

### Recruitment (and appointment) Policy

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's approved Remuneration Policy in force at the time of appointment. Similar considerations may also apply where a Director is promoted to the Board from within the Group.

Element	Recruitment policy
<b>Base salary</b>	<p>The salary positioning for new Executive Director appointments will take into account a number of factors, including the current pay for other Executive Directors (in situ and departed), market levels of pay, the expertise, skills and experience of the individual, business need, location and his or her current level of pay.</p> <p>Where the Committee has set the salary of a new appointment at a discount to the market level initially until proven, they may receive an uplift or a series of planned increases (above the workforce increase) to bring the salary to the appropriate market position over time.</p>
<b>Benefits</b>	<p>Benefits provision would be in line with the Policy.</p> <p>The Committee may agree that the Company will meet appropriate relocation costs and/or incidental expenses or tax equalisation as appropriate.</p>
<b>Pension</b>	<p>Pension contribution (or a cash allowance in lieu of contribution) provision will be no more than the general workforce contribution rate for that location in place at the time.</p>
<b>Annual bonus</b>	<p>Eligible to take part in the annual bonus, with a maximum bonus opportunity not in excess of the limits set out in the policy. Participation will be on a pro rata basis to reflect the time in the role in the year of appointment.</p> <p>Depending on the timing of the appointment, the Committee may deem it appropriate to set different annual bonus performance conditions for the first performance year of appointment.</p>
<b>Long-Term Incentive Plan</b>	<p>An LTIP award may be granted upon appointment but not in excess of the limits set out in the policy.</p> <p>An LTIP award may be made shortly following an appointment (assuming the Company is legally permitted to do so). The Committee may deem it appropriate to set different LTIP performance conditions than apply for other awards made during the year of appointment.</p>
<b>Compensation for forfeited remuneration</b>	<p>The approach in respect of compensation for forfeited remuneration in respect of a previous employer will be considered on a case-by-case basis taking into account all relevant factors, such as performance achieved or likely to be achieved, the proportion of the performance period remaining and the form of the award.</p> <p>The Committee retains the ability to make use of the relevant Listing Rule to facilitate the "buy-out". Any "buy-out" awards would normally take account of the nature, time horizons and performance requirements attached to the awards forfeited.</p> <p>In the case of an internal appointment, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment.</p>
<b>Chairman and Non-Executive Directors</b>	<p>For the appointment of a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved Policy.</p>



## DIRECTORS' REMUNERATION REPORT CONTINUED

### Service contracts

It is the Company's policy that Executive Directors should have service contracts incorporating a maximum notice period of one year. However, it may be necessary occasionally to offer longer initial notice periods to new Executive Directors.

Non-Executive Directors have letters of appointment for a term of three years, subject to re-appointment by Shareholders at each Annual General Meeting. In line with the UK Corporate Governance Code, they are generally renewed for no more than nine years in aggregate. Non-Executive Directors are not eligible for payment on termination, other than payment to the end of their three-month notice periods (six months for the Chairman).

Name	Role	Date of original appointment	Expiry of current term
<b>Bruce Thompson</b>	Chairman	26 February 2018	25 February 2027
<b>Nick Jefferies</b>	Group Chief Executive	5 January 2009	12 months by either Director or Company
<b>Simon Gibbins</b>	Group Finance Director	10 June 2010	12 months by either Director or Company
<b>Rosalind Kainyah</b>	Non-Executive Director	1 January 2022	31 December 2027
<b>Clive Watson</b>	Non-Executive Director	2 September 2019	1 September 2028
<b>Celia Baxter</b>	Non-Executive Director	1 June 2023	31 May 2026

Other than their service contracts, no contract of significance, to which any member of the discoverIE Group is a party and in which a Director is or was materially interested, subsisted at the end of, or during, the year.

### Policy on payment for loss of office

Under the terms of their service contracts, any termination payments are not predetermined but are determined in accordance with the Director's contractual rights, taking account of the circumstances and the Director's duty to mitigate loss. The Company's objective is to manage its exposure to the risk of a potential termination payment.

The table below sets out key provisions for Executive Directors leaving the Company under their service contracts and the incentive plan rules.

Element	Termination Policy
<b>Fixed pay</b>	<p>On termination, the Company may make a payment in lieu of notice ("PILON") which is equal to the aggregate of the base salary and cash equivalent of other benefits for the unexpired notice period.</p> <p>The Company may pay the PILON either as a lump sum or in equal monthly instalments, from the date on which the employment terminates until the end of the relevant period. If alternative employment is commenced, for each month that instalments of the PILON remain payable, the monthly amount paid may be reduced by the amount received from such alternative employment.</p>
<b>Annual bonus</b>	<p>Upon cessation of employment, there will be no entitlement to bonus for the year of exit and any unvested Deferred Share Bonus Plan ("DSBP") awards shall ordinarily lapse.</p> <p>If identified as a "good leaver"<sup>1</sup> for the purposes of the bonus plan, the bonus payout will be pro-rated for time based on the Committee's reasonable assessment of the achievement of the performance measures in respect of the relevant financial year. The bonus for the year of termination may be paid in cash or a mix of cash and deferred share bonus awards.</p> <p>If identified as a "good leaver"<sup>1</sup> under the DSBP, awards shall vest on the earlier of the normal vesting date and the second anniversary of cessation other than in the case of death where awards vest early.</p>
<b>LTIP</b>	<p>Upon cessation of employment, any unvested LTIP awards shall ordinarily lapse. Any vested awards which remain subject to a holding period will not be subject to forfeiture.</p> <p>If identified as a "good leaver"<sup>1</sup> under the LTIP, outstanding awards will normally vest on their normal vesting dates (or on such earlier date as the Committee may determine, for example in the case of death), normally with a pro rata reduction for service in the normal vesting period up until the date of leaving and in each case subject to the outcome of the performance conditions (assessed on normal timetable or early as relevant). Holding periods will expire on the earlier of their normal two-year expiry or the second anniversary of ceasing to be a Director.</p>

<sup>1</sup> Good leaver reasons include cessation of employment by reason of ill health, injury, disability, redundancy, retirement with the agreement of the Committee, the participant's office or employment being with a company which ceases to be a Group member or relating to a business which is transferred to a person who is not a Group member, or for any other reason at the Committee's discretion.

The Committee may also agree to make payments in reimbursement of a reasonable level of outplacement and legal fees and tax thereon in connection with a settlement agreement. The Committee may agree payments it considers reasonable in settlement of legal claims. This may include an entitlement to compensation in respect of leavers' statutory rights under employment protection legislation in the UK or in other jurisdictions.

### Change of control or restructuring

On a change of control, all DSBP and LTIP awards will be released, subject to performance requirements and will ordinarily be prorated according to completion of the vesting period. In line with market practice and the Plan rules, the final treatment of any awards is subject to the discretion of the Committee.

There are no enhanced bonus provisions on a change of control.

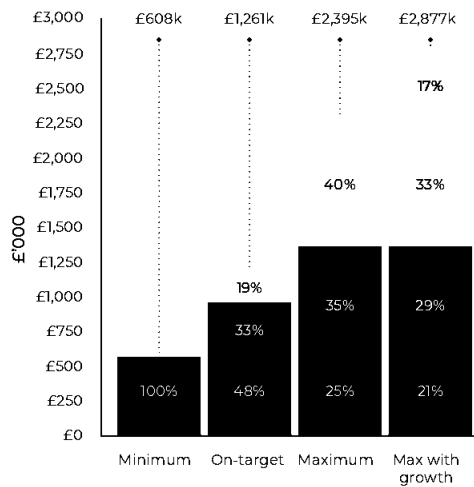
### External appointments

The Executive Directors are entitled to accept one appointment outside the Group, provided that the Chairman's permission is obtained in advance of accepting an appointment and specific approval is given by the Board. Neither of the Executive Directors who served during the year held any Non-Executive appointments outside the Group.

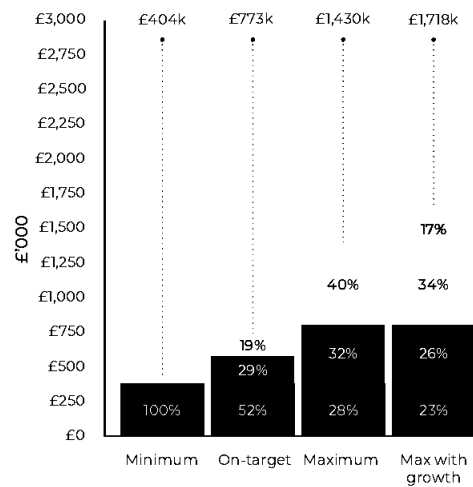
### Illustration of the application of the Executive Directors' Remuneration Policy

The bar charts below illustrate some possible outcomes of the application of the Policy (approved by Shareholders at the Annual General Meeting on 26 July 2024) for the year ending 31 March 2026.

#### Group Chief Executive



#### Group Finance Director



● Fixed ● Annual Bonus ● Long-term incentive ● Share price growth

- 1 Minimum in the bar charts above is fixed remuneration only (i.e., 2026 salary, pension and the value of 2025 benefits as disclosed in the single figure table)
- 2 Target assumes that 25% of the LTIP award vests (based on an award with a face value of 175% and 160% of salary for the Group Chief Executive and Group Finance Director, respectively) and bonuses have been earned at the target levels (75% of salary for the Group Chief Executive and 62.5% of salary for the Group Finance Director)
- 3 Maximum assumes that the LTIP award vests in full (based on an award with a face value of 175% and 160% of salary for the Group Chief Executive and Group Finance Director) and the maximum bonus (150% and 125% of salary for the Group Chief Executive and Group Finance Director respectively) has been earned
- 4 Maximum plus share price growth – this is based on the maximum scenario set out above but with a 50% share price increase applied to the value of LTIP awards

Projected values do not take into account dividend accrual or additional awards granted as a result of any agreement by an Executive Director to incur the Company's liability to employers' National Insurance.



## DIRECTORS' REMUNERATION REPORT CONTINUED

### Comparison with remuneration policy for other employees

The main difference in the Remuneration Policy between the Executive Directors and employees in general is the split of fixed and performance related pay, such as bonus and long-term incentives. Overall the percentage of performance related pay, in particular longer-term incentive pay, is greater for the Executive Directors. This reflects that Executive Directors have more freedom to act and the consequences of their decisions are likely to have a broader and more far-reaching time span of effect than those decisions made by employees with more limited responsibility. As a consequence, only Executive Directors, and other key senior employees in the Group, participate in the LTIP. Differing bonus arrangements (which are normally discretionary) operate elsewhere in the organisation and depend on the specific role and the country in which the employee operates.

The Company's approach to salary reviews is consistent throughout the Company with consideration given to responsibility, experience, performance, salary levels in comparable organisations and the Company's ability to pay. Employees are entitled to standard benefits according to their country of employment.

### Consideration of employment conditions elsewhere in the Group

The Committee is provided annually with information on the salaries and proposed increases for the senior direct reports of the Chief Executive Officer, as well as data on the average salary increases for teams in each region within the Group. In addition, the Committee reviews and agrees all grants of share awards.

The Committee considers the general base salary increase within the geographical regions for the broader employee population when determining the annual salary increases for the Executive Directors and is cognisant of the Group's overall employment arrangements when reviewing and implementing the Executive Directors' Remuneration Policy.

### Employee Engagement

As outlined on pages 34 and 86 to 89, there are a range of employee engagement initiatives in place across the Group and, as part of this employee engagement, the Company explains how its strategy links to remuneration and provides the opportunity for employees to ask questions and provide feedback on that strategy. The Group also consults on global inflationary pressures and pay rises, and will take local conditions into account, with higher rises being implemented in those countries where staff face the greatest pressure. As noted in the Group's Human Rights Policy (available at [www.discoverieplc.com](http://www.discoverieplc.com)), the Group states that it is committed to paying wages at rates that are meaningfully ahead of local minimum statutory rates.

### Consideration of Shareholder views

The Committee receives updates on the views of Shareholders and their representative bodies on best practice either directly or from its independent adviser and takes these into account when making decisions on executive pay. The Committee seeks the views of key Shareholders on matters of remuneration in which it believes they may be interested. As part of the design of the Directors' Remuneration Policy, the Committee wrote in November 2023, and then again in April 2024, to its largest Shareholders, representing 70% of our issued share capital, and met with or received feedback from almost all we engaged with (covering 65% of issued share capital). The feedback received was very supportive and this comprehensive Shareholder consultation exercise helped shape the Policy that was approved by Shareholders at the Annual General Meeting on 26 July 2024.

## Annual Report on Remuneration

The table below shows the total remuneration earned by Executive Directors for the year ended 31 March 2025 and the prior year.

### Single total figure of remuneration for each Executive Director (audited)

		Salary £000	Benefits <sup>1</sup> £000	Pension £000	Bonus <sup>2</sup> £000	LTIP <sup>3,4</sup> £000	Total £000	Total fixed remuneration £000	Total variable remuneration £000
	<b>FY25</b>	<b>530</b>	<b>14</b>	<b>42</b>	<b>441</b>	<b>285</b>	<b>1,313</b>	<b>586</b>	<b>726</b>
Nick Jefferies	FY24	530	12	42	500	448	1,533	585	949
	<b>FY25</b>	<b>340<sup>5</sup></b>	<b>15</b>	<b>28</b>	<b>240</b>	<b>171</b>	<b>794</b>	<b>383</b>	<b>411</b>
Simon Gibbins	FY24	347	13	28	273	268	929	388	541

<sup>1</sup> Taxable benefits comprise car allowance and family medical insurance.

<sup>2</sup> For performance in the year under review, a bonus of 83% and 69% of salary was earned by Nick Jefferies and Simon Gibbins, respectively. Further details of performance against the targets can be found on pages 123 to 125. In accordance with the Remuneration Policy, 20% of these bonuses will be deferred in shares. The values in the above table include the cash and deferred elements in line with the reporting requirements. No discretion was applied by the Remuneration Committee.

<sup>3</sup> The LTIP award granted to Nick Jefferies and Simon Gibbins on 21 June 2022 will vest on 23 June 2025, with 34% vesting. Further details of performance against the targets can be found on page 126. The original awards comprised 131,364 awards for Nick Jefferies and 78,619 awards for Simon Gibbins. Based on the average three-month share price to 31 March 2025 of £6.03, the estimated total values of the vested awards are £269,601 for Nick Jefferies and £161,351 for Simon Gibbins. As the share price at the date of grant (£6.79) is higher than the three-month average share price to 31 March 2025 (£6.03), none of the FY25 LTIP values in the above table are attributable to share price growth. No discretion was applied by the Remuneration Committee. Vested awards will attract dividend equivalents for the period between the date of grant and the earlier of the end of the two-year holding period or the date of exercise. The values shown in the table also include dividend equivalents of £15,559 for Nick Jefferies and £9,312 for Simon Gibbins.

<sup>4</sup> The LTIP values for FY24 were estimated last year based on the three-month average share price to 31 March 2024. The values have been updated to reflect the actual share price on the vesting date (£6.74). The values shown also include dividend equivalents of £21,684 for Nick Jefferies and £12,961 for Simon Gibbins.

<sup>5</sup> Simon Gibbins' salary for FY25 was c. £7,000 lower than FY24 due to him having purchased one week of unpaid leave during the year.

### Single total figure of remuneration for Non-Executive Directors (audited)

	Basic fee		Committee Chair fees		SID fee		Total	
	FY25 £	FY24 £	FY25 £	FY24 £	FY25 £	FY24 £	FY25 £	FY24 £
Bruce Thompson	<b>187,200</b>	187,200	–	–	–	–	<b>187,200</b>	187,200
Celia Baxter <sup>1,2</sup>	<b>52,500</b>	43,750	<b>4,167</b>	–	<b>4,167</b>	–	<b>60,833</b>	43,750
Tracey Graham <sup>3</sup>	<b>30,625</b>	52,500	<b>5,833</b>	10,000	<b>5,833</b>	10,000	<b>42,292</b>	72,500
Rosalind Kainyah	<b>52,500</b>	52,500	<b>10,000</b>	10,000	–	–	<b>62,500</b>	62,500
Clive Watson	<b>52,500</b>	52,500	<b>10,000</b>	10,000	–	–	<b>62,500</b>	62,500

<sup>1</sup> Joined the Board on 1 June 2023.

<sup>2</sup> Senior Independent Director and Chair of the Remuneration Committee from 1 November 2024.

<sup>3</sup> Retired from the Board on 31 October 2024.

### Incentive outcomes for Executive Directors for the year ended 31 March 2025

#### Annual bonus in respect of performance for the year (audited)

The maximum bonus opportunity for the year under review was 150% and 125% of salary for the Group Chief Executive and the Group Finance Director, respectively. Annual bonuses for the year under review were based on a sliding scale of adjusted operating profit targets (60%), adjusted operating cash flow (24%) and the achievement of non-financial objectives (16%).

Based on the performance during the year, adjusted operating profit of £60.5m was between threshold and target, and adjusted operating cash flow of £62.3m was above maximum. Non-financial objectives were determined to have been substantially met. This performance has resulted in bonuses of 55.5% of maximum.



## DIRECTORS' REMUNERATION REPORT CONTINUED

Full details, including the targets set and performance against each of the metrics, are provided in the table below:

	Weighting	Threshold <sup>1</sup>	Target <sup>1</sup> (35% payable)	Stretch (50% payable)	Maximum (100% payable)	Actual	Bonus earned (% of maximum)
Group adjusted operating profit (£m)	60%	£55.7m	£61.9m	£63.8m	£68.1m	£60.5m	27.1%
Adjusted operating cash flow	24%	£50.0m	£55.6m	£57.3m	£61.2m	£62.3m	100%
Strategic objectives	8%					See below	90%
ESG objectives	8%					See below	100%
Outcome (% of max)							55.5%

<sup>1</sup> Threshold payout under both the adjusted operating profit target and the adjusted operating cash flow measure is nil. For 2024/25 only, the amount payable for target was reduced to 35% of maximum.

Each Executive Director was given a number of individual non-financial strategic and ESG objectives, tailored to their role and to business requirements in the year. Nick Jefferies and Simon Gibbins each substantially achieved these objectives.

### Nick Jefferies

Objective	Performance	Assessment
<b>General Non-Financial Objectives</b>		
1. Design wins	<ul style="list-style-type: none"> <li>Design wins up 5%</li> </ul>	Achieved
2. Acquisitive growth	<ul style="list-style-type: none"> <li>Completed acquisitions of Hivolt Capacitors (August 2024) and Burster (January 2025), and development of strong pipeline of further opportunities</li> </ul>	Substantially achieved
3. Improve margins	<ul style="list-style-type: none"> <li>Adjusted operating margin up 1.2ppt to 14.3%</li> </ul>	Achieved
4. Develop clusters	<ul style="list-style-type: none"> <li>Increased collaboration between businesses across the Group, including joint sales initiatives and product development</li> </ul>	Achieved
5. People development	<ul style="list-style-type: none"> <li>Group-wide management review completed, including succession and development plans, as well as a number of key promotions and internal transfers</li> </ul>	Achieved
6. Deliver Capital Markets Day & Management Conference	<ul style="list-style-type: none"> <li>Successful CMD and Conference delivered September 2024</li> </ul>	Achieved
<b>ESG Objectives</b>		
1. Reduce carbon emissions on an absolute basis towards CY2025 target of 65%	<ul style="list-style-type: none"> <li>CY2024 Scope 1 &amp; 2 emissions 59% lower than CY2021, in line with CY2025 target</li> </ul>	Achieved
2. Define and monitor Group-wide ESG objectives	<ul style="list-style-type: none"> <li>Good alignment of operating businesses' ESG objectives and delivery</li> </ul>	Achieved



## Simon Gibbins

Objective	Performance	Assessment
<b>General Non-Financial Objectives</b>		
1. Equity and debt funding to support acquisition plans	<ul style="list-style-type: none"> <li>Funding plans updated to ensure sufficient capacity to meet future acquisition plans</li> </ul>	Achieved
2. Manage interest on debt appropriately	<ul style="list-style-type: none"> <li>Debt well managed in response to market conditions</li> </ul>	Substantially achieved
3. Opex and capex management	<ul style="list-style-type: none"> <li>Significant savings delivered, helping the Group to deliver increased profitability</li> </ul>	Achieved
4. Deliver Capital Markets Day & Management Conference	<ul style="list-style-type: none"> <li>Successful CMD and Conference delivered September 2024</li> </ul>	Achieved
5. Manage analyst & investor base	<ul style="list-style-type: none"> <li>Continued strong engagement with both analysts and investors throughout the year</li> </ul>	Achieved
6. Deliver buy-in of pension scheme	<ul style="list-style-type: none"> <li>Buy-in completed January 2025</li> </ul>	Achieved
7. Transition of auditor	<ul style="list-style-type: none"> <li>Smooth transition from PWC to Deloitte delivered</li> </ul>	Achieved
<b>ESG Objectives</b>		
1. Support for development of ESG initiatives and additional reporting	<ul style="list-style-type: none"> <li>Further development in multiple areas (see Sustainability Report for more details)</li> </ul>	Achieved
2. Finalise preparation ahead of upcoming changes in UK Corporate Governance Code	<ul style="list-style-type: none"> <li>Plans established to meet upcoming reporting requirements (see Corporate Governance Report for more details)</li> </ul>	Achieved
3. Implement corporate communications tool	<ul style="list-style-type: none"> <li>Plans finalised on schedule and within budget</li> </ul>	Achieved

The Committee assessed these achievements against the pre-set personal objectives and in the context of overall business performance and decided to award Nick Jefferies and Simon Gibbins a 95% payout for this element of their respective bonuses. This means that, for the year under review, Nick Jefferies earned a bonus of 83% of salary and Simon Gibbins earned a bonus of 69% of salary. In accordance with the Remuneration Policy, 20% of all bonuses are deferred into shares, as follows:

	Bonus outcome (% of maximum)	Bonus opportunity (% of salary)	Bonus outcome	Cash element 80%	Deferred share element 20%
Nick Jefferies	55%	150%	£441,028	£352,822	£88,206
Simon Gibbins	55%	125%	£240,460	£192,368	£48,092

Deferred share awards vest three years after grant, subject to continued service. Other than the malus and clawback terms referred to on page 118, there are no performance conditions attached to these shares. Further details can be found in Appendix 1 to the Notice for the 2024 Annual General Meeting (available on our website at [www.discoverieplc.com](http://www.discoverieplc.com)).



## DIRECTORS' REMUNERATION REPORT CONTINUED

### 2022 LTIP vesting (audited)

LTIP Awards were granted on 21 June 2022 to Nick Jefferies and Simon Gibbins with vesting dependent on relative TSR performance against a comparator group made up of constituents of the FTSE Small Cap Index excluding Investment Trusts (50%) and the growth in adjusted EPS over the three-year period ending 31 March 2025 (50%). The specific targets were as follows:

#### Relative TSR ranking against the FTSE Small Cap excluding Investment Trusts (50% weighting)

Relative TSR ranking against peers	% of award vesting	Actual performance
Upper quartile (or above)	100%	the Company's TSR over the period was -25.8%, which was below median, resulting in nil vesting of this element
Between median and upper quartile	Straight-line vesting between 25% and 100%	
Below median performance	0%	

#### Adjusted EPS Performance (50% weighting)

Adjusted EPS growth from FY22 to FY25	% of award vesting	Actual performance
Equal to or above 12ppts p.a.	100%	9.6ppts p.a. growth over the three-year period, which was between threshold and the maximum, resulting in 68% vesting of this element
Between 5ppts p.a. and 12ppts p.a.	Straight-line vesting between 25% and 100%	
Below 5ppts p.a.	0%	

The TSR measure resulted in nil vesting of that element, and the EPS measure vested 68% and, therefore, 34% of the 2022 LTIP award will vest on 23 June 2025. The EPS element was subject to the Committee being satisfied as to the Group's return on capital employed ("ROCE") over the performance period. The Committee has considered ROCE for that period and was satisfied that the EPS element should vest in full. The vested awards are subject to a two-year holding period, during which period dividends will accrue on the vested awards. Dividends also accrued between the date of grant and vesting.

Director	Date of grant	Number of awards granted	Vesting outcome	Number of vested awards	Value of vested awards
Nick Jefferies	21 June 2022	131,364	34%	44,710	£285,160
Simon Gibbins	21 June 2022	78,619		26,758	£170,663

The estimated value of the vested awards is based on the three-month average share price to 31 March 2025 (£6.03). The values shown also include dividend equivalents of £15,559 for Nick Jefferies and £9,312 for Simon Gibbins.

### Share awards made during the year (audited)

The following LTIP awards were granted on 12 June 2024:

Director	Face value as % of salary	Face value <sup>1</sup>	Number of shares	Threshold vesting (% of face value)	Maximum vesting (% of face value)	End of performance period
Nick Jefferies	175%	£927,644	128,839	25%	100%	31 March 2027
Simon Gibbins	160%	£555,174	77,108			31 March 2027

<sup>1</sup> The face value of the awards is based on a share price of £7.20, being the three-day average share price directly prior to the grant of the award.

In addition to the grants set out above, 7,228 awards were granted to Simon Gibbins (with a face value of £52,042, based on a share price of £7.20), in return for him bearing a proportion of the Company's liability to employer's National Insurance arising on exercise. The additional award ensures he is in a neutral position on an after-tax basis. The award was granted on the same date and under the same conditions as those set out in the table above.



Vesting of these awards is subject to the following performance conditions:

### Relative TSR ranking against the FTSE 250 excluding Investment Trusts (45% weighting)

Relative TSR ranking against peers	% of award vesting
Upper quartile (or above)	100%
Between median and upper quartile	Straight-line vesting between 25% and 100%
Below median performance	0%

### Adjusted EPS growth (45% weighting)

Adjusted EPS growth	% of award vesting
Equal to or above 12ppts per annum	100%
Between 5ppts and 12ppts per annum	Straight-line vesting between 25% and 100%
Below 5ppts per annum	0%

### Carbon emission reduction (10% weighting)

Reduction in carbon emissions between CY2021 and CY2025	% of award vesting
Equal to or above 70%	100%
Between 50% and 70%	Straight-line vesting between 25% and 100%
Below 50%	0%

For the TSR and adjusted EPS elements, performance is measured over three years from 1 April 2024 to 31 March 2027. For the TSR measure, one-month average prices are used prior to the start and end of the performance period. In the case of the adjusted EPS measure, performance is measured based on growth from FY 2023/24 to FY 2026/27. For the carbon emissions element, performance is measured based on the reduction in the Group's carbon emissions between CY2021 and CY2026 measured on an underlying basis (i.e. like-for-like disregarding acquisitions) and on the assumption that the methodology used to calculate CY2026 outcome is no harder than that used to calculate CY2022 carbon emissions.

Vested shares will be subject to an additional two-year holding period.

Deferred bonus share awards were granted on 26 June 2024. As part of the terms of the bonus relating to FY 2023/24, 20% of the annual bonus for both Executive Directors was deferred into shares.

Director	Grant date	Face value <sup>1</sup>	Number of shares	Vesting date
		(20% of FY24 bonus, net of tax)		
Nick Jefferies	26 June 2024	£53,037	7,764	26 June 2027
Simon Gibbins	26 June 2024	£28,944	4,237	26 June 2027

<sup>1</sup> Shares were acquired at a market price of £6.77 per share.

### Pension arrangements (audited)

Pension contributions/cash allowances for the Executive Directors are set out in the single figure table on page 123 of this Report and were based on a contribution rate of 8%, in line with the UK employee pension contribution rate.



## DIRECTORS' REMUNERATION REPORT CONTINUED

### Directors' interests under the Long-Term Incentive Plans

Movements in the Executive Directors' holdings of nil-cost options under the LTIPs during the year are shown below. Values are calculated using the closing share price on 31 March 2025 (£5.44). No awards were exercised or lapsed in the year. The performance criteria for the 2024 LTIPs are set out on page 127.

	Number held at 31.03.2025	Movements during the year				Number held at 31.03.24	Vested but not exercised	Share value at 31.03.2025 £	Grant date	When exercisable
		Granted	Vested	Exercised	Lapsed					
Nick Jefferies	242,788(v)	-	-	-	-	242,788	242,788	1,320,767	31/03/2017	Mar 2022 to Mar 2027
	123,998(v)	-	-	-	-	123,998	123,998	674,549	29/03/2018	Mar 2023 to Mar 2028
	166,236(v)	-	-	-	-	166,236	166,236	904,324	30/04/2019	Apr 2024 to Apr 2029
	127,039(v) <sup>1, 2</sup>	-	-	-	-	127,039	127,039	691,092	30/06/2020	Jul 2025 to Jun 2030
	63,310(v) <sup>3</sup>	-	63,310	-	11,172	74,482	63,310	344,406	29/07/2021	Jul 2026 to Jul 2031
	131,364(nv) <sup>4</sup>	-	-	-	-	131,364	-	714,620	21/06/2022	Jun 2027 to Mar 2032
	100,794(nv)	-	-	-	-	100,794	-	548,319	14/06/2023	Jun 2028 to Mar 2033
	128,839(nv)	128,839	-	-	-	-	-	700,884	12/06/2024	Jun 2029 to Mar 2034
Simon Gibbins	106,900(v)	-	-	-	-	106,900	106,900	581,536	31/03/2017	Mar 2022 to Mar 2027
	63,190(v) <sup>5</sup>	-	-	-	-	63,190	63,190	343,754	29/03/2018	Mar 2023 to Mar 2028
	92,006(v) <sup>6</sup>	-	-	-	-	92,006	92,006	500,513	30/04/2019	Apr 2024 to Apr 2029
	62,500(v) <sup>7</sup>	-	-	-	-	62,500	62,500	340,000	30/06/2020	Jul 2025 to Jun 2030
	37,843(v) <sup>8</sup>	-	37,843	-	6,678	44,521	37,843	205,866	29/07/2021	Jul 2026 to Jul 2031
	78,619(nv) <sup>4, 9</sup>	-	-	-	-	78,619	-	427,687	21/06/2022	Jun 2027 to Mar 2032
	60,323(nv) <sup>10</sup>	-	-	-	-	60,323	-	328,157	14/06/2023	Jun 2028 to Mar 2033
	77,108(nv) <sup>11</sup>	77,108	-	-	-	-	-	419,468	12/06/2024	Jun 2029 to Mar 2034

(v) = vested; (nv) = non-vested

- The award, in the form of a nil-cost option over 127,039 shares in the Company, was made to Nick Jefferies on 30 June 2020. The performance conditions attached to the award resulted in 100% vesting on 3 July 2023.
- An additional award of 13,985 nil-cost options was made on 30 June 2020 such that Nick Jefferies is in a net neutral position after tax, assuming unchanged tax rates, as a result of his agreement to take on a proportion of the Company's liability to employer's National Insurance on the June 2020 award. This is in addition to the 127,039 shares set out above and is subject to the same vesting and exercise conditions.
- An additional award of 12,413 nil-cost options was made on 29 July 2021 such that Nick Jefferies is in a net neutral position after tax, assuming unchanged tax rates, as a result of his agreement to take on a proportion of the Company's liability to employer's National Insurance on the July 2021 award. This is subject to the same vesting and exercise conditions as the main award.
- The performance conditions attached to the award will result in 34% vesting on 23 June 2025.
- An additional award of 13,916 nil-cost options was made on 29 March 2018 such that Simon Gibbins is in a net neutral position after tax, assuming unchanged tax rates, as a result of his agreement to take on the Company's liability to employer's National Insurance on the March 2018 award. 75.9% of the 2018 award vested on 29 March 2021, meaning 63,190 options from the "base award" vested and 20,065 options from the "base award" lapsed; and 10,562 options from the NI element vested and 3,353 options from the NI element lapsed.
- An additional award of 15,379 nil-cost options was made on 30 April 2019 such that Simon Gibbins is in a net neutral position after tax, assuming unchanged tax rates, as a result of his agreement to take on the Company's liability to employer's National Insurance on the April 2019 award. This is in addition to the 92,006 shares set out above.
- An additional award of 10,446 nil-cost options was made on 30 June 2020 such that Simon Gibbins is in a net neutral position after tax, assuming unchanged tax rates, as a result of his agreement to take on the Company's liability to employer's National Insurance on the June 2020 award. This will vest in full on 3 July 2023.
- An additional award of 7,441 nil-cost options was made on 29 July 2021 such that Simon Gibbins is in a net neutral position after tax, assuming unchanged tax rates, as a result of his agreement to take on the Company's liability to employer's National Insurance on the July 2021 award. This is subject to the same vesting and exercise conditions.
- An additional award of 7,370 nil-cost options was made on 21 June 2022 such that Simon Gibbins is in a net neutral position after tax, assuming unchanged tax rates, as a result of his agreement to take on the Company's liability to employer's National Insurance on the June 2022 award. This is subject to the same vesting and exercise conditions. As noted above, 33% of this award will vest on 23 June 2025, meaning that 26,229 options from the "base award" will vest and 52,390 options from the "base award" will lapse; and 2,459 options from the NI element will vest and 4,911 options from the NI element will lapse.
- An additional award of 5,655 nil-cost options was made on 8 June 2023 such that Simon Gibbins is in a net neutral position after tax, assuming unchanged tax rates, as a result of his agreement to take on the Company's liability to employer's National Insurance on the June 2023 award. This is subject to the same vesting and exercise conditions.
- An additional award of 7,228 nil-cost options was made on 12 June 2024 such that Simon Gibbins is in a net neutral position after tax, assuming unchanged tax rates, as a result of his agreement to take on the Company's liability to employer's National Insurance on the June 2024 award. This is subject to the same vesting and exercise conditions.



## Directors' share interests (audited)

The interests of the Directors who held office as at 31 March 2025 (including family interests) in ordinary shares (fully paid, 5p) of the Company, were as follows:

	Shares held at 31 March 2025					Value of current shareholding (% of salary)
	Unencumbered shares	Nil cost options vested but not exercised and outside of holding period	Nil cost options vested but subject to additional holding period <sup>3</sup>	Nil cost options unvested and subject to performance conditions	Unencumbered shares held at 31 March 2024	
Nick Jefferies	1,303,722 <sup>1</sup>	533,022	190,349	360,997	1,264,370	1,289%
Simon Gibbins	430,535 <sup>2</sup>	262,096	100,343	216,050	402,153	651%
Bruce Thompson	75,000	–	–	–	49,000	
Clive Watson	36,471	–	–	–	22,900	
Rosalind Kainyah	656	–	–	–	656	
Celia Baxter	7,642	–	–	–	2,791	

<sup>1</sup> Nick Jefferies holds 1,303,722 shares outright. In line with the Remuneration Policy, 20% of bonuses from FY 2019/20 onwards were deferred into shares. The figure of 1,303,722 includes the shares bought with those deferred bonuses.

<sup>2</sup> Simon Gibbins holds 430,535 shares outright. In line with the Remuneration Policy, 20% of bonuses from FY 2021/22 onwards were deferred into shares. The figure of 430,535 includes the shares bought with those deferred bonuses.

<sup>3</sup> Options subject to the additional holding period are not capable of exercise. No further performance conditions apply.

The interests of all Directors at 1 June 2025 are unchanged from those at 31 March 2025. The values of current shareholdings for Nick Jefferies and Simon Gibbins have been valued using the share price as at 31 March 2025 of £5.44 and include all options that have vested but remain unexercised and are based on salaries as at 1 June 2025.

Both of the Executive Directors have met the current shareholding requirements. In accordance with the remuneration policy, Executive Directors are required to build up/maintain a shareholding of at least 250% of salary within seven years.

The figures for shares/ nil cost options subject to performance conditions exclude any additional awards to Executive Directors in respect of employer's National Insurance.

New Executive Directors are required to build up/maintain a shareholding of at least 200% of salary, including LTIP shares where performance conditions no longer apply.

## Dilution

The Company's share schemes are funded through a combination of shares purchased in the market and newly issued shares, as appropriate. The Company monitors the number of shares issued under the schemes and their impact on dilution limits.

As at 31 March 2025, approximately 5.3m shares (5.5% in the last ten years) have been, or may be, issued to settle awards made in the last ten years in connection with all share schemes and executive share schemes, respectively. The Company is committed to remaining within The Investment Association's 10% in 10 years dilution limit.

## Payments for loss of office (audited)

There were no payments for loss of office during the year.

## Payments to past Executive Directors (audited)

There were no payments to past Executive Directors during the year.

This represents the end of the audited section of the Report.

## DIRECTORS' REMUNERATION REPORT CONTINUED

### Pay for performance

The graph below shows Total Shareholder Return (TSR) in terms of change in value (with dividends deemed to be reinvested gross on the ex-dividend date) of an initial investment of £100 on 31 March 2015 between that date and 31 March 2025 in a holding of the Company's shares, compared with the corresponding TSR in a hypothetical holding of £100 invested in the FTSE 250 Index. The index has been chosen because it is considered to be a reasonable comparator in terms of the Company's size and its share liquidity. The accompanying table details the Group Chief Executive's single figure of remuneration and actual variable pay outcomes over the same period.



### Group Chief Executive single figure of total remuneration history

Nick Jefferies was Group Chief Executive throughout the period shown in the table below.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Single figure of total remuneration (£'000)	1,321	665	1,803	1,796	2,093	1,717	2,580	2,245	1,533 <sup>2</sup>	<b>1,313</b>
Salary (£'000)	425	429	438	453	467	443	490	510	530	<b>530</b>
Bonus outcome (% of maximum)	60	43.5	63.7	69.2	62.0	60.1	100	76	63	<b>55.5</b>
LTIP outcome (% of maximum)	100	–	100	100	100	75.9	100	100	85	<b>34</b>
Turnover (£m)	288	338	387.9	438.9	466.4	454.3	379.2	448.9	437.0	<b>422.9</b>
Adjusted operating profit (£m)	16	20	24.5	30.6	37.1	35.2	41.4 <sup>1</sup>	51.8	57.2	<b>60.5</b>

<sup>1</sup> Continuing operations

<sup>2</sup> The LTIP values for 2024 were estimated last year based on the three-month average share price to 31 March 2024. The values have been updated to reflect the actual share price on the vesting date (£6.74).



## Group Chief Executive remuneration

### Annual percentage change in remuneration of Directors and employees

As required by the 2019 regulations, the table below shows a comparison of the annual change of each individual Director's pay to the annual change in average UK employee pay. discoverIE Group plc has no employees itself and therefore the Committee has selected this comparator group on the basis that the Executive Directors are UK-based. Average employee pay is based on a full-time equivalent ("FTE") calculation.

	% change from 2020 to 2021			% change from 2021 to 2022			% change from 2022 to 2023			% change from 2023 to 2024			% change from 2024 to 2025		
	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus
<b>Employees</b>	5%	0%	44%	5%	0%	153%	5%	59%	13%	6%	1%	6%	1%	8%	-32%
<b>Executive Directors</b>															
Nick Jefferies	-5%	-3%	-8%	11% <sup>1</sup>	2%	121%	4%	-8%	-21%	4%	-37%	-13%	0%	0%	-12%
Simon Gibbins	-5%	-3%	-8%	11% <sup>1</sup>	2%	129%	3%	26%	-23%	4%	4%	-13%	-2%	0%	-12%
<b>Non-Executive Directors</b>															
Malcolm Diamond															
Diamond	-5%	-	-	11% <sup>1</sup>	-	-	-29% <sup>3</sup>	-	-	-	-	-	-	-	-
Tracey Graham	-5%	-	-	11% <sup>1</sup>	-	-	13% <sup>4</sup>	-	-	13% <sup>4</sup>	-	-	-42% <sup>7</sup>	-	-
Rosalind Kainyah	n/a <sup>2</sup>	-	-	n/a <sup>2</sup>	-	-	397% <sup>5</sup>	-	-	4%	-	-	0%	-	-
Bruce Thompson	-5%	-	-	11% <sup>1</sup>	-	-	94% <sup>6</sup>	-	-	70% <sup>6</sup>	-	-	0%	-	-
Clive Watson	-5%	-	-	11% <sup>1</sup>	-	-	6%	-	-	4%	-	-	0%	-	-
Celia Baxter	-	-	-	-	-	-	-	-	-	-	-	-	39% <sup>8</sup>	-	-

<sup>1</sup> Salaries and fees for the year ended 31 March 2021 were voluntarily reduced by all Directors by 20% for three months in light of the pandemic, as explained in the 2022 Annual Report. Without that reduction, the underlying increase in salary and fees from 2021 to 2022 was 5%.

<sup>2</sup> Joined the Board in January 2022.

<sup>3</sup> The reduction in Malcolm Diamond's fee in FY 2022/23 reflects his retirement from the Board on 1 November 2022.

<sup>4</sup> The increase in Tracey Graham's fees for FY 2022/23 and FY 2023/24 reflects her appointment as Senior Independent Director from 1 November 2022.

<sup>5</sup> The increase in Rosalind Kainyah's fee in FY 2022/23 reflects her appointment towards the end of FY 2021/22, with FY 2022/23 showing a full year of fees, as well as her appointment as Chair of the Sustainability Committee from 1 April 2022.

<sup>6</sup> The increase in Bruce Thompson's fees for FY 2022/23 and FY 2023/24 reflects his appointment as Chairman from 1 November 2022.

<sup>7</sup> Tracey Graham retired as at 31 October 2024.

<sup>8</sup> The increase in Celia Baxter's fee in FY 2024/25 reflects her appointment part way through FY 2023/24 and her appointment part way through FY 2024/25 as Senior Independent Director and Chair of the Remuneration Committee.

### CEO pay ratio

The table below sets out the pay ratios for the Group Chief Executive in relation to the equivalent pay for the lower quartile, median and upper quartile employees (calculated on a full-time basis). The principal reason for the changes between 2020, 2021 and 2022 are the changes in the overall remuneration of the Group Chief Executive, with a voluntary reduction in salary and bonuses in 2021 during Covid and a full bonus payout in 2022. In 2023, the ratios returned closer to pre-pandemic levels.

The 2025 median CEO pay ratio of 39:1 is lower than last year (45:1). This reflects the lower variable remuneration earned by the Group Chief Executive this year (see above).

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
<b>2025</b>	<b>Option B</b>	<b>47:1</b>	<b>39:1</b>	<b>21:1</b>
2024	Option B	60:1	45:1	26:1
2023	Option B	86:1	69:1	43:1
2022	Option B	117:1	68:1	44:1
2021	Option B	63:1	47:1	25:1
2020	Option B	83:1	57:1	40:1

<sup>1</sup> The Company determined the remuneration figures for the employee at each quartile with reference to a date of 31 March 2025.

<sup>2</sup> The Group used calculation method B as the Gender Pay Gap data is already collated for UK employees and was therefore readily available.

<sup>3</sup> Following a review, the Committee was satisfied that the three individuals reported on are representative of the lower quartile, median and upper quartile employees. No adjustments or estimates were used.



## DIRECTORS' REMUNERATION REPORT CONTINUED

Set out in the table below is the total pay and benefits as well as the salary component of remuneration for the employees identified as being at the relevant percentiles.

£	25th percentile	Median	75th percentile
Salary	£25,924	£31,000	£50,000
Total pay and benefits	£27,997	£33,526	£61,250

### Importance of the spend on pay

The table below shows the importance of the spend on pay for all employees across the globe compared with the returns distributed to Shareholders, during the year under review and the prior financial year. The information is based on like-for-like constant currency and includes annualised prior year acquisitions.

£	2025 £m	2024 £m	change %
Remuneration paid to or receivable by all employees	116.8	112.1	4%
Distributions to Shareholders by way of dividends (net of share issues)	11.7	11.2	4%

### Statement of implementation of the remuneration policy in the financial year ending 31 March 2026

The table below sets out a summary of how the remuneration policy will apply during 2025/26.

Remuneration element	Remuneration for year ending 31 March 2026
<b>Base salary</b>	<ul style="list-style-type: none"> <li>▪ Salaries for FY 2025/26 are:                             <ul style="list-style-type: none"> <li>– £550,000 for the Group Chief Executive (3.8% increase).</li> <li>– £360,000 for the Group Finance Director (3.8% increase).</li> </ul> </li> </ul> <p>As set out in the Annual Statement, the Committee will seek to implement the salaries agreed at the time of the 2024 Policy approval on a phased basis. The Committee will consider the appropriate timing of the next increase which will be in addition to the general UK workforce increase of 3% for 2025/26.</p> <p>Base salary increases across the Group for FY 2025/26 vary according to local conditions, with up to 15% in some countries.</p>
<b>Pension</b>	<ul style="list-style-type: none"> <li>▪ Cash equivalent of 8% of salary (in line with the UK workforce).</li> </ul>
<b>Annual bonus</b>	<ul style="list-style-type: none"> <li>▪ The maximum bonus opportunity will be 150% of salary for Group Chief Executive and 125% of salary for Group Finance Director.</li> <li>▪ Target bonus opportunity is 50% of maximum.</li> <li>▪ Performance metrics are based 60% on adjusted operating profit, 24% on adjusted operating cash flow, 8% on strategic objectives, and 8% on ESG matters. Due to the close link between targets and the long-term strategy, the bonus targets for the year ending 31 March 2026 have not been disclosed in this report due to commercial sensitivity. However, further information on these bonus targets will be disclosed in next year's Annual Report and Accounts.</li> <li>▪ Mandatory deferral of 20% of any bonus earned into discoverIE share awards for a period of three years under the Deferred Share Bonus Plan (where Executive Directors have met their shareholding guideline; one third of bonus earned is deferred if that guideline is not met).</li> </ul>



Remuneration element	Remuneration for year ending 31 March 2026
<b>LTIP</b>	<ul style="list-style-type: none"> <li>LTIP awards for FY 2025/26 will be at 175% of salary for the Group Chief Executive and 160% of salary for the Group Finance Director<sup>1</sup> which is in line with last year and lower than the proposed LTIP policy limit.</li> <li>Performance metrics and targets will be based 50% on adjusted EPS growth and 50% on relative TSR.</li> <li>The adjusted EPS range will require growth of 5% p.a. for threshold vesting and 12% p.a. growth for full vesting. Vesting of the EPS element shall also be subject to an underpin requiring the Committee to be satisfied with the Group's annual rate of return on capital employed ("ROCE") over the measurement period.</li> <li>The TSR peer group will be the FTSE 250 (excluding Investment Trusts). Threshold vesting (25%) will apply for median performance and full vesting (100%) will require upper quartile or higher.</li> </ul>
<b>Shareholding guidelines</b>	<ul style="list-style-type: none"> <li>A shareholding guideline of 250% of salary applies for the Group Chief Executive and Group Finance Director.</li> </ul>

<sup>1</sup> Additional awards may be granted to the Group Finance Director in return for him bearing some of the Company's liability to employers' National Insurance arising on the exercise of the grant referred to above. The additional award ensures that he is in a neutral position on an after-tax basis, assuming no change in the tax rate.

The fees for the Non-Executive Directors for the year ending 31 March 2025/26 will be as follows:

As at 1 April 2025	Basic fee (£)	Committee Chair fee (£)	SID fee (£)	Total (£)
Bruce Thompson	193,750	–	–	193,750
Celia Baxter	54,340	10,350	10,350	75,040
Rosalind Kainyah	54,340	10,350	–	64,690
Clive Watson	54,340	10,350	–	64,690

As noted in the 2023/24 Directors' Remuneration Report, the fees for the Non-Executive Directors were not increased in 2024/25. A 3.5% increase in fees will be implemented for 2025/26 (as reflected in the table above).

## Role of the Remuneration Committee

The Committee is responsible for considering and making recommendations to the Board on the remuneration of the Executive Directors. In doing so, it reports to the Board on how it has discharged its responsibilities and operates within agreed terms of reference, which can be found on the Group's website. The members of the Committee are set out on page 110.

The Committee also considers the recommendations of the Group Chief Executive with regard to senior management who are not Executive Directors, in determining their remuneration packages, including bonuses, incentive payments, share options and other share-based awards. The Group Company Secretary provides administrative support.

## Advisers

During the year, the Committee received independent advice on executive remuneration from FIT Remuneration Consultants LLP ("FIT"). FIT was appointed by the Committee following a competitive tender process. FIT is a signatory to the Remuneration Consultants' Code of Conduct. FIT does not provide any services other than advice to the Remuneration Committee and the Committee considers FIT to be independent and objective. The fees paid to FIT for advising the Committee for the financial year ended 31 March 2025 were £47,667, based partly on a fixed fee basis and partly on time spent.

## Shareholder voting

As at 1 April 2024	For <sup>1</sup>	Against	Withheld <sup>2</sup>		
2024 binding vote on the Directors' Remuneration Policy	75,169,860	96.03%	3,111,165	3.97%	5,712
2024 approval of the Remuneration Report (excl. Policy)	77,383,278	98.85%	900,574	1.15%	2,885

<sup>1</sup> Includes votes at the Chairman's discretion.

<sup>2</sup> A vote "withheld" is not a vote in law and is not counted in the calculation of the proportion of votes for and against the resolution.



## 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 regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The Directors have chosen to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent Company financial statements, the Directors are required to:

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

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

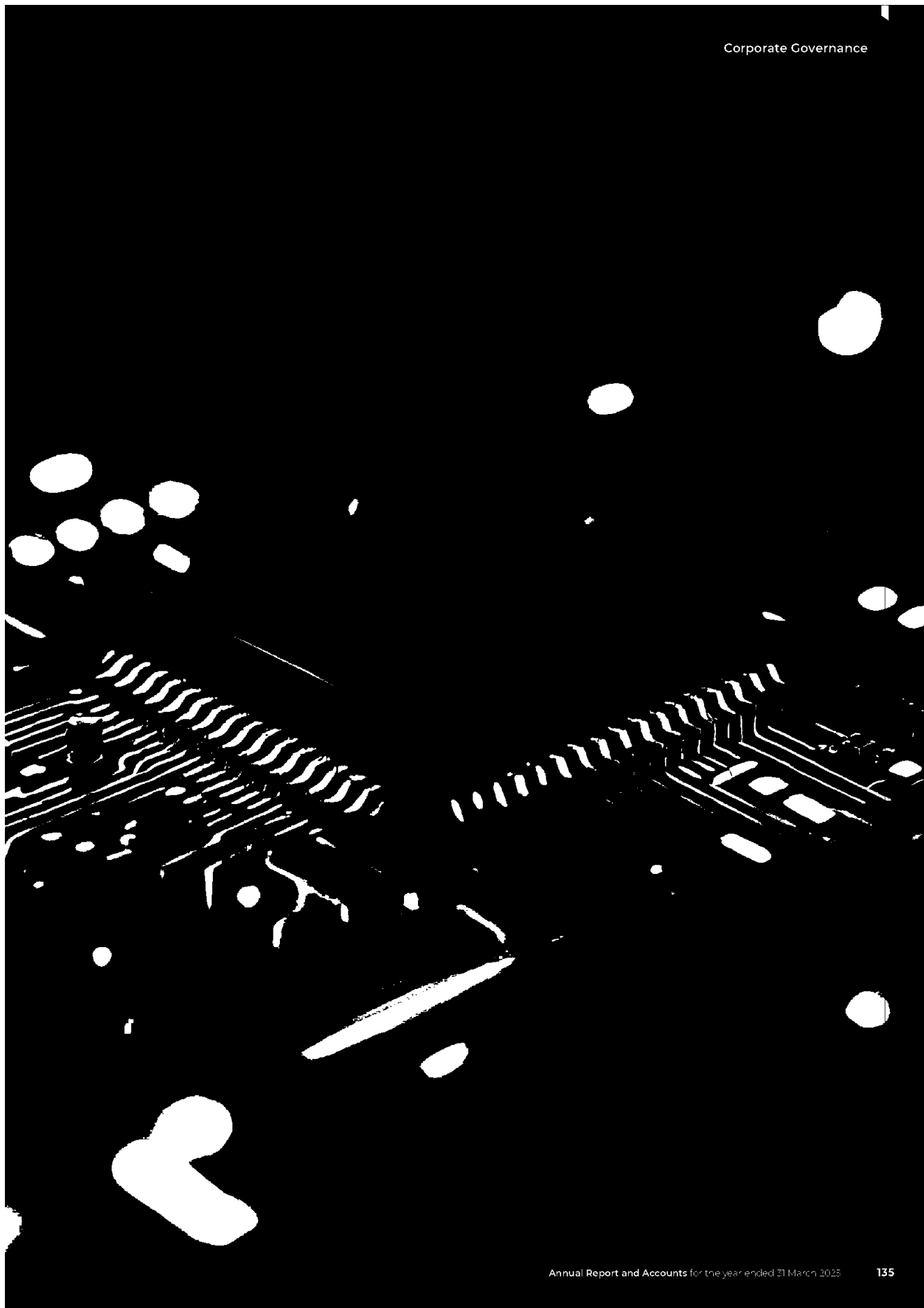
This responsibility statement was approved by the Board of Directors on 3 June 2025 and is signed on its behalf by:

**Nick Jefferies**  
Group Chief Executive  
3 June 2025

**Simon Gibbins**  
Group Finance Director  
3 June 2025



Corporate Governance





# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF discoverIE Group plc

## Report on the audit of the financial statements

### 1. Opinion

In our opinion:

- the financial statements of discoverIE Group plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Profit or Loss;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statements of Financial Position;
- the Consolidated Statements of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the related notes 1 to 36 to the Consolidated financial statements;
- the Company Statements of Financial Position;
- the Company Statements of Changes in Equity; and
- the related notes 1 to 12 to the Company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in note 33 to the Group financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### 3. Summary of our audit approach

<b>Key audit matters</b>	The key audit matter that we identified in the current year was the appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off').
<b>Materiality</b>	The materiality that we used for the Group financial statements was £2.3m which was determined on the basis of adjusted profit before tax.
<b>Scoping</b>	We used component auditors to test specific account balances in 28 reporting units across 13 countries and the Group engagement team performed audits on seven reporting units at group level including the Company. This covered 72% of Group revenue, 84% of profit before tax and 79% of net assets.
<b>Changes to our approach</b>	<p>The year ended 31 March 2025 is our first year as auditor of the Group. We have been independent since 1 April 2024 and commenced our transition activities from that date. Our work included:</p> <ul style="list-style-type: none"><li>■ Preparing a detailed audit transition plan;</li><li>■ Shadowing the predecessor auditor through the 31 March 2024 year audit through attendance at key meetings;</li><li>■ Reviewing the predecessor auditor's audit files;</li><li>■ Holding transition workshops with key operational and component management teams including internal audit, tax, legal, and Group finance teams throughout our audit planning; and</li><li>■ Holding a series of planning meetings with our component audit teams and undertaking Group audit team visits to a number of key markets and components.</li></ul> <p>These procedures developed our understanding of the Group and informed our risk assessment, including our materiality, scoping, and identification of key audit matters.</p> <p>In the prior year, the predecessor auditor identified the Carrying value of goodwill (Group), Accounting for acquisitions (Group) and the Carrying value of investments (Company) as key audit matters. We do not consider these to be key audit matters in the current year as these areas did not have a significant effect on our overall audit strategy, allocation of resources or direction of efforts of the engagement team:</p> <ul style="list-style-type: none"><li>■ Having assessed the carrying values of goodwill and investments, given the increased level of headroom demonstrated in the directors' assessment; and</li><li>■ In relation to accounting for acquisitions, there have been fewer acquisitions in the current year compared with last year.</li></ul>



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF discoverIE Group plc

CONTINUED

### 4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the processes and controls underpinning the director's forecasting of financial performance and cash flows;
- assessing the Group's borrowing facilities explained in Note 23 to the Group financial statements, including the total amounts available, the repayment dates, and related covenants;
- testing the mechanical and logical accuracy of management's

forecasts, and liquidity and sensitivity calculations;

- assessing the forecasts in comparison to historical performance, industry expectations, and external data points;
- challenging the downside scenarios modelled by the Group, including their reverse stress tests, in consideration of recent experience and whether they were sufficiently severe;
- evaluating whether other events or conditions, for example potential trade volatility arising from changing tariff regimes, are appropriately considered in forecasts and downside scenarios;
- assessing the requirements of the financial covenants and the potential risk of a covenant breach; and
- assessing the appropriateness of the disclosures provided in note 2 of the Group financial statements.

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

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## 5.1. Appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off')

<b>Key audit matter description</b>	<p>The Group recognised revenue of £422.9 million in 2025 (2024: £437.0 million) of which the significant majority is earned through sale of goods in the form of a range of customised electronics for industrial applications. Refer to Notes 4 and 5 to the Group financial statements for analysis by nature and operating segment. The Group recognises revenue from sale of goods at a point in time on shipment, on delivery, or when goods are accepted by the customer, depending on the incoterm used for the sale transaction.</p> <p>Revenue should be recognised once control of goods has passed to the customer in line with the relevant incoterms and the Group's revenue recognition policy. The Group is highly disaggregated and operates in a number of different jurisdictions, trading under a range of incoterms, and utilises different IT infrastructure in different businesses. That leads to a risk that revenue is recognised at an inappropriate time due to an incorrect determination of when control has passed. There could be an incentive to recognise revenue in one period or another, in order to meet budgets or targets, and so we consider the cut-off of revenue to represent a key audit matter and a potential fraud risk.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"><li>■ obtaining an understanding of the revenue cycle and relevant controls in place to address the risk of inappropriate cut-off;</li><li>■ identified a pre- and post- year end 'risk period' for sales transactions for which there may be judgement as to whether control has passed as at the year-end and assessing a sample of those sales transactions against purchase orders, despatch documentation, and sales invoices, as necessary in order to determine whether revenue is recognised in the correct period; and</li><li>■ testing credit notes issued post year end and assessing the appropriateness of the reason for the credit note while also evaluating whether it aligns with the Group's revenue recognition policy.</li></ul>
<b>Key observations</b>	<p>We concluded that the revenue recognition policies of the Group are reasonable, and that they are applied appropriately.</p>

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF discoverIE Group plc

CONTINUED

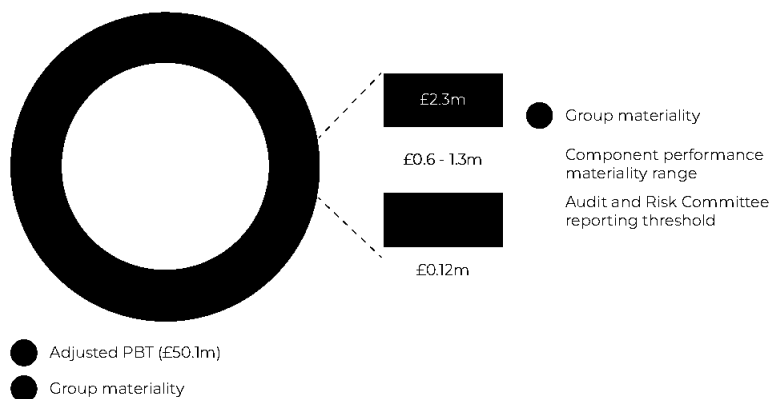
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
<b>Materiality</b>	£2.3 million (FY24 predecessor auditor: £2.4 million)	£2.0 million (FY24 predecessor auditor: £3.0 million)
<b>Basis for determining materiality</b>	We determined materiality on the basis of 5% of forecasted adjusted profit before tax, this represents 4.6% of final adjusted profit before tax, as disclosed in note 6 to the financial statements.  The predecessor auditor determined Group materiality based on 5% of adjusted profit before tax.	Company materiality equates to 0.5% of net assets, which is capped at 90% of Group materiality.  The predecessor auditor determined Company materiality based on 1% of total assets.
<b>Rationale for the benchmark applied</b>	We have used adjusted profit before tax for determining materiality. Adjusted profit before tax is defined as profit before tax excluding acquisition and disposal related costs. This is considered to be a key benchmark as this metric is important to the users of the financial statements (investors and analysts being the key users for a listed entity) because it provides a means of evaluating performance of the business on a consistent basis and hence its ability to pay a return on investment to the investors.	As the ultimate holding company of the Group we consider net assets to be an appropriate benchmark for our materiality determination.



## 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
<b>Performance materiality</b>	65% of Group materiality (FY24 predecessor auditor: 75%)	65% of Company materiality (FY24 predecessor auditor: 75%)
<b>Basis and rationale for determining performance materiality</b>	<p>In determining performance materiality, we considered the following factors:</p> <ol style="list-style-type: none"> <li>the fact that this is the first year of our audit tenure;</li> <li>the quality of the control environment and whether we were able to rely on controls;</li> <li>the disaggregated nature of the Group and relative size of individual businesses;</li> <li>the nature, volume and size of misstatements in the previous audit; and</li> <li>low turnover of management and key accounting personnel.</li> </ol>	

## 6.3. Error reporting threshold

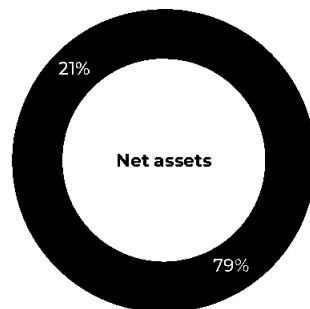
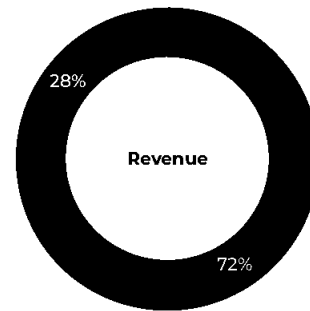
We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £115,000 (FY24 predecessor auditor: £120,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

- qualitative and quantitative risk factors, in consideration of the Group materiality of £2.3 million;
- the structure of internal reporting within the Group;
- changes to the Group arising from acquisitions, disposals, or restructuring events; and
- the outcome of recent internal audit reports, or other indications of increased risk identified by management or the directors.

For the purposes of our Group audit we have performed audit procedures on one or more classes of transactions, or account balances, on components which represent 72% of revenue, 84% of profit before tax, and 79% of net assets. Our work has been completed to component performance materiality levels which were lower than Group materiality, ranging from £0.6 million to £1.3 million.

As each of the components maintains separate financial records, we have engaged component auditors from the Deloitte member firms in China, Denmark, France, Germany, India, Norway, Poland, Slovakia, Sri Lanka and Sweden to perform procedures under our direction and supervision as further described in section 7.4 below.

At a Group level we have tested the consolidation processes, and have performed a review at group level on components and balances that were not subject to audit procedures.



- Specified account balances and transactions
- Review at group level

## 7. An overview of the scope of our audit

### 7.1. Identification and scoping of components

The Group is highly disaggregated and operates in 20 countries, with 41 manufacturing locations and 35 total components, including those at head-office. Our definition of component is aligned to the reporting unit structure within the Group. Our audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group and component level.

Our determination of which components to include in our audit scope considered:



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF discoverIE Group plc

CONTINUED

## 7.2. Our consideration of the control environment

We have obtained an understanding of the control environment, including consideration of relevant IT systems. The disaggregated nature of the Group and the fact that most of the Group's businesses operate on separate IT systems is important to our testing approach. Our approach has principally been designed to inform our risk assessment and, as such, we initially obtained an understanding of relevant IT systems used worldwide. For certain IT systems in use at either a number of components, or at larger components, we obtained an understanding of general IT controls. We did not rely on the effective operation of IT controls at any component and instead performed substantive audits with supporting analytics where possible.

More broadly, we did not plan to rely on the operating effectiveness of controls (automated or otherwise). This strategy reflected our knowledge of the control environment and in particular: the disaggregated nature of the business which brings inherent segregation of duty challenges in certain smaller businesses; limited formality of the control environment with regards to retention of evidence of a control's operation sufficient for our testing purposes; and our understanding of the audit approach of the predecessor auditor. The Group continues to invest time in addressing observations on IT and entity level controls as explained in the Audit and Risk Committee Report on page 101.

## 7.3. Our consideration of climate-related risks

In planning our audit we considered the potential impact of climate change on the Group's business and on the balances in the financial statements. The Group has assessed the risks and opportunities of climate change and have summarised the outputs of that assessment on pages 73 to 78 of the Annual Report.

We have considered whether the outputs of the assessment, as disclosed in the basis of preparation, on page 151 of the Annual Report, are consistent with our understanding of the business and with the forecasts which are used to support account balances (including goodwill), the use of the going concern assumption, and the explanations given in the viability statement. We did not identify any additional risks of material misstatement as a result of the assessment and have considered it as part of our wider response to forecasts, and audit of related account balances.

In considering the disclosures presented as part of the Strategic Report, we engaged our ESG specialists to assess compliance with the TCFD and CFD requirements and the recommendations made by both the Task Force and FRC as set out in their thematic reviews. We have also assessed whether these disclosures are materially consistent with the financial statements and reflect our understanding of the Group's approach to climate.

## 7.4. Working with other auditors

The audit work completed by our component audit teams was performed under the direction and supervision of the Group audit team. We were directly involved in planning discussions, including discussions related to fraud, and risk assessment conclusions. We provided our component teams with detailed instructions and maintained frequent communication throughout the planning, interim, and final audit stages. We reviewed component audit working papers which were significant to the Group audit conclusions, and challenged findings and observations based on reporting we received.

Senior members of our Group audit team visited 12 component locations across the UK, the US, Poland, and Norway. We attended all audit close meetings either in-person or via conference calls.

## 8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Group's and the 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.

## 10. Auditor's responsibilities for the audit of the financial statements

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

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

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, internal audit, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge

of any actual, suspected or alleged fraud;

- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, valuations, pensions, IT, and forensic specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off'). In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF discoverIE Group plc

CONTINUED

### 11.2. Audit response to risks identified

As a result of performing the above, we identified the appropriateness revenue recognised in the correct accounting period (revenue 'cut-off') as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations

described as having a direct effect on the financial statements;

- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the

appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### 13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 108;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 79;
- the directors' statement on fair, balanced and understandable set out on page 98;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 91;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 101; and
- the section describing the work of the Audit Committee set out on page 96.



## 14. Matters on which we are required to report by exception

### 14.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in this regard.

### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in this regard.

## 15. Other matters which we are required to address

### 15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, Deloitte were appointed by the shareholders on 26 July 2024 to audit the financial statements for the year ending 31 March 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is one year, covering the year-ended 31 March 2025.

### 15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

### 16. Use of this report

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

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

### Jane Makrakis FCA

(Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Reading, United Kingdom  
03 June 2025



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £m	2024 £m
<b>Revenue</b>	4	<b>422.9</b>	437.0
Operating costs	7	<b>(380.5)</b>	(405.8)
<b>Operating profit</b>	7	<b>42.4</b>	31.2
Finance income	9	<b>3.7</b>	3.9
Finance costs	9	<b>(14.1)</b>	(12.9)
<b>Profit before tax</b>		<b>32.0</b>	22.2
Tax expense	10	<b>(7.4)</b>	(6.7)
<b>Profit for the year</b>		<b>24.6</b>	15.5
<b>Earnings per share</b>	14		
Basic, profit for the year		<b>25.6p</b>	16.2p
Diluted, profit for the year		<b>25.0p</b>	15.8p

The above consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

## SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS INFORMATION

FOR THE YEAR ENDED 31 MARCH 2025

Alternative performance measures	Notes	2025 £m	2024 £m
Operating profit	7	<b>42.4</b>	31.2
Add back:			
Net acquisition and disposal expenses	6	<b>1.9</b>	9.8
Amortisation of acquired intangible assets	19	<b>16.2</b>	16.2
<b>Adjusted operating profit</b>		<b>60.5</b>	57.2
Profit before tax		<b>32.0</b>	22.2
Add back:			
Net acquisition and disposal expenses	6	<b>1.9</b>	9.8
Amortisation of acquired intangible assets	19	<b>16.2</b>	16.2
<b>Adjusted profit before tax</b>		<b>50.1</b>	48.2
<b>Adjusted earnings per share - diluted</b>	6	<b>38.7p</b>	36.8p
<b>Adjusted earnings per share - basic</b>	6	<b>39.7p</b>	37.8p



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £m	2024 £m
<b>Profit for the year</b>		<b>24.6</b>	15.5
Other comprehensive loss:			
Items that will not be subsequently reclassified to profit or loss:			
Actuarial loss on defined benefit pension scheme	32	<b>(4.7)</b>	(1.2)
Tax credit relating to defined benefit pension scheme	10	<b>1.2</b>	0.3
		<b>(3.5)</b>	(0.9)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries		<b>(3.7)</b>	(7.7)
		<b>(3.7)</b>	(7.7)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(7.2)</b>	(8.6)
<b>Total comprehensive income for the year, net of tax</b>		<b>17.4</b>	6.9

The above consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 £m	2024 £m
<b>Non-current assets</b>			
Property, plant and equipment	15	23.0	20.5
Intangible assets – goodwill	17	244.2	231.7
Intangible assets – other	19	92.2	97.8
Right of use assets	16	27.4	20.6
Pension asset	32	–	0.3
Other receivables	21	–	0.2
Deferred tax assets	10	10.1	9.9
		<b>396.9</b>	381.0
<b>Current assets</b>			
Inventories	20	82.9	80.1
Trade and other receivables	21	74.4	88.8
Current tax assets		1.5	1.3
Cash and cash equivalents	22	139.3	110.8
Assets held for sale	12	–	6.7
		<b>298.1</b>	287.7
<b>Total assets</b>		<b>695.0</b>	668.7
<b>Current liabilities</b>			
Trade and other payables	29	(81.1)	(87.5)
Loans and borrowings	23	(95.0)	(78.7)
Lease liabilities	16	(6.2)	(5.7)
Current tax liabilities		(8.2)	(8.3)
Provisions	26	(5.0)	(5.2)
		<b>(195.5)</b>	(185.4)
<b>Non-current liabilities</b>			
Other payables	29	(6.2)	(4.6)
Loans and borrowings	23	(138.6)	(136.1)
Lease liabilities	16	(21.2)	(14.4)
Pension liability	32	(0.5)	–
Provisions	26	(4.0)	(3.6)
Deferred tax liabilities	10	(21.0)	(23.0)
		<b>(191.5)</b>	(181.7)
<b>Total liabilities</b>		<b>(387.0)</b>	(367.1)
<b>Net assets</b>		<b>308.0</b>	301.6
<b>Equity</b>			
Share capital	30	4.8	4.8
Share premium		192.0	192.0
Merger reserve		2.9	2.9
Currency translation reserve		(5.8)	(2.1)
Retained earnings		114.1	104.0
<b>Total equity</b>		<b>308.0</b>	301.6

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The Financial Statements on pages 146 to 205 were approved by the Board of Directors on 3 June 2025 and signed on its behalf by:

**Nick Jefferies**  
Group Chief Executive

**Simon Gibbins**  
Group Finance Director



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Attributable to equity holders of the Company					
	Share capital £m	Share premium £m	Merger reserve £m	Currency translation reserve £m	Retained earnings £m	Total equity £m
<b>At 1 April 2023</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>5.6</b>	<b>98.3</b>	<b>303.6</b>
Profit for the year	-	-	-	-	15.5	15.5
Other comprehensive loss	-	-	-	(7.7)	(0.9)	(8.6)
Total comprehensive (loss)/income	-	-	-	(7.7)	14.6	6.9
Share-based payments including tax	-	-	-	-	2.3	2.3
Dividends (note 13)	-	-	-	-	(11.2)	(11.2)
<b>At 31 March 2024</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>(2.1)</b>	<b>104.0</b>	<b>301.6</b>
Profit for the year	-	-	-	-	24.6	24.6
Other comprehensive loss	-	-	-	(3.7)	(3.5)	(7.2)
Total comprehensive (loss)/income	-	-	-	(3.7)	21.1	17.4
Share-based payments including tax	-	-	-	-	0.7	0.7
Dividends (note 13)	-	-	-	-	(11.7)	(11.7)
<b>At 31 March 2025</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>(5.8)</b>	<b>114.1</b>	<b>308.0</b>

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £m	2024 £m
<b>Net cash flow from operating activities</b>	25	<b>46.4</b>	41.2
<b>Investing activities</b>			
Acquisition of businesses, net of cash acquired		<b>(27.7)</b>	(82.8)
Contingent consideration related to business acquisitions		<b>(2.3)</b>	-
Proceeds from business disposals		<b>13.3</b>	-
Purchase of property, plant and equipment		<b>(5.4)</b>	(4.8)
Purchase of intangible assets – software		<b>(0.7)</b>	(0.1)
Interest received		<b>3.5</b>	3.9
<b>Net cash used in investing activities</b>		<b>(19.3)</b>	(83.8)
<b>Financing activities</b>			
Proceeds from borrowings	24	<b>37.5</b>	79.4
Repayment of borrowings	24	<b>(33.2)</b>	(28.9)
Payment of lease liabilities		<b>(6.5)</b>	(6.1)
Dividends paid	13	<b>(11.7)</b>	(11.2)
<b>Net cash (used in)/generated from financing activities</b>		<b>(13.9)</b>	33.2
<b>Net increase in cash and cash equivalents<sup>1</sup></b>		<b>13.2</b>	(9.4)
Net cash and cash equivalents at 1 April		<b>31.5</b>	43.4
Effect of exchange rate fluctuations		<b>(1.0)</b>	(2.5)
<b>Net cash and cash equivalents at 31 March</b>		<b>43.7</b>	31.5
<b>Reconciliation to cash and cash equivalents in the consolidated Statement of Financial Position</b>			
Net cash and cash equivalents shown above		<b>43.7</b>	31.5
Add back: bank overdrafts	23	<b>95.6</b>	79.3
Cash and cash equivalents presented in current assets in the consolidated Statement of Financial Position	22	<b>139.3</b>	110.8

<sup>1</sup> Further information on the consolidated Statement of Cash Flows is provided in notes 24 and 25.

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 1. Reporting entity and authorisation of Financial Statements

The consolidated Financial Statements, which comprise the results of discoverIE Group plc ("the Company") and its subsidiaries (collectively referred to as "the Group"), for the year ended 31 March 2025 were authorised for issue by the Board of Directors on 3 June 2025. discoverIE Group plc is a public limited company incorporated and domiciled in England, UK and the registered office is disclosed on page 212. The Company's ordinary shares are traded on the London Stock Exchange.

The material accounting policies adopted by the Group are set out in note 2 and have been applied consistently to all years presented in these consolidated Financial Statements.

## 2. Accounting policies

### Statement of compliance

The Group's consolidated Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") in conformity with the requirements of the Companies Act 2006 and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The separate Financial Statements of the Company have been prepared and approved by the Directors in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). On publishing the Company's Financial Statements here together with the Group's Financial Statements, the Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual Statement of Profit or Loss and related notes that form a part of these approved Financial Statements.

The following exemptions from the requirements of the UK-adopted IAS have been applied in the preparation of the Company's Financial Statements, in accordance with FRS 101:

- Cash Flow Statement and respective disclosures and information;
- Disclosures in relation to capital management;
- Disclosures in relation to financial instruments;
- Disclosures in respect of the compensation of key management personnel; and
- Disclosures in respect of transactions between two or more members of the Group.

For the following disclosures, as the Group's consolidated Financial Statements include the equivalent disclosures, the Company has taken the exemptions available under FRS 101:

- IFRS 2 'Share-based payments' in respect of Group equity-settled share-based payments;
- Certain disclosures required by IFRS 13 'Fair Value Measurement'.

### Basis of preparation

The Group's consolidated Financial Statements and the Company's Financial Statements are prepared under the historical cost convention, unless otherwise stated.

The Group's and Company's Financial Statements are presented in Pounds Sterling and all values are rounded to the nearest hundred thousand except as otherwise indicated.

The Group has engaged in an ongoing review of expected climate change impacts on the business and its assets and liabilities to establish any adjustments required and any reporting necessary in its consolidated Financial Statements for the year ended 31 March 2025. The ongoing risk assessment is detailed within the climate-related risks and opportunities section on page 74 of the Risk Management section and in the TCFD Report on pages 53 to 67 in the Strategic Report.

The process has involved a review of all balance sheet line items and future cash flows, to identify if any of these items is expected to be materially impacted in a negative or positive way by weather, legislative, societal or revenue/cost changes.

The conclusion of the review was that, whilst there will undoubtedly be impacts on the Group, the highly disaggregated nature of the operations of the Group and the target markets the Group operates in, significantly reduces the risk profile of the Group to impacts from weather-related changes. The changes necessary to achieve the Group's net-zero by 2040 commitment is not expected to have a materially adverse impact on the cash flows of the Group and indeed, warmer climates may present enhanced opportunities in our target markets as disclosed on pages 16 to 19 and 56 to 61 of this report. Societal and legislative impacts are not considered to have a material impact on any one segment such that we need to report in a different way to previous years. Judgements are not considered to be significant, although clearly understanding of climate change is developing with time. The area with the most judgement is goodwill impairment testing and a description is given in note 18 of the incremental processes undertaken to assess the climate change impact on the valuations. Management review has concluded that there is no material impact and that no further disclosure is required.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 2. Accounting policies continued

#### Going concern

In line with IAS 1 'Presentation of Financial Statements' and revised guidance on risk management, internal control and related financial and business reporting, management has taken into account all available information about the future for a period of at least, but not limited to, 12 months from the date of approval of the Financial Statements when assessing the Group's and Company's ability to continue as a going concern.

The Group's business activities, together with factors which may adversely impact its future development, performance and position, are set out in the Strategic Report on pages 20 to 27. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Finance Review section of the Strategic Report on pages 28 to 33.

The Group's forecasts and projections, taking account of the sensitivity analysis of changes in trading performance, show that the Group is well placed to operate within its current debt facilities of £240m committed up to the end of August 2027.

The Viability Base Case, as stated on pages 79 to 80 has been subjected to sensitivity analysis involving flexing a number of the underlying key assumptions, both individually and in conjunction. The sensitivities take into account the principal risks and uncertainties set out on pages 73 to 78, notably instability in the economic environment, underperformance of acquired businesses, climate-related risks, loss of key customers and suppliers, major business disruption, liquidity restriction, debt covenants, interest rate increases, the impact of US tariffs and counter tariffs and adverse foreign currency movements.

The most severe but plausible downside scenario assumes a worsening of the economic environment caused by a number of factors including geo-political events, the impact of US tariffs and counter tariffs and significant reduction in consumer demand due to continuing inflationary pressures and elevated interest rates. This downside scenario results in a significant decline in the second half sales of FY 2025/26, with FY 2026/27 sales flat on the reduced FY 2025/26 level, and modest growth in FY 2027/28. Additionally, gross margin was reduced, working capital materially increased, significant one-off expenditures included (product liability, major customer insolvency or litigation, climate change, cyber-security incident, inventory obsolescence), interest rates increased and the Group effective tax rate increased.

After factoring in these significant additional downsides to the Viability Base Case, there remains good headroom both in terms of liquidity and our debt covenants. This is supported by the fact that the Group sells a wide portfolio of different products across a diverse set of industries and geographies, has low customer / supplier concentration, a global supply chain network, diverse manufacturing capacity, and has well-established relationships with its customers. These factors are considered important in mitigating many of the risks that could affect the long-term viability of the Group. As a consequence, the Directors believe that the Group is well placed to manage its principal risks and uncertainties as disclosed on pages 73 to 78 of the Strategic Report.

Reverse stress testing has also been applied to the most plausible downside scenario to determine the level of additional downside that would be required before the Group would breach its debt covenants or current liquidity headroom during the assessment period. The reverse stress test was conducted on the basis that certain mitigating actions would be undertaken to reduce overheads and capital expenditure during the period as sales declined and, on that basis, a fall in adjusted operating margin to below 6.7% in FY 2025/26 would be required before such a breach occurred. The Board considers the possibility of such a scenario to be remote and further mitigation, such as hiring freezes, pay and bonus reductions, headcount reductions, reduction in planned capital expenditure, equity raises and suspension of dividend payments, would be available if future trading conditions indicated that such an outcome were possible.

The Company acts as a holding company for investments in the subsidiaries and does not engage in any trading activities directly and thus is dependent on the trading activities of its subsidiaries. The Company holds sufficient net current assets as at 31 March 2025 to continue as a going concern.

The Directors are confident that the Company and the Group have sufficient resources to continue in operational existence for at least 12 months from the date of approval of the Financial Statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

#### Basis of consolidation

The Group's consolidated Financial Statements consolidate the results of discoverIE Group plc and entities controlled by the Company (its subsidiaries).

The consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiaries for the year ended 31 March 2025. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over it. In assessing control, the Group takes into account: (i) the power over the investee (i.e. existing rights that give it the current ability to direct its relevant activities); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns.



## 2. Accounting policies continued

The Group reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control of the subsidiary. Assets, liabilities, profits and losses of a subsidiary acquired or disposed of during the year are included in the consolidated Financial Statements from the date control commences until the date control ceases.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and relevant conditions at the acquisition date.

Any contingent consideration payable to the vendor is measured and recognised at fair value through profit and loss ("FVTPL") at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with IFRS 9 'Financial Instruments: Classification and measurement' in the consolidated Statement of Profit or Loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable amounts of the fair value of assets acquired and the liabilities assumed in exchange for the business combination. Assets acquired and liabilities assumed in transactions separate to the business combinations, such as the settlement of pre-existing relationships or post-acquisition remuneration arrangements, are accounted for separately from the business combination in accordance with their nature and applicable standard. Identifiable intangible assets, meeting either the contractual-legal or separability criterion are recognised separately from goodwill. Contingent liabilities representing a present obligation are recognised if the acquisition-date fair value can be measured reliably.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's four sub-divisions. Within each of these sub-divisions are aggregated business units (cash-generating units ("CGUs") with similar characteristics) that are expected to benefit from the business combination. Each sub-division to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and shall not be larger than any of the Group's operating segment.

Where goodwill forms part of a CGU, and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

### Non-current assets held for sale

An asset or liability is classified as held for sale if it is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and that it is highly probable the asset will be sold within one year from the date of classification. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated Statement of Financial Position. Additional disclosures are provided in note 12.

### Investments (Company only)

Investments in subsidiary and associated undertakings are stated initially at cost, being the fair value of the consideration given and including directly attributable transaction costs. The carrying values are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 2. Accounting policies continued

#### Intangible assets – other

Other intangible assets that are separately acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Other intangible assets acquired through a business combination are recognised at fair value at the date of acquisition less accumulated amortisation and impairment losses from the date of acquisition. Amortisation is charged to the Statement of Profit or Loss within operating costs on a straight-line basis over the useful economic lives of the intangible assets. The estimated useful economic lives are as follows:

(a) Software (implementation costs of IT systems)	3 to 10 years
(b) Acquired intangible assets:	
– Customer relationships	5 to 12 years
– Patents	Patent term

#### (c) Intangible assets – research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's development activities is capitalised only if all of the following conditions are met: (a) an asset is created that can be identified; (b) it is probable that the asset created will generate future economic benefits; and (c) the development cost of the asset can be measured reliably. Internally generated intangible assets are amortised on a straight-line basis over their useful lives between five and ten years and charged to the Statement of Profit or Loss.

The Group only capitalises costs relating to the configuration and customisation of Software-as-a-service arrangements ("SaaS") as intangible assets where control of the asset exists. Costs that are paid to SaaS suppliers in advance of the service provided are recognised in prepayments and amortised over the service period.

All other development expenditure is written off in the accounting period in which it is incurred.

#### Property, plant and equipment

Items of owned property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost consists of all those elements which are directly attributable to bringing the asset into working condition for its intended use. Where there has been an indication of impairment in value such that the recoverable amount of an asset falls below its net book value, provision is made for such impairment. Wherever possible, individual assets are tested for impairment. However, impairment can often be tested only for groups of assets because the cash flows upon which the calculation is based do not arise from the use of a single asset. In these cases, impairment is measured for the smallest group of assets ("CGU") that produces a largely independent income stream.

The cost of property, plant and equipment is charged to the Statement of Profit or Loss on a straight-line basis over the assets' estimated useful economic lives, taking into account their estimated residual value. The principal annual rates of depreciation are:

Land and buildings	Freehold property	2% to 4% per annum
	Leasehold buildings	Shorter of lease term and useful life
	Land	Not depreciated
Leasehold improvements		10% to 20% per annum or over the life of the lease if shorter
Plant and equipment		5% to 33% per annum

#### Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss.

The recoverable amount of assets is the greater of their net selling price 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.



## 2. Accounting policies continued

When estimating the future cash flows for the value-in-use calculation, the Group includes projections of cash outflows including central costs that are necessarily incurred to generate the cash inflows and that can be directly attributed or allocated on a reasonable and consistent basis to each CGU.

Impairment losses recognised in respect of CGUs are allocated first against the carrying value of any goodwill allocated to that unit, and then against the carrying values of other assets in the unit, on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

### Financial instruments

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Unconditional receivables and payables are recognised as assets or liabilities when the Group becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash. However, recognition of financial assets to be acquired and financial liabilities to be incurred as a result of a firm commitment to purchase or sell goods or services, such as trade receivables and trade payables, is usually delayed until at least one of the parties has performed under the agreement and the ordered goods or services have been shipped, delivered or rendered.

A forward contract that is within the scope of IFRS 9, such as a forward foreign exchange contract, is recognised as an asset or a liability on the commitment date at which point the fair value of the right and obligation are usually equal and the net fair value of the forward contract on initial recognition is zero. If the net fair value of the right and obligation is not zero, the contract is recognised as an asset or liability.

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 risk and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or have expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in the Statement of Profit or Loss.

### Offsetting financial instruments

Financial assets and liabilities are only offset, and the net amount reported in the Statement of Financial Position, when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and the liability simultaneously.

### Allowance for expected credit losses

The Group measures loss allowances for financial assets, including trade receivables, at an amount equal to lifetime expected credit losses ("ECL"). This requires consideration of both historical and forward-looking information when considering potential impairment of trade receivables. A provision matrix is used to calculate the expected credit loss, which is based upon historical observed default rates adjusted for forward-looking information to create an adjusted default rate, which is applied to the outstanding invoices at the balance sheet date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### Credit-impaired financial assets

At each reporting date the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, such as a significant change in the credit risk profile of a customer, a debt has become significantly overdue or a contract default.

### Write-off of financial assets

The gross carrying amount of a financial asset is written down to its recoverable amount when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 2. Accounting policies continued

#### Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. It principally employs forward foreign exchange contracts to hedge the risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The fair value of derivative foreign exchange instruments is determined on initial recognition at forward market exchange rates at inception of the contract and subsequently remeasured based on forward market exchange rates at the balance sheet date.

#### Inventories

Inventories comprise finished goods, goods held for resale, raw materials and work in progress and are stated at the lower of cost and net realisable value after making allowance for any obsolete or slow-moving items. Cost comprises direct materials, inward carriage and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity of three months or less. Bank overdrafts represent short-term borrowings repayable on demand and are shown within other financial liabilities in the Statement of Financial Position.

The cash balances are separately presented gross in the consolidated Statement of Financial Position, rather than netted off against overdrafts held either by the same entity, or other Group entities, with the same bank. Refer to note 22.

#### Borrowings

Borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Profit or Loss over the period of the borrowings on an effective interest basis.

#### Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect is material, provisions are discounted to present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit or Loss.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Future operating costs are not provided for.

The Group also recognises provisions for dilapidation, warranty, retirement indemnity and severance.

#### Leasing

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Separating components of a contract

Contracts usually combine different kinds of obligation of the supplier, which may be formed by lease components or lease and non-lease components, such as maintenance or services. The Group identifies the lease and non-lease components and accounts for those separately, applying the relevant standard to each one. Consideration is allocated to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease component.

#### Lease term

The Group considers the lease term as the non-cancellable period of the lease plus periods covered by an option to extend or an option to terminate if the lessee is reasonably certain to exercise the extension option or not exercise the termination option.

#### i) Right of use assets

The Group recognises right of use assets at the commencement date of the lease. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, any lease payments made at or before the commencement date, provision for decommissioning the asset at the end of the contract, less any lease incentives received.

Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## 2. Accounting policies continued

### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, where applicable.

The lease payments also include, when applicable, the exercise price of a purchase option which is reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are usually recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is a combination of country-specific government bond yields, used as a proxy for a risk-free rate, calculated over various periods linked to existing lease terms. This rate is adjusted for borrowing costs and risks specific to each entity of the Group.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, such as a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Any adjustment of the lease liability is reflected as an adjustment to the right of use asset. If the carrying amount of the right of use asset has already been reduced to zero, the remaining remeasurement is recognised in the Statement of Profit or Loss.

The Group has adopted the practical expedient under IFRS 16 not to recognise right of use assets and lease liabilities for short-term leases, with a lease term of 12 months or less, and leases in which the underlying asset is of low value. Lease payments relating to these leases are expensed to the Statement of Profit or Loss on a straight-line basis over the lease term.

### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, in accordance with the effective interest rate method.

### Pensions

Payments to defined contribution pension schemes are charged as an expense as they fall due.

In respect of defined benefit pension schemes, the position recognised in the consolidated Statement of Financial Position represents the present value of the defined benefit obligation, reduced by the fair value of the scheme assets.

Obligations to provide future benefits to employees earned through prior service are estimated and discounted to present value. Plan assets are measured at fair value. The cost of providing benefits under the defined benefit plans is determined by actuarial valuation, using the projected unit credit method.

Any pension asset surplus would be fully recoverable by the Group in line with the rules of the scheme. Therefore, the IAS 19 surplus is recognised in full under current accounting standards.

Actuarial remeasurement of the net defined benefit asset or liability comprises (a) actuarial gains and losses, (b) the return on plan assets in excess of the amount included in net interest on the net defined benefit asset or liability, and (c) any change in the effect of the asset ceiling (where applicable), excluding any amount included in net interest on the net defined benefit asset or liability; and is recognised immediately in the Statement of Financial Position with a corresponding entry in retained earnings through Other Comprehensive Income in the period in which it occurs. Remeasurement gains or losses are not reclassified to profit or loss in subsequent periods.

### Share-based payments

Certain employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as a consideration for equity instruments (equity-settled transactions). The Group operates a "Long-Term Incentive Plan" ("LTIP") and an "Approved and unapproved executive share option scheme" ("CSOP").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date the grant is made, calculated using an option pricing model, and is recognised as an expense over the three-year vesting period, which ends on the date on which the relevant employees become fully entitled to the award. In valuing equity-settled transactions, no account is taken of non-market vesting conditions.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 2. Accounting policies continued

For the LTIP, at each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and hence the number of equity instruments that will ultimately vest, also taking into consideration the impact of forfeitures and cancellations during the year. The movement in cumulative expense since the previous reporting date is recognised in the Statement of Profit or Loss, with a corresponding entry in equity.

The CSOP awards are subject only to continuing service of the employee. At each reporting date, the cumulative expense, calculated on a straight-line basis over the three-year vesting period, and taking into consideration forfeitures and cancellations during the year, is recognised in the Statement of Profit or Loss, with a corresponding entry in equity.

The issuance by the Company to its subsidiaries' employees of a grant of options over the Company's shares represents additional capital contributions by the Company in its subsidiaries. The additional capital contribution is based on the fair value of the grant issued, allocated over the underlying grant's vesting period.

### Taxation

Income tax comprises current tax and deferred tax.

Current tax is the amount of income taxes payable/(recoverable) in respect of the taxable profit/(taxable loss) for a period and any adjustments to tax payable in respect of previous years. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the reporting date.

Income tax is charged or credited directly to equity or Other Comprehensive Income if it relates to items that are credited or charged to equity or Other Comprehensive Income respectively. Otherwise, income tax is recognised in the Statement of Profit or Loss.

The Group has performed an assessment of its potential exposure to income taxes arising under Pillar Two legislation. The Group's annual revenue does not meet the relevant €750m threshold, therefore no Pillar Two disclosures have been included.

### Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and gains or losses on translation are included in the Statement of Profit or Loss.

The Group recognises currency gains and losses arising from the retranslation of the opening net assets of foreign operations as a movement on reserves, net of tax. The differences that arise from translating the results of overseas businesses at average rates of exchange, and their assets and liabilities at closing rates, are dealt with in a separate currency translation reserve. All other currency gains and losses are dealt with in the consolidated Statement of Profit or Loss.



## 2. Accounting policies continued

### Revenue recognition

The Group realises revenue from its principal activities through the sale of highly differentiated electronic products into five target markets: renewable energy, transportation, medical, industrial & connectivity and security.

Revenue is recognised in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding value added tax and other sales related taxes. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. If a standalone selling price is not observable, the Group estimates it.

The transaction price may include a discount or a variable amount of consideration that relates to all or part of the contract. The Group will review the requirements and specify when the variable amount should be allocated to one or more, but not all, performance obligations in the contract.

Control of a good or service is obtained when the customer has the ability to direct the use of and obtain substantially all the benefits from the good or service. The Group recognises revenue from product sales at a point in time on shipment, on delivery or when goods are accepted by the customer, depending on the Incoterm used for the sale transaction.

Product support and maintenance services are recognised over the period of the service delivery as the customer receives the benefit of the service over time; progress is measured by reference to service periods.

When another party is involved in providing goods or services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (principal) or to arrange for those goods or services to be provided by the other party (agent) and recognises revenue accordingly.

### Contract balances

#### Receivables

Receivables are billed under the terms of the contract for delivered goods and services that are not conditional on anything other than the passage of time. They are recognised initially at the amount of consideration that is unconditional and are subsequently measured at amortised cost using the effective interest method, less loss allowance. These assets are classified as trade receivables.

Certain businesses participate in receivables working capital programmes and have the ability to choose whether to receive payment earlier than the normal due date, for specific customers on a non-recourse basis. As at 31 March 2025, eligible receivables under these programmes have been factored and derecognised in line with the derecognition criteria of IFRS 9 'Financial Instruments'.

#### Contract liabilities

Contract liabilities represent the Group's unsatisfied obligation(s) for the transfer of goods or services to the customer for which consideration has been received from the customer; and/or advance payments received from a customer in consideration of future performance obligations.

### Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

### Dividends paid

Dividends are recognised when they meet the criteria for recognition as a liability. In relation to final dividends, this is when the dividend is approved by the Shareholders in the Annual General Meeting, and in relation to interim dividends, when paid.

### Dividend income

Dividend income is recognised in the Statement of Profit or Loss on the date on which the Group's right to receive payment is established.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 2. Accounting policies continued

#### Reserves

Share premium: Proceeds received in excess of the nominal value of shares issued, net of any transaction costs.

Merger reserve: Relates to historic equity transactions.

Currency translation reserve: Gains and losses arising on re-translating net assets of overseas operations into sterling.

Retained earnings: All other net gains and losses and transactions with owners not recognised elsewhere.

#### Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other applicable factors, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates and any revisions to estimates are recognised prospectively.

Information about judgements, assumptions and estimation uncertainties as at 31 March 2025 that could result in a material adjustment to the carrying amount of assets and liabilities in the next financial year is addressed as follows:

#### Key sources of estimation uncertainties

- **Fair value of contingent consideration in a business combination (Group only):** Estimates are made in the assessment of the fair value of the contingent consideration for its initial recognition and its subsequent measurement. Estimates used include discount rate and trading forecasts. Note 28 provides details on sensitivity of contingent consideration.

### 3. New accounting standards and financial reporting requirements

#### New standards applied

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2024:

- IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants and classification of liabilities as current or non-current – Amendment
- IFRS 16 Leases: Lease liability in a Sale and Leaseback – Amendment
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures: Supplier Finance Arrangements – Amendment

These and other amendments, changes and improvements to IFRS issued by the International Accounting Standard Board ("IASB") have had no material impact on the Group and Company's current financial results or financial position.

#### New standards not yet applied

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the 31 March 2025 reporting period and have not been early adopted by the Group. The impact of IFRS 18 'Presentation and Disclosure in Financial Statements' is currently being assessed and it is not yet practicable to quantify the effect. IFRS 18 will be applicable for the Group for the year ending 31 March 2028.



## 4. Revenue

Group revenue is analysed below:

	2025 £m	2024 £m
Sale of goods	417.7	431.4
Rendering of services	5.2	5.6
<b>Total revenue</b>	<b>422.9</b>	<b>437.0</b>

## 5. Operating segment information

The Reportable Operating Segments of the Group include two distinct divisions, Magnetics & Controls ("M&C") and Sensing & Connectivity ("S&C"). Within each of these reportable operating segments are aggregated business units with similar characteristics such as the nature of customers, products, risk profile and economic characteristics.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is reported and evaluated based on operating profit or loss earned by each segment. Unallocated costs relate to central head office administration costs that are not directly attributable to the Operating Segments.

### Segment revenue and results

2025	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated Costs £m	Total £m
<b>Revenue</b>	<b>247.4</b>	<b>175.5</b>	-	<b>422.9</b>
<b>Result</b>				
Adjusted operating profit/(loss)	36.3	36.0	(11.8)	60.5
Net acquisition and disposal expenses	0.5	(2.4)	-	(1.9)
Amortisation of acquired intangible assets	(6.3)	(9.9)	-	(16.2)
<b>Operating profit/(loss)</b>	<b>30.5</b>	<b>23.7</b>	<b>(11.8)</b>	<b>42.4</b>

2024	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated Costs £m	Total £m
<b>Revenue</b>	265.1	171.9	-	437.0
<b>Result</b>				
Adjusted operating profit/(loss)	40.6	28.9	(12.3)	57.2
Net acquisition and disposal expenses	(2.2)	(7.6)	-	(9.8)
Amortisation of acquired intangible assets	(6.6)	(9.6)	-	(16.2)
<b>Operating profit/(loss)</b>	<b>31.8</b>	<b>11.7</b>	<b>(12.3)</b>	<b>31.2</b>



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 5. Operating segment information continued

#### Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments, the Directors monitor the net assets attributable to each segment. Assets and liabilities are allocated to reportable segments, with the exception of the pension liability/asset, tax assets and liabilities, cash, borrowings and overdrafts, central assets (Head Office assets) and central liabilities (Head Office liabilities), as shown below:

<b>2025</b>	<b>Magnetics &amp; Controls</b>	<b>Sensing &amp; Connectivity</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets and liabilities</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Segment assets (excluding goodwill and other intangible assets)	119.1	85.0		204.1
Goodwill and other intangible assets	138.6	197.8		336.4
	<b>257.7</b>	<b>282.8</b>		<b>540.5</b>
Central assets			3.6	3.6
Cash and cash equivalents			139.3	139.3
Current and deferred tax assets			11.6	11.6
<b>Total assets</b>	<b>257.7</b>	<b>282.8</b>	<b>154.5</b>	<b>695.0</b>
Segment liabilities	(64.4)	(45.4)		(109.8)
Central liabilities			(13.9)	(13.9)
Pension liability			(0.5)	(0.5)
Loans and borrowings			(233.6)	(233.6)
Current and deferred tax liabilities			(29.2)	(29.2)
<b>Total liabilities</b>	<b>(64.4)</b>	<b>(45.4)</b>	<b>(277.2)</b>	<b>(387.0)</b>
<b>Net assets/(liabilities)</b>	<b>193.3</b>	<b>237.4</b>	<b>(122.7)</b>	<b>308.0</b>

<b>2024</b>	<b>Magnetics &amp; Controls</b>	<b>Sensing &amp; Connectivity</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets and liabilities</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Segment assets (excluding goodwill and other intangible assets)	124.7	74.4		199.1
Goodwill and other intangible assets	146.7	182.8		329.5
	<b>271.4</b>	<b>257.2</b>		<b>528.6</b>
Central assets			11.1	11.1
Cash and cash equivalents			110.8	110.8
Pension asset			0.3	0.3
Current and deferred tax assets			11.2	11.2
Assets classified as held for sale		6.7		6.7
<b>Total assets</b>	<b>271.4</b>	<b>263.9</b>	<b>133.4</b>	<b>668.7</b>
Segment liabilities	(65.2)	(45.2)		(110.4)
Central liabilities			(10.6)	(10.6)
Loans and borrowings			(214.8)	(214.8)
Current and deferred tax liabilities			(31.3)	(31.3)
<b>Total liabilities</b>	<b>(65.2)</b>	<b>(45.2)</b>	<b>(256.7)</b>	<b>(367.1)</b>
<b>Net assets/(liabilities)</b>	<b>206.2</b>	<b>218.7</b>	<b>(123.3)</b>	<b>301.6</b>

## 5. Operating segment information continued

### Other segment information

	Depreciation and amortisation <sup>1</sup>		Additions to non-current assets <sup>2</sup>	
	2025 £m	2024 £m	2025 £m	2024 £m
Magnetics & Controls	13.2	12.8	12.0	42.2
Sensing & Connectivity	14.8	14.7	37.4	54.0
Central	0.4	0.3	0.1	0.1
	<b>28.4</b>	27.8	<b>49.5</b>	96.3

<sup>1</sup> Includes depreciation and amortisation of right of use assets, property, plant and equipment and intangibles.

<sup>2</sup> Magnetics & Controls additions to non-current assets comprised intangible assets £0.5m (2024: £15.8m), goodwill £nil (2024: 20.0m), right of use assets £7.7m (2024: 3.2m) and tangible assets £3.8m (2024: £3.2m). Sensing & Connectivity additions to non-current assets comprised intangible assets £11.9m (2024: £17.1m), goodwill £15.5m (2024: £29.3m), right of use assets £6.8m (2024: £5.3m) and tangible assets £3.2m (2024: £2.3m). Central additions to non-current assets comprised right of use assets of £0.1m (2024: £0.1m).

### Geographical information

The Group's revenue from external customers based on customer locations and information about its segment assets (excluding pension asset) by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2025 £m	2024 £m	2025 £m	2024 £m
UK	52.8	52.5	137.0	140.1
Europe	199.4	206.1	135.5	115.9
North America, Asia and Rest of world	170.7	178.4	124.4	124.7
	<b>422.9</b>	437.0	<b>396.9</b>	380.7

In the year ended 31 March 2025, the Group had no customer that represented 10% or more of total Group revenue (2024: no customer).

## 6. Adjusted performance measures

These Financial Statements include adjusted performance measures that are not prepared in accordance with IFRS. These alternative performance measures have been selected by management to assist them in making operating decisions as they represent the underlying operating performance of the Group and facilitate internal comparisons of performance over time.

Adjusted performance measures are presented in these Financial Statements as management believe they provide investors with a means of evaluating performance of the Group on a consistent basis, similar to the way in which management evaluates performance, that is not otherwise apparent on an IFRS basis, given that certain strategic non-recurring and acquisition-related items that management does not believe are indicative of the underlying operating performance of the Group are included when preparing financial measures under IFRS. The trading results of acquired businesses are included in adjusted performance.

The Directors consider there to be the following key adjusted performance measures:

### Adjusted operating profit

"Adjusted operating profit" is defined as operating profit excluding acquisition and disposal related costs (namely amortisation of acquired intangible assets and acquisition and disposal expenses).

Acquisition and disposal expenses comprise transaction costs relating to acquisitions and disposals, contingent consideration relating to the retention of former owners of acquired businesses, adjustments to previously estimated contingent consideration, costs related to integration of acquired businesses into the Group and restructuring costs and expenses incurred in relation to the disposal of the Santon solar business unit, including its losses incurred following the announcement of its closure.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 6. Adjusted performance measures continued

#### Adjusted EBITDA

"Adjusted EBITDA" is defined as adjusted operating profit with depreciation, amortisation, equity-settled share-based payment expense and IAS 19 pension cost added back.

#### Adjusted operating margin

"Adjusted operating margin" is defined as adjusted operating profit divided by revenue.

#### Adjusted profit before tax

"Adjusted profit before tax" is defined as profit before tax excluding acquisition and disposal related costs (namely amortisation of acquired intangible assets and acquisition and disposal expenses).

#### Adjusted tax charge / Adjusted effective tax rate ("ETR")

"Adjusted tax charge" is defined as the tax charge adjusted for the tax effect of the acquisition and disposal related costs (namely amortisation of acquired intangible assets and acquisition and disposal expenses).

"Adjusted ETR" is defined as adjusted tax charge divided by adjusted profit before tax.

#### Adjusted profit after tax

"Adjusted profit after tax" is defined as adjusted profit before tax less adjusted tax charge.

#### Adjusted earnings per share

"Adjusted earnings per share - diluted" is calculated as adjusted profit before tax reduced by the adjusted tax charge, divided by the weighted average number of ordinary shares (for diluted earnings per share purposes) in issue during the year.

"Adjusted earnings per share - basic" is calculated as adjusted profit before tax reduced by the adjusted tax charge, divided by the weighted average number of ordinary shares (for basic earnings per share purposes) in issue during the year.

#### Adjusted operating cash flow / Adjusted operating cash conversion

"Adjusted operating cash flow" is defined as adjusted EBITDA, plus/minus the investment in, or release of, working capital and less the cash cost of capital expenditure and lease payments.

"Adjusted operating cash conversion" is defined as adjusted operating cash flow divided by adjusted operating profit.

#### Free cash flow / Free cash flow conversion

"Free cash flow" is defined as net cash flow before dividend payments, the cost of acquisitions and proceeds from business disposals.

"Free cash flow conversion" is free cash flow divided by adjusted profit after tax.

#### Return on capital employed ("ROCE") / Return on tangible capital employed ("ROTCE")

"ROCE" is defined as adjusted operating profit, including the annualisation of profits of acquired businesses, as a percentage of net assets excluding net debt, deferred consideration related to discontinued operations, assets held for sale and legacy defined benefit pension asset/(liability).

"ROTCE" is defined as ROCE excluding the value of acquired goodwill and intangibles, lease liabilities, provisions and tax balances.

#### Organic and CER revenue growth

"CER revenue growth" is defined as growth rates at constant exchange rates.

"Organic revenue growth" is defined as CER revenue growth adjusted for the effect of acquisitions in the last 12 months and excluding last year's announced disposal of the Santon solar business unit.

#### Gearing ratio

Gearing ratio is defined as net debt divided by adjusted EBITDA, including the annualisation of acquired businesses, excluding lease payments.

The tables below show the reconciliation to the IFRS reporting measures, for the main adjusted performance measures used by the Group.



## 6. Adjusted performance measures continued

### Adjusted operating profit / Adjusted EBITDA

Adjusted operating profit and EBITDA are calculated as follows:

	2025 £m	2024 £m
Operating profit	42.4	31.2
Add back		
Net acquisition and disposal expenses (a)	1.9	9.8
Amortisation of acquired intangibles	16.2	16.2
<b>Adjusted operating profit</b>	<b>60.5</b>	<b>57.2</b>
Add back		
Depreciation and amortisation	12.4	12.5
Share-based payment and IAS 19 pension cost	2.7	3.4
<b>Adjusted EBITDA</b>	<b>75.6</b>	<b>73.1</b>

- a. Net acquisition and disposal expenses comprise £1.4m of transaction costs in relation to the acquisition of Burster, Hivolt and ongoing transactions and £3.1m of integration and restructuring expenses related to the establishment of our operating clusters mainly associated with removing duplicate positions in our Magnetics and Sensing clusters, offset by £0.5m credit relating to the movement in fair value of contingent consideration and assets acquired on past acquisitions and £2.1m gain on disposal of the Santon solar business as announced in the prior year.

During the prior year, net acquisition and disposal expenses of £9.8m comprised £3.1m of transaction costs in relation to the acquisition of Silvertel, 2J, Shape, DTI, IKN and ongoing transactions, £0.8m charge relating to the movement in fair value of contingent consideration and assets acquired on past acquisitions and £5.9m of costs in relation to the disposal of the Santon solar business unit.

### Adjusted profit before tax

Adjusted profit before tax is calculated as follows:

	2025 £m	2024 £m
Profit before tax	32.0	22.2
Add back		
Net acquisition and disposal expenses	1.9	9.8
Amortisation of acquired intangible assets	16.2	16.2
<b>Adjusted profit before tax</b>	<b>50.1</b>	<b>48.2</b>

### Adjusted effective tax rate

Adjusted effective tax rate ("ETR") is calculated as follows:

	2025 £m	2024 £m
Adjusted profit before tax	50.1	48.2
Total tax charge	7.4	6.7
Add back tax effect of net acquisition and disposal expenses and amortisation of acquired intangible assets	4.6	5.3
Adjusted tax charge	12.0	12.0
Adjusted effective tax rate	24.0%	24.9%



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 6. Adjusted performance measures continued

#### Adjusted profit after tax / Adjusted earnings per share

Adjusted profit after tax and earnings per share are calculated as follows:

	2025 £m	2024 £m
Profit for the year	24.6	15.5
Add back	1.9	9.8
Net acquisition and disposal expenses		
Amortisation of acquired intangible assets	16.2	16.2
Tax charge relating to the above adjustments	(4.6)	(5.3)
<b>Adjusted profit after tax</b>	<b>38.1</b>	<b>36.2</b>

	2025 Number	2024 Number
Weighted average number of shares for basic earnings per share	96,028,934	95,835,775
Effect of dilution – share options	2,398,601	2,450,593
<b>Adjusted weighted average number of shares for diluted earnings per share</b>	<b>98,427,535</b>	<b>98,286,368</b>
<b>Adjusted earnings per share - diluted</b>	<b>38.7p</b>	<b>36.8p</b>
<b>Adjusted earnings per share - basic</b>	<b>39.7p</b>	<b>37.8p</b>

#### Adjusted operating cash flow / Free cash flow

	2025 £m	2024 £m
<b>Adjusted EBITDA</b>	<b>75.6</b>	73.1
Lease payments	(7.5)	(6.8)
<b>EBITDA (incl. lease payments)</b>	<b>68.1</b>	66.3
Changes in working capital	0.3	(2.2)
Capital expenditure	(6.1)	(4.9)
<b>Adjusted operating cash flow</b>	<b>62.3</b>	59.2
Net interest paid	(9.0)	(7.7)
Tax payments	(10.6)	(12.5)
Legacy pension scheme funding	(2.3)	(2.0)
<b>Free cash flow</b>	<b>40.4</b>	37.0



## 6. Adjusted performance measures continued

### ROCE / ROTCE

ROCE and ROTCE are calculated as follows:

	2025 £m	2024 £m
Net assets	<b>308.0</b>	301.6
Less		
Deferred consideration in relation to disposed businesses	<b>(0.3)</b>	(6.3)
Net debt	<b>94.3</b>	104.0
IAS 19 pension liability/(asset)	<b>0.5</b>	(0.3)
Assets held for sale	–	(6.7)
<b>Capital employed</b>	<b>402.5</b>	392.3
Less		
Goodwill	<b>(244.2)</b>	(231.7)
Acquired intangible assets	<b>(90.4)</b>	(96.2)
Deferred tax assets and liabilities	<b>10.9</b>	13.1
Current tax assets and liabilities	<b>6.7</b>	7.0
Lease liabilities	<b>27.4</b>	20.1
Provisions	<b>9.0</b>	8.8
<b>Trading capital employed</b>	<b>121.9</b>	113.4
Adjusted operating profit	<b>60.5</b>	57.2
Add		
Annualisation of acquired businesses	<b>3.0</b>	4.2
Annualised operating profit	<b>63.5</b>	61.4
<b>ROCE</b>	<b>15.8%</b>	15.7%
<b>ROTC</b>	<b>51.7%</b>	54.1%

### Organic and CER revenue growth

Organic and CER revenue growth are calculated as follows:

	2025 £m	2024 £m
Revenue	<b>422.9</b>	437.0
FX translation impact	–	(7.4)
Adjusted (CER) revenue	<b>422.9</b>	429.6
Acquisitions and disposals	<b>(34.6)</b>	(13.7)
Organic revenue	<b>388.3</b>	415.9

Organic growth for the Group compared with last year is calculated at constant exchange rates ("CER") and is shown excluding the first 12 months of acquisitions post completion (Silvertel in August 2023, 2J Antennas Group ("2J") in September 2023, Shape, DTI and IKN in Q4 2023/24, Hivolt in August 2024 and Burster in January 2025) and the results of last year's announced disposal of the Santon solar business unit.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 6. Adjusted performance measures continued

#### Gearing ratio

Gearing ratio is calculated as follows:

	2025 £m	2024 £m
<b>Net debt</b>	<b>94.3</b>	104.0
<b>Adjusted EBITDA</b>	<b>75.6</b>	73.1
Lease payments	(7.5)	(6.8)
Annualisation of acquired businesses	3.0	4.2
<b>Covenant EBITDA</b>	<b>71.1</b>	70.5
<b>Gearing ratio</b>	<b>1.3</b>	1.5

### 7. Operating profit

	2025 £m	2024 £m
<b>Revenue</b>	<b>422.9</b>	437.0
Direct materials/direct labour	(236.8)	(255.0)
Other cost of goods sold	(4.6)	(5.0)
Selling and distribution costs	(40.9)	(41.0)
Administrative expenses	(98.2)	(104.8)
<b>Operating profit</b>	<b>42.4</b>	31.2

Operating costs are as follows:

	2025 £m	2024 £m
Employee costs (note 8)	118.8	114.7
Depreciation of property, plant and equipment (note 15)	4.5	4.7
Depreciation of right of use assets (note 16)	7.3	6.6
Amortisation of other intangible assets (note 19)	16.6	16.5
(Gain)/costs related to disposal group (note 6)	(2.1)	5.9
Expected credit losses (note 21)	0.2	0.4
Net foreign exchange differences	(0.4)	0.8
Inventories:		
Cost of inventories	196.0	218.6
Write-down of inventories to net realisable value	0.5	0.4
Other expenses	39.1	37.2
<b>Operating costs</b>	<b>380.5</b>	405.8

	2025 £m	2024 £m
Operating costs	380.5	405.8
Less		
Net acquisition and disposal expenses	(1.9)	(9.8)
Amortisation of acquired intangibles	(16.2)	(16.2)
<b>Adjusted operating costs</b>	<b>362.4</b>	379.8



## 8. Employee costs and Directors' emoluments

	2025 £m	2024 £m
Wages and salaries	99.6	97.2
Social security costs	13.1	11.2
Other pension costs	4.1	3.7
Share-based payments (note 31)	2.0	2.6
	<b>118.8</b>	<b>114.7</b>

The average monthly number of employees (including Executive Directors) during the year was as follows:

	2025	2024
Sales and marketing	389	349
Manufacturing and services	3,559	3,630
Administration	447	462
	<b>4,395</b>	<b>4,441</b>

At 31 March 2025 the Group had 4,497 employees (2024: 4,543).

	2025 £	2024 £
<b>Directors' emoluments</b>		
Aggregate emoluments in respect of qualifying services	1,580,707	1,675,544
Aggregate employer contribution to a defined contribution pension scheme and pay in lieu of pension for two directors	70,165	70,164
	<b>1,650,872</b>	<b>1,745,708</b>
<b>Highest paid Director</b>		
Emoluments in respect of qualifying services	985,059	1,042,670
Employer contribution to a defined contribution pension scheme and pay in lieu of pension	42,407	42,406
	<b>1,027,466</b>	<b>1,085,076</b>

Aggregate emoluments for the Non-Executive Directors were £415,325 (2024: £428,450). Further details of all Directors' emoluments are provided in the Remuneration Report on pages 110 to 133.

## 9. Finance income/(costs)

	2025 £m	2024 £m
Interest receivable and similar income	3.7	3.9
<b>Finance income</b>	<b>3.7</b>	<b>3.9</b>
Finance costs on bank loans and overdrafts	(12.5)	(11.6)
Finance costs on lease liabilities	(1.0)	(0.7)
Amortisation of borrowing costs	(0.6)	(0.6)
<b>Finance costs</b>	<b>(14.1)</b>	<b>(12.9)</b>



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 10. Tax expense

The major components of the corporation tax expense are summarised below:

	2025 £m	2024 £m
<b>Current taxation:</b>		
UK adjustments in respect of prior years	(0.5)	(0.3)
	<b>(0.5)</b>	(0.3)
Overseas tax	11.3	10.8
Overseas adjustments in respect of prior years	(0.6)	(1.3)
	<b>10.7</b>	9.5
<b>Total current taxation expense</b>	<b>10.2</b>	9.2
<b>Deferred taxation</b>		
Origination and reversal of temporary differences within the UK	(0.4)	(0.8)
Origination and reversal of temporary differences overseas	(1.9)	(1.9)
Adjustment in respect of prior years	(0.2)	0.3
Increased recognition of historical losses	(0.5)	(0.1)
Impact of tax rate changes	0.2	–
<b>Total deferred taxation credit</b>	<b>(2.8)</b>	(2.5)
<b>Tax expense reported in the consolidated Statement of Profit or Loss</b>	<b>7.4</b>	6.7

	2025 £m	2024 £m
<b>Tax recognised in other comprehensive expense</b>		
Decrease in deferred tax liability on pension	1.2	0.3
Tax reported in other comprehensive expense	1.2	0.3

	2025 £m	2024 £m
<b>Tax recognised in equity</b>		
Decrease in deferred tax asset on share-based payments	(1.3)	(0.3)
Tax reported in equity	(1.3)	(0.3)

The effective rate of taxation for the year is lower (2024: higher) than the standard rate of taxation in the UK of 25% (2024: 25%). A reconciliation of the tax expense applicable to the profit before tax, at the statutory tax rate, to the actual tax expense at the Group's effective tax rate for the years ended 31 March 2025 and 31 March 2024 respectively is presented below:

	2025 £m	2024 £m
Profit before tax	32.0	22.2
Profit before taxation multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	8.0	5.6
Effect of:		
Differences in overseas tax rates	(0.2)	0.3
Tax losses not recognised	(0.1)	0.5
Non-deductible expenses	1.3	1.7
Increased recognition of historical losses	(0.5)	(0.1)
Impact of tax rate changes on deferred tax	0.2	–
Adjustments to deferred taxation expense in respect of prior years	(0.2)	0.3
Adjustments to current taxation expense in respect of prior years	(1.1)	(1.6)
<b>Total tax reported in the consolidated Statement of Profit or Loss</b>	<b>7.4</b>	6.7



## 10. Tax expense continued

### Deferred tax

	2025 £m	2024 £m
<b>Deferred tax liabilities</b>		
Accelerated capital allowances	(0.7)	(0.5)
Intangibles	(17.5)	(20.2)
Pensions	-	(0.1)
Other temporary differences	(2.8)	(2.2)
Gross deferred tax liabilities	(21.0)	(23.0)
<b>Deferred tax assets</b>		
Decelerated capital allowances	0.2	-
Pensions	0.6	0.5
Tax losses	0.9	1.8
Share-based payment plans	3.0	4.2
Other temporary differences	5.4	3.4
Gross deferred tax assets	10.1	9.9

£5.0m of deferred tax assets (2024: £5.1m) and £4.9m of deferred tax liabilities (2024: £4.8m) are expected to be recovered or settled no more than 12 months after the reporting period. £5.1m of deferred tax assets (2024: £4.8m) and £16.1m of deferred tax liabilities (2024: £18.2m) are expected to be recovered or settled more than 12 months after the reporting period.

### Movements in deferred tax

	Accelerated capital allowances £m	Intangibles £m	Pensions £m	Tax losses £m	Share- based payments £m	Other temporary differences £m	Total £m
<b>At 1 April 2023</b>	(0.4)	(18.3)	(0.1)	3.2	4.4	1.3	(9.9)
(Charged)/credited							
- to profit and loss	(0.1)	3.8	0.2	(1.4)	0.1	(0.1)	2.5
- to other comprehensive income	-	-	0.3	-	-	-	0.3
- directly to equity	-	-	-	-	(0.3)	-	(0.3)
Exchange differences on translation of foreign subsidiaries	-	0.3	-	-	-	-	0.3
Acquisition-related movements	-	(6.0)	-	-	-	-	(6.0)
<b>At 31 March 2024</b>	(0.5)	(20.2)	0.4	1.8	4.2	1.2	(13.1)
(Charged)/credited							
- to profit and loss	-	3.1	(1.0)	(0.9)	0.1	1.5	2.8
- to other comprehensive income	-	-	1.2	-	-	-	1.2
- directly to equity	-	-	-	-	(1.3)	-	(1.3)
Exchange differences on translation of foreign subsidiaries	-	0.3	-	-	-	(0.1)	0.2
Acquisition-related movements	-	(0.7)	-	-	-	-	(0.7)
<b>At 31 March 2025</b>	(0.5)	(17.5)	0.6	0.9	3.0	2.6	(10.9)

At 31 March 2025, £nil (2024: £1.4m) of the deferred tax asset in respect of tax losses relates to tax jurisdictions in which tax losses were incurred in the current or preceding period. The recognition of the deferred tax asset is supported by forecasts of sufficient future taxable profits in the relevant jurisdictions.

At 31 March 2025, the Group had not recognised any deferred tax asset in respect of tax losses of approximately £23.2m (2024: £26.1m). Deferred tax assets are not recognised where there is insufficient evidence that losses will be utilised.

## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 10. Tax expense continued

At 31 March 2025, a £1.8m deferred tax liability (2024: £1.3m) has been recognised for withholding taxes payable on the remittance of certain of the Group's overseas subsidiaries' unremitted earnings. The aggregate amount of unremitted earnings on which deferred tax has not been recognised is £21.4m (2024: £19.9m). No deferred tax has been recognised on this amount as the Group is able to control the timing of these distributions and is not expecting to distribute these profits in the foreseeable future.

### 11. Business combinations

#### Acquisitions in the year ended 31 March 2025

##### Acquisition of Hivolt

On 1 August 2024, the Group completed the acquisition of 100% of the outstanding ordinary shares of Hivolt Capacitors Limited ("Hivolt"), a company incorporated in the United Kingdom. Hivolt is a designer and manufacturer of custom-built capacitors for specialised applications involving high voltages and the acquisition is set to strengthen the Group's position in the electronics market and enhance its offering across key target sectors, including medical and transportation.

Hivolt was acquired for an initial consideration of £3.8m on a cash free, debt free basis, before expenses, funded from the Group's existing debt facilities. The cash consideration paid of £8.5m includes cash acquired of £5.0m net of deductions for accrued tax and other liabilities and adjustments of £0.3m. In addition, a contingent payment of up to £0.9m will be payable subject to Hivolt achieving certain financial performance conditions over the period between 1 April 2024 and 31 March 2025.

The fair value of the identifiable assets and liabilities of Hivolt at the date of acquisition was:

	<b>Fair value recognised at acquisition</b>
	<b>£m</b>
Intangible assets – other (incl. customer relationships)	2.6
Property, plant and equipment	0.1
Right of use assets	0.2
Inventories	0.6
Trade and other receivables	0.2
Cash acquired	5.0
Trade and other payables	(0.4)
Current tax liabilities	(0.1)
Deferred tax liabilities	(0.7)
Lease liabilities	(0.2)
<b>Total identifiable net assets</b>	<b>7.3</b>
<b>Goodwill arising on acquisition</b>	<b>2.1</b>
<b>Total investment</b>	<b>9.4</b>

Discharged by	
Initial cash consideration	8.5
Contingent consideration	0.9
	<b>9.4</b>

Net cash outflows in respect of the acquisition comprise:

	<b>Total</b>
	<b>£m</b>
Cash consideration	8.5
Transaction costs (included in operating cash flows) <sup>1</sup>	0.1
Net cash acquired	(5.0)
	<b>3.6</b>

<sup>1</sup> Acquisition costs of £0.1m were expensed as incurred in the period ended 31 March 2025. These were included within operating costs.



## 11. Business combinations continued

Included in cash flow from investing activities is the cash consideration of £8.5m, offset by the net cash acquired of £5.0m.

From the date of acquisition to 31 March 2025, Hivolt contributed £2.0m to revenue and a profit of £0.3m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £423.9m and the consolidated profit after tax for the Group would have been £24.7m.

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes. Included in the £2.1m of goodwill recognised above are certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits. All the acquired receivables are expected to be collected.

### Acquisition of Burster

On 15 January 2025, the Group completed the acquisition of the Burster Group ("Burster"), by acquiring the limited partnership interest in burster präzisionsmesstechnik GmbH & Co. KG. Burster is a German-based designer and manufacturer of specialist sensors.

Burster was acquired for an initial consideration of £25.6m on a cash free, debt free basis, before expenses, funded from the Group's existing debt facilities. The cash consideration paid of £25.5m includes cash acquired of £1.3m net of deductions for accrued tax and other liabilities and adjustments of £1.4m. In addition, a contingent payment of up to £10.5m (€12.4m) will be payable subject to Burster achieving certain financial performance conditions in its year ending 31 December 2025.

The fair value of the identifiable assets and liabilities of Burster at the date of acquisition was:

	Fair value recognised at acquisition £m
Intangible assets – other (incl. customer relationships)	9.1
Property, plant and equipment	1.5
Right of use assets	2.8
Inventories	6.8
Trade and other receivables	0.9
Cash acquired	1.3
Trade and other payables	(1.3)
Current tax liabilities	(0.4)
Lease liabilities	(2.8)
<b>Total identifiable net assets</b>	<b>17.9</b>
<b>Goodwill arising on acquisition</b>	<b>13.4</b>
<b>Total investment</b>	<b>31.3</b>
Discharged by	
Initial cash consideration	25.5
Contingent consideration	5.8
	<b>31.3</b>
Net cash outflows in respect of the acquisition comprise:	
	<b>Total £m</b>
Cash consideration	25.5
Transaction costs (included in operating cash flows) <sup>1</sup>	0.7
Net cash acquired	(1.3)
	<b>24.9</b>

<sup>1</sup> Acquisition costs of £0.7m were expensed as incurred in the period ended 31 March 2025. These were included within operating costs.

Included in cash flow from investing activities is the cash consideration of £25.5m, offset by the net cash acquired of £1.3m.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 11. Business combinations continued

From the date of acquisition to 31 March 2025, Burster contributed £4.8m to revenue and a loss of £0.9m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £435.4m and the consolidated profit after tax for the Group would have been £24.5m.

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will be deductible for tax purposes. Included in the £13.4m of goodwill recognised above are certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits. All the acquired receivables are expected to be collected.

#### Acquisitions in the year ended 31 March 2024

There have been no changes to the provisional fair values of the assets and liabilities acquired in the prior year.

##### Acquisition of Silvertel

On 30 August 2023, the Group completed the acquisition of Silver Telecom Limited ("Silvertel"), a company incorporated in the United Kingdom by acquiring 100% of the shares of its parent company SLV Holdings Limited. Silvertel is a designer and manufacturer of differentiated, high-performance Power-over-Ethernet ("PoE") modules and complementary products for global industrial electronic connectivity markets.

Silvertel was acquired for an initial cash consideration of £23.0m before expenses, funded from the Group's existing debt facilities. In addition, contingent payments of up to £23.0m will be payable subject to Silvertel's EBIT performance over the next four years. This includes up to £4.0m payable subject to continuous employment during the performance period.

The fair value of the identifiable assets and liabilities of Silvertel at the date of acquisition was:

	<b>Fair value recognised at acquisition £m</b>
Intangible assets – other (incl. customer relationships)	9.3
Property, plant and equipment	0.1
Right of use assets	0.2
Inventories	2.6
Trade and other receivables	1.4
Net cash	1.6
Trade and other payables	(0.9)
Current tax liabilities	(0.4)
Deferred tax liabilities	(2.4)
Lease liabilities	(0.2)
<b>Total identifiable net assets</b>	<b>11.3</b>
<b>Goodwill arising on acquisition</b>	<b>14.5</b>
<b>Total investment</b>	<b>25.8</b>
Discharged by	
Initial cash consideration	23.0
Contingent consideration	2.8
	25.8

Net cash outflows in respect of the acquisition comprise:

	<b>Total £m</b>
Cash consideration	23.0
Transaction costs (included in operating cash flows) <sup>1</sup>	0.6
Net cash acquired	(1.6)
	22.0

<sup>1</sup> Acquisition costs of £0.6m were expensed as incurred in the period ended 31 March 2024. These were included within operating costs.



## 11. Business combinations continued

Included in cash flow from investing activities for the year ended 31 March 2024 is the cash consideration of £23.0m and the pre-acquisition tax settled of £0.3m, offset by the net cash acquired of £1.6m.

The contingent consideration of £2.8m recognised on acquisition has been subsequently measured and released based on latest forecast performance of the business.

From the date of acquisition to 31 March 2024, Silvertel contributed £3.5m to revenue and a loss of £0.9m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £440.0m and the consolidated profit after tax for the Group would have been £15.5m.

The goodwill was attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes. Included in the £14.5m of goodwill recognised above were certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits.

### Acquisition of 2J Antennas

On 12 September 2023, the Group completed the acquisition of 2J Antennas Group ("2J"), by acquiring 100% equity and voting rights of 2J Antennas, s.r.o. (Slovakia), 2J Antennas UK Limited and 2J Antennas USA Corp.

2J is a leading designer and manufacturer of high-performance antennas for industrial electronic connectivity applications. 2J was acquired for an initial cash consideration of £44.9m (€52.4m), before expenses, funded from the Group's existing debt facilities.

The fair value of the identifiable assets and liabilities of 2J at the date of acquisition was:

	Fair value recognised at acquisition £m
Intangible assets – other (incl. customer relationships)	16.2
Property, plant and equipment	0.5
Right of use assets	0.2
Inventories	2.8
Trade and other receivables	1.9
Cash and cash equivalents	1.3
Overdraft	(0.4)
Trade and other payables	(1.1)
Current tax	(1.6)
Deferred tax liabilities	(3.4)
Lease liabilities	(0.2)
<b>Total identifiable net assets</b>	<b>16.2</b>
<b>Goodwill arising on acquisition</b>	<b>28.7</b>
<b>Total investment</b>	<b>44.9</b>
Discharged by	
Cash	44.9

Net cash outflows in respect of the acquisition comprise:

	Total £m
Cash consideration	44.9
Transaction costs (included in operating cash flows) <sup>1</sup>	1.0
Net cash acquired	(0.9)
	45.0

<sup>1</sup> Acquisition costs of £1.0m were expensed as incurred in the period ended 31 March 2024. These were included within operating costs.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 11. Business combinations continued

Included in cash flow from investing activities for the year ended 31 March 2024 is the cash consideration of £44.9m and settlement of pre-acquisition tax liabilities of £0.1m, offset by the net cash acquired of £0.9m.

From the date of acquisition to 31 March 2024, 2J contributed £7.5m to revenue and loss of £1.0m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £442.2m and the consolidated profit after tax for the Group would have been £15.1m.

The goodwill was attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes. Included in the £28.7m of goodwill recognised above were certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits.

#### Other acquisitions

##### Shape

On 24 January 2024, the Group completed the acquisition of Shape LLC ("Shape"), a company incorporated in the US, by acquiring 100% of the membership interests of Shape LLC.

Shape is a US-based designer and manufacturer of specialty transformer equipment. Shape was acquired for an initial cash consideration of £7.9m (\$10.0m), before expenses, funded from the Group's existing debt facilities.

##### DTI

On 6 March 2024, the Group completed the acquisition of Diamond Technologies, Inc. ("DTI"), a company incorporated in the US, by acquiring 100% of DTI shares.

DTI specialises in customised data collection products geared primarily to original equipment manufacturers ("OEM"), including OEM focused embedded barcode, RFID, vision and embedded gateway and controller solutions. DTI was acquired for an initial cash consideration of £6.6m (\$8.4m), before expenses, funded from the Group's existing debt facilities. In addition, a contingent payment of up to £3.2m will be payable subject to DTI's financial performance over the next three years, subject to the seller's continuous employment during the performance period.

##### IKN

On 16 March 2024, the Group completed the acquisition of IKN AS ("IKN"), a company incorporated in Norway, by acquiring 100% of IKN AS shares.

IKN specialises in products and services for data centres, networking and cabling systems. IKN was acquired for an initial cash consideration of £2.5m (NOK 33.6m), before expenses, funded from the Group's existing debt facilities. In addition, a contingent payment of up to £0.3m (NOK 3.4m) will be payable subject to IKN's revenue performance over the period ending 31 December 2024 and subject to IKN achieving certain integration targets.



## 11. Business combinations continued

The combined fair value of the identifiable assets and liabilities of the three acquisitions above, at the date of acquisition was:

	<b>Fair value recognised at acquisition £m</b>
Intangible assets – other (incl. customer relationships)	7.3
Property, plant and equipment	0.1
Right of use assets	1.1
Inventories	2.8
Trade and other receivables	2.4
Net cash	0.8
Trade and other payables	(2.1)
Current tax liabilities	(0.1)
Deferred tax liabilities	(0.2)
Lease liabilities	(1.1)
<b>Total identifiable net assets</b>	<b>11.0</b>
<b>Goodwill arising on acquisition</b>	<b>6.3</b>
<b>Total investment</b>	<b>17.3</b>
Discharged by	
Initial cash consideration	17.2
Contingent consideration	0.1
	17.3

Net cash outflows in respect of the acquisition comprise:

	<b>Total £m</b>
Cash consideration	17.2
Transaction related bonuses	0.8
Transaction costs (included in operating cash flows) <sup>1</sup>	0.9
Net cash acquired	(0.8)
	18.1

<sup>1</sup> Acquisition costs of £0.9m were expensed as incurred in the period ended 31 March 2024. These were included within operating costs.

Included in cash flow from investing activities in the year ended 31 March 2024 is the cash consideration of £17.0m and the transaction bonus of £0.8m, offset by the net cash acquired of £0.8m. An additional £0.2m related to an adjustment of the purchase price for the IKN acquisition was paid and a credit of £0.2m received for the DTI acquisition by the Group during the year. These were included in the cash flow from investing activities for the year ended 31 March 2025.

From the date of acquisition to 31 March 2024, IKN, DTI and Shape contributed £2.1m to revenue and profit of £0.1m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £453.2m and the consolidated profit after tax for the Group would have been £15.8m.

The goodwill was attributable to the workforce and the high profitability of the acquired businesses. It will not be deductible for tax purposes. Included in the £6.1m of goodwill recognised above were certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 12. Business disposed

During the year ended 31 March 2025, the Group completed the disposal of its Santon solar business unit (the "disposal group") based in the Netherlands, which was previously classified as held for sale, for consideration of £2.6m.

In conjunction with this disposal, the Group also completed the sale of its manufacturing facility in the Netherlands for a total consideration of £5.0m. The overall loss on disposal was £3.8m, of which £2.1m gain was recognised in the year and £5.9m loss in the prior year.

The disposals of both the solar business unit and the manufacturing facility generated a net cash inflow of £7.2m after costs.

The disposal group is not considered to be a major line of operation. Accordingly, its results are not presented as a discontinued operation for the years ended 31 March 2025 and 31 March 2024.

### 13. Dividends

	2025 £m	2024 £m
<b>Dividends recognised in equity as distributions to equity holders in the year:</b>		
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 March 2024 of 8.25p (2023: 7.90p)	7.9	7.6
Interim dividend for the year ended 31 March 2025 of 3.90p (2024: 3.75p)	3.8	3.6
<b>Total amounts recognised as equity distributions during the year</b>	<b>11.7</b>	<b>11.2</b>

	2025 £m	2024 £m
<b>Proposed for approval at AGM:</b>		
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 March 2025 of 8.60p (2024: 8.25p)	8.3	7.9
<b>Summary</b>		
Dividends per share declared in respect of the year	12.50p	12.00p
Dividends per share paid in the year	12.15p	11.65p
Dividends paid in the year	£11.7m	£11.2m

### 14. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is the basic earnings per share after allowing for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the year.

The following reflects the income and share data used in the basic and diluted earnings per share calculations.

	2025 £m	2024 £m
<b>Profit after tax for the year</b>	<b>24.6</b>	<b>15.5</b>

	2025 Number	2024 Number
Weighted average number of shares for basic earnings per share	96,028,934	95,835,775
Effect of dilution – share options	2,398,601	2,450,593
<b>Adjusted weighted average number of shares for diluted earnings per share</b>	<b>98,427,535</b>	<b>98,286,368</b>
Basic earnings per share	25.6p	16.2p
Diluted earnings per share	25.0p	15.8p

At the year-end, there were 2,648,415 ordinary share options in issue that could potentially dilute adjusted earnings per share in the future, of which 2,398,601 are currently dilutive (2024: 2,713,941 in issue and 2,450,593 dilutive).



## 15. Property, plant and equipment

	Land and buildings £m	Leasehold improvements £m	Plant and equipment £m	Total £m
<b>Cost</b>				
At 1 April 2023	9.4	4.1	43.1	56.6
Additions	0.9	0.3	3.6	4.8
Disposals	–	–	(1.2)	(1.2)
Business acquired (note 11)	–	–	0.7	0.7
Assets held for sale (note 12) restated <sup>1</sup>	(3.1)	–	(2.8)	(5.9)
Exchange adjustments restated <sup>1</sup>	0.1	0.8	(2.1)	(1.2)
At 31 March 2024 restated <sup>1</sup>	7.3	5.2	41.3	53.8
Additions	0.5	1.3	3.6	5.4
Disposals	–	–	(2.4)	(2.4)
Business acquired (note 11)	–	–	1.6	1.6
Exchange adjustments	(0.5)	–	(0.8)	(1.3)
<b>At 31 March 2025</b>	<b>7.3</b>	<b>6.5</b>	<b>43.3</b>	<b>57.1</b>
<b>Accumulated depreciation</b>				
At 1 April 2023	3.1	1.9	26.4	31.4
Charge for the year	0.3	0.5	3.9	4.7
Assets held for sale (note 12) restated <sup>1</sup>	(0.6)	–	(0.7)	(1.3)
Disposals	–	–	(1.0)	(1.0)
Exchange adjustments restated <sup>1</sup>	0.6	–	(1.1)	(0.5)
At 31 March 2024 restated <sup>1</sup>	3.4	2.4	27.5	33.3
Charge for the year	0.3	0.6	3.6	4.5
Disposals	–	–	(2.4)	(2.4)
Exchange adjustments	(0.5)	–	(0.8)	(1.3)
<b>At 31 March 2025</b>	<b>3.2</b>	<b>3.0</b>	<b>27.9</b>	<b>34.1</b>
<b>Net book value at 31 March 2025</b>	<b>4.1</b>	<b>3.5</b>	<b>15.4</b>	<b>23.0</b>
<b>Net book value at 31 March 2024</b>	<b>3.9</b>	<b>2.8</b>	<b>13.8</b>	<b>20.5</b>

<sup>1</sup> Prior year cost and accumulated depreciation have been re-presented from £55.2m to £53.8m and £34.7m to £33.3m, respectively, to reflect the correct positions for the Assets held for sale, which had previously been presented net. There were no changes to the net book value at 31 March 2024.

Land and buildings includes land with a cost of £1.0m (2024: £0.8m) that is not subject to depreciation.

At 31 March 2025 the Group had contractual capital expenditure commitments for plant and equipment and leasehold improvements of £0.4m (2024: £0.2m) for which no provision has been made.

## 16. Leases

### 16.1 Leasing arrangements

The Group leases manufacturing and warehousing facilities, offices and various items of plant, machinery, equipment and vehicles.

Manufacturing and warehouse facilities generally have lease terms between three and ten years. Lease contracts generally include extension and termination options.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 16. Leases continued

#### 16.2 Carrying value of right of use assets

Set out below are the carrying amounts of right of use assets recognised and movements during the year:

	Land and buildings £m	Plant and machinery £m	Total £m
At 1 April 2023	17.1	2.1	19.2
Exchange adjustments	(0.5)	0.1	(0.4)
Additions/modifications	5.9	1.2	7.1
Depreciation charge	(5.4)	(1.2)	(6.6)
Terminations	(0.2)	–	(0.2)
Business acquired (note 11)	1.3	0.2	1.5
At 31 March 2024	18.2	2.4	20.6
Exchange adjustments	(0.1)	–	(0.1)
Additions/modifications	10.6	1.0	11.6
Depreciation charge	(6.2)	(1.1)	(7.3)
Terminations	(0.1)	(0.3)	(0.4)
Business acquired (note 11)	2.9	0.1	3.0
<b>At 31 March 2025</b>	<b>25.3</b>	<b>2.1</b>	<b>27.4</b>

#### 16.3 Carrying value of lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Total £m
At 1 April 2023	(18.8)
Exchange adjustments	0.5
Additions/modifications	(6.6)
Interest for the year	(0.7)
Lease payments	6.8
Terminations	0.2
Business acquired (note 11)	(1.5)
At 31 March 2024	(20.1)
Exchange adjustments	0.2
Additions/modifications	(11.4)
Interest for the year	(1.0)
Lease payments	7.5
Terminations	0.4
Business acquired (note 11)	(3.0)
<b>At 31 March 2025</b>	<b>(27.4)</b>

	2025 £m	2024 £m
Current liabilities	6.2	5.7
Non-current liabilities	21.2	14.4
	<b>27.4</b>	20.1

Payment of lease liabilities is shown under Financing Activities in the consolidated Statement of Cash Flows.



## 16. Leases continued

### 16.4 Amounts recognised in the consolidated Statement of Profit or Loss

	2025 £m	2024 £m
Depreciation of right of use assets	7.3	6.6
Interest expense (included in finance costs)	1.0	0.7
	<b>8.3</b>	7.3

During the year ended 31 March 2025, a total of £0.1m was recognised in the consolidated Statement of Profit or Loss relating to payments under short-term and low-value leases (2024: £0.2m).

### 16.5 Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. Extension and termination options which are reasonably certain not to be exercised are included in the measurement of the lease liability and right of use asset.

There are no lease contracts in place as at 31 March 2025 which include variable lease payments (2024: none).

## 17. Intangible assets – goodwill

Cost	£m
At 1 April 2023	188.1
Business acquired (note 11)	49.3
Exchange adjustments	(4.0)
At 31 March 2024	233.4
Business acquired (note 11)	15.5
Disposal	(1.7)
Exchange adjustments	(3.0)
<b>At 31 March 2025</b>	<b>244.2</b>
<b>Impairment</b>	
At 31 March 2024	(1.7)
Disposal	1.7
<b>At 31 March 2025</b>	<b>–</b>
<b>Net book value at 31 March 2025</b>	<b>244.2</b>
Net book value at 31 March 2024	231.7

## 18. Impairment testing of goodwill

The Group's operations are organised into two distinct divisions, Magnetics & Controls ("M&C") and Sensing & Connectivity ("S&C"). Each of these divisions comprises two sub-divisions. Within each sub-division are aggregated business units ("CGUs") that share similar characteristics such as the nature of customers, products, risk profile and economic characteristics.

With the increased number of acquisitions and the anticipated synergies across the Group's businesses in particular within a sub-division, the Group's management has transitioned from monitoring individual CGUs separately to aggregating the performance outputs of each of the four sub-divisions. This approach is adopted to facilitate the assessment of performance, resource allocation, and strategic decision-making.

For the year ended 31 March 2025, the Group's management has determined that the lowest level within the Group at which the goodwill is monitored for internal management purposes consists of the four sub-divisions, each comprising a number of CGUs. Therefore, according to IAS 36.82, goodwill is tested for impairment at the level that reflects the way the Group manages its operations and with which the goodwill would naturally be associated.

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### 18. Impairment testing of goodwill continued

The carrying value of goodwill is analysed as follows:

	2025 £m	Restated <sup>1</sup> 2024 £m
Magnetics & Controls	<b>104.9</b>	106.4
Magnetics	38.2	38.5
Controls	66.7	67.9
Sensing & Connectivity	<b>139.3</b>	125.3
Sensing	73.0	60.2
Connectivity	66.3	65.1
<b>Total</b>	<b>244.2</b>	231.7

<sup>1</sup> Prior year restated to change presentation from individual CGUs to the four sub-divisions after changes to the way goodwill is tested for impairment as described above.

The movement in goodwill compared to prior year relates mainly to the movement in foreign exchange rates and to Hivolt and Burster which were acquired in the year into the Sensing & Connectivity division (note 11).

The recoverable amount of each sub-division is based on value-in-use calculations. The key assumptions used in these calculations relate to future revenue growth (being the five-year sales Compound Annual Growth Rate – "CAGR"), discount rates and long-term growth rates beyond the first five years. Cash flow forecasts for the five-year period from the reporting date are based on the FY 2025/26 Board approved budget and management projections thereon, which are based on historical experience and market outlook.

Cash flow projections included in the impairment review models include management's view of the impact of climate change, including costs related to the effects of climate change, as well as the future costs of the Group's commitment to achieve a 90% reduction in Scope 1 and 2 carbon emissions by 2030.

A long-term growth rate ("LTGR") beyond the five-year period of 2% has been applied consistently in the value-in-use calculations (2024: 2%) and is based on the average long-term inflation targets.

Discount rates reflect the current market assessment of the risks specific to each of the four sub-divisions and were estimated based on the average percentage weighted average cost of capital for the industry and then further adjusted for country-specific risk.

The table below discloses the discount rates and growth rates:

	Pre-tax discount rate		5-year sales CAGR	
	2025 %	Restated <sup>1</sup> 2024 %	2025 %	Restated <sup>1</sup> 2024 %
Magnetics	<b>13.0</b>	12.8	<b>5.5</b>	4.4
Controls	<b>12.3</b>	12.7	<b>8.3</b>	3.2
Sensing	<b>12.5</b>	12.7	<b>7.6</b>	4.8
Connectivity	<b>12.4</b>	12.3	<b>6.9</b>	8.5

<sup>1</sup> Prior year restated to change presentation from individual CGUs to the four sub-divisions after changes to the way goodwill is tested for impairment as described above.

### Sensitivity to changes in assumptions

The Group's forecast is based on a range of assumptions to determine the value of expected future cash flows. Deviations against those plans and assumptions in terms of revenue and margin projections, operating and capital costs and successful achievement of strategic objectives are all inherently uncertain. Headroom in the impairment test for each of the four sub-divisions has been tested for sensitivity to reasonably possible adverse changes in forecast cash flows, discount rates and long-term growth rates. Adequate headroom is available against material impairment risk.



## 19. Intangible assets – other

	Acquired intangibles			Total £m
	Software & development £m	Customer relationships £m	Patents & brands £m	
<b>Cost</b>				
At 1 April 2023	4.7	144.1	5.7	154.5
Business acquired (note 11)	0.6	32.2	–	32.8
Additions	0.1	–	–	0.1
Disposals	(0.3)	–	–	(0.3)
Assets held for sale (note 12) restated <sup>2</sup>	–	(2.2)	(2.6)	(4.8)
Exchange adjustment restated <sup>2</sup>	(0.2)	(3.2)	0.6	(2.8)
At 31 March 2024 restated <sup>2</sup>	4.9	170.9	3.7	179.5
Business acquired (note 11)	–	11.7	–	11.7
Additions	0.7	–	–	0.7
Disposals	(0.2)	–	–	(0.2)
Exchange adjustment	(0.1)	(2.2)	(0.1)	(2.4)
<b>At 31 March 2025</b>	<b>5.3</b>	<b>180.4</b>	<b>3.6</b>	<b>189.3</b>
<b>Accumulated amortisation</b>				
At 1 April 2023	3.5	64.0	3.1	70.6
Charge for the year	0.3	15.8	0.4	16.5
Impairment charge <sup>1</sup>	–	0.3	0.7	1.0
Assets held for sale (note 12) restated <sup>2</sup>	–	(2.2)	(2.3)	(4.5)
Disposals	(0.3)	–	–	(0.3)
Exchange adjustment restated <sup>2</sup>	(0.2)	(2.0)	0.6	(1.6)
At 31 March 2024 restated <sup>2</sup>	3.3	75.9	2.5	81.7
Charge for the year	0.4	15.8	0.4	16.6
Disposals	(0.1)	–	–	(0.1)
Exchange adjustment	(0.1)	(0.9)	(0.1)	(1.1)
<b>At 31 March 2025</b>	<b>3.5</b>	<b>90.8</b>	<b>2.8</b>	<b>97.1</b>
<b>Net book value at 31 March 2025</b>	<b>1.8</b>	<b>89.6</b>	<b>0.8</b>	<b>92.2</b>
Net book value at 31 March 2024 restated <sup>2</sup>	1.6	95.0	1.2	97.8

<sup>1</sup> Write-down of acquired intangibles related to the disposal group (note 12).

<sup>2</sup> Prior year cost and accumulated amortisation have been re-presented from £184.2m to £179.5m and £86.4m to £81.7m, respectively, to reflect the correct positions for the Assets held for sale, which had previously been presented net. There were no changes to the net book value at 31 March 2024.

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### 20. Inventories

	2025 £m	2024 £m
Finished goods and goods for resale	29.2	27.9
Raw materials and work in progress	53.7	52.2
<b>Total inventories</b>	<b>82.9</b>	80.1

At 31 March 2025, the provision for realisable value included within total inventories was £11.5m (2024: £8.5m).

### 21. Trade and other receivables

Current	2025 £m	2024 £m
Trade receivables	63.5	69.3
Other receivables	5.1	13.1
VAT receivable	3.0	2.6
Prepayments	2.8	3.8
	<b>74.4</b>	88.8

Trade receivables are non-interest bearing; are generally on 30 to 60 days' terms and are shown net of expected credit losses.

Current year other receivables includes £0.3m (2024: £6.1m) related to the current portion of the deferred consideration receivable for the disposal of the Vertec Scientific business.

All of the Group's trade and other receivables are regularly reviewed for indicators of impairment. The credit risk exposure inherent in the Group's trade receivables is measured and recognised as an impairment provision on initial recognition, based on the expected credit loss method, as required by IFRS 9. Specific provision for impairment may also be required where a specific increase in credit risk is identified, or a credit event has occurred. Provisions for general credit risk exposure is measured with reference to the age of a receivable as debts which are overdue present a specific impairment risk indicator regarding recoverability.

In total, the Group has recognised impairment provisions of £2.2m (2024: £2.3m), against trade receivables. This includes a total of £1.4m (2024: £1.2m) of specific provisions for impairment due to increased default risk and unresolved disputes, as well as a provision for expected credit losses of £0.8m (2024: £1.1m). Across the Group, general expected credit loss risk has been assessed to be low due to the size, nature and diversification of customers across the divisions. The small decrease during the year is mainly attributable to macro-economic factors such as decrease in interest rates, which are incorporated in the assessment of the Group's expected credit losses performed annually.

The movements in the impairment provisions for trade receivables during the year were as follows:

	2025 £m	2024 £m
At 1 April	2.3	2.2
Charge for the year	0.2	0.4
Exchange adjustments	(0.3)	(0.3)
<b>At 31 March</b>	<b>2.2</b>	2.3



## 21. Trade and other receivables continued

Details of the net trade receivables ageing are set out below:

	Total £m	Not yet due £m	Overdue					
			<30 days £m	30–60 days £m	60–90 days £m	90–120 days £m	>120 days £m	
<b>2025</b>								
Gross	65.7	54.0	6.3	3.0	0.7	0.2	1.5	
Provision	(2.2)	(0.2)	–	–	(0.3)	(0.2)	(1.5)	
<b>Net</b>	<b>63.5</b>	<b>53.8</b>	<b>6.3</b>	<b>3.0</b>	<b>0.4</b>	–	–	
<b>2024</b>								
Gross	71.6	59.1	8.5	1.5	0.7	0.4	1.4	
Provision	(2.3)	(0.5)	–	(0.1)	(0.1)	(0.2)	(1.4)	
<b>Net</b>	<b>69.3</b>	<b>58.6</b>	<b>8.5</b>	<b>1.4</b>	<b>0.6</b>	<b>0.2</b>	–	

### Non-Current

	2025 £m	2024 £m
Other receivables	–	0.2

Other receivables amount to £nil (2024: £0.2m). The £0.2m for the year ended 31 March 2024 was deferred consideration receivable in relation to the disposal of Vertec Scientific SA Proprietary Limited, disclosed under current other receivables for the year ended 31 March 2025.

## 22. Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank and in hand	139.3	110.8

The cash balances are separately presented gross in the consolidated Statement of Financial Position, rather than netted off against overdrafts held either by the same entity, or other Group entities, with the same bank. The net cash position as at 31 March 2025 after netting off against overdrafts is £43.7m (2024: £31.5m). Refer to note 24 and analysis of movements.

Cash at bank earns interest at floating rates, based on daily bank deposit rates. The Group only deposits cash surpluses with major banks of high credit standing (£118.8m with financial institutions with credit rating of AA- (2024: £89.8m), £13.0m with financial institutions with credit rating of A+ (2024: £12.1m), and the remaining balance of £7.5m with various financial institutions with credit rating of A- or higher (2024: £8.9m)) in line with its treasury policy. The fair value of cash and cash equivalents is £139.3m (2024: £110.8m).



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 23. Other financial liabilities

	Effective interest rate %	Maturity	Current		Non-current	
			2025 £m	2024 £m	2025 £m	2024 £m
Bank overdrafts	Variable	On demand	95.6	79.3	–	–
Unsecured bank loans	Variable		–	–	0.1	0.1
Revolving Credit Facility ("RCF")	Variable		–	–	139.3	137.4
Capitalised debt costs			(0.6)	(0.6)	(0.8)	(1.4)
Loans and borrowings			95.0	78.7	138.6	136.1
Lease liabilities			6.2	5.7	21.2	14.4
Trade and other payables (note 29)			70.7	73.8	6.2	4.6
<b>Total other financial liabilities</b>			<b>171.9</b>	<b>158.2</b>	<b>166.0</b>	<b>155.1</b>

Interest on overdrafts is based on floating rates linked to SONIA, SOFR and EURIBOR.

Included in unsecured bank loans is a Euro-denominated loan of £0.1m (2024: £0.1m).

At 31 March 2025, the RCF drawdowns of £139.3m (2024: £137.4m) were denominated in Sterling, US Dollar and Euro which bear interest based on SONIA, SOFR and EURIBOR, plus a facility margin.

Trade and other payables above include only contractual obligations.

The maturity of the gross contractual financial liabilities is as follows:

	Within 1 year £m	2-5 years £m	>5 years £m	Total £m
<b>At 31 March 2025</b>				
Floating rate	95.0	138.6	–	233.6
Lease liabilities	7.2	16.1	8.5	31.8
Trade and other payables	70.7	6.2	–	76.9
	<b>172.9</b>	<b>160.9</b>	<b>8.5</b>	<b>342.3</b>

	Within 1 year £m	2-5 years £m	>5 years £m	Total £m
<b>At 31 March 2024</b>				
Floating rate	78.7	136.1	–	214.8
Lease liabilities	6.4	12.2	4.1	22.7
Trade and other payables	73.8	4.6	–	78.4
	158.9	152.9	4.1	315.9

The carrying amount of the Group's other financial liabilities excluding lease liabilities is denominated in the following currencies:

	2025 £m	2024 £m
Sterling	98.7	86.0
Euro	116.8	93.3
US Dollar	65.6	82.4
Other currencies	29.4	31.5
	<b>310.5</b>	<b>293.2</b>



## 24. Movements in cash and net debt

Year to 31 March 2025	1 April 2024 £m	Cash flow £m	Non-cash changes £m	31 March 2025 £m
Bank loans over one year	(137.5)	(4.3)	2.4	<b>(139.4)</b>
Capitalised debt costs	2.0	–	(0.6)	<b>1.4</b>
Lease liability	(20.1)	7.5	(14.8)	<b>(27.4)</b>
<b>Liabilities arising from financing activities</b>	<b>(155.6)</b>	<b>3.2</b>	<b>(13.0)</b>	<b>(165.4)</b>
Cash and cash equivalents	110.8	29.6	(1.1)	<b>139.3</b>
Bank overdrafts	(79.3)	(16.4)	0.1	<b>(95.6)</b>
Net cash	31.5	13.2	(1.0)	<b>43.7</b>
<b>Net debt (incl. lease liability)</b>	<b>(124.1)</b>	<b>16.4</b>	<b>(14.0)</b>	<b>(121.7)</b>
Remove: lease liability	20.1	(7.5)	14.8	<b>27.4</b>
<b>Net debt<sup>1</sup></b>	<b>(104.0)</b>	<b>8.9</b>	<b>0.8</b>	<b>(94.3)</b>

<sup>1</sup> Net debt is an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate of loans and borrowings (current and non-current) and cash and cash equivalents.

Bank loans over one year above include £139.3m (2024: £137.4m) drawn down against the Group's revolving credit facility.

Bank overdrafts reflect the aggregated gross overdrawn balances of Group companies (even if those companies have other positive cash balances). The overdrafts and cash and cash equivalents are held with the Group's relationship banks.

Year to 31 March 2024	1 April 2023 £m	Cash flow £m	Non-cash changes £m	31 March 2024 £m
Bank loans over one year	(88.1)	(51.1)	1.7	(137.5)
Capitalised debt costs	2.0	0.6	(0.6)	2.0
Lease liability	(18.8)	6.8	(8.1)	(20.1)
<b>Liabilities arising from financing activities</b>	<b>(104.9)</b>	<b>(43.7)</b>	<b>(7.0)</b>	<b>(155.6)</b>
Cash and cash equivalents	83.9	29.2	(2.3)	110.8
Bank overdrafts	(40.5)	(38.6)	(0.2)	(79.3)
Net cash	43.4	(9.4)	(2.5)	31.5
<b>Net debt (incl. lease liability)</b>	<b>(61.5)</b>	<b>(53.1)</b>	<b>(9.5)</b>	<b>(124.1)</b>
Remove: lease liability	18.8	(6.8)	8.1	20.1
<b>Net debt</b>	<b>(42.7)</b>	<b>(59.9)</b>	<b>(1.4)</b>	<b>(104.0)</b>



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### 25. Reconciliation of cash flows from operating activities

	2025 £m	2024 £m
<b>Profit for the year</b>	<b>24.6</b>	15.5
Tax expense	7.4	6.7
Net finance costs	10.4	9.0
Depreciation of property, plant and equipment	4.5	4.7
Depreciation of right of use assets	7.3	6.6
Amortisation of intangible assets – other	16.6	16.5
Write-down of assets related to disposal group – other intangible assets	–	1.0
Write-down of asset related to disposal group – goodwill	–	1.7
Loss on disposal of property, plant and equipment	–	0.2
Loss on disposal of intangible assets	0.1	–
Change in provisions	0.1	2.6
Pension scheme funding	(2.3)	(2.0)
IAS 19 pension charge	0.7	0.8
Gain on disposal of business	(2.1)	–
Associated taxes on LTIPs	–	(0.3)
Impact of equity-settled share-based payment expense and associated taxes	2.0	2.6
<b>Operating cash flows before changes in working capital</b>	<b>69.3</b>	65.6
Decrease in inventories	5.4	14.5
Decrease/(Increase) in trade and other receivables	5.8	(3.0)
Decrease in trade and other payables	(10.0)	(11.1)
Decrease in working capital	1.2	0.4
<b>Cash generated from operations</b>	<b>70.5</b>	66.0
Interest paid	(12.5)	(11.6)
Interest paid on lease liabilities	(1.0)	(0.7)
Income taxes paid	(10.6)	(12.5)
<b>Net cash flow from operating activities</b>	<b>46.4</b>	41.2

	2025 £m	2024 £m
<b>Net cash flow from operating activities</b>	<b>46.4</b>	41.2
Working capital	1.0	7.5
Gain/(loss) on disposal	2.1	(4.6)
Payment of lease liabilities	(6.5)	(6.1)
Capital expenditure	(6.1)	(4.9)
Interest received	3.5	3.9
<b>Free cash flow</b>	<b>40.4</b>	37.0

## 26. Provisions

	Retirement and severance indemnity £m	Dilapidation £m	Other £m	Total £m
At 1 April 2023	2.0	2.7	1.2	5.9
Arising during the year	0.4	0.5	2.5	3.4
Arising from business combinations	0.1	0.1	0.1	0.3
Utilised / released	(0.1)	–	(0.4)	(0.5)
Exchange difference	(0.3)	–	–	(0.3)
At 31 March 2024	2.1	3.3	3.4	8.8
Arising during the year	0.5	0.2	1.6	2.3
Arising from business combinations	0.6	–	0.2	0.8
Utilised / released	(0.6)	–	(2.2)	(2.8)
Exchange difference	(0.1)	–	–	(0.1)
<b>At 31 March 2025</b>	<b>2.5</b>	<b>3.5</b>	<b>3.0</b>	<b>9.0</b>

<b>Analysis of total provisions:</b>	<b>2025 £m</b>	<b>2024 £m</b>
Current	<b>5.0</b>	5.2
Non-Current	<b>4.0</b>	3.6
	<b>9.0</b>	8.8

The retirement indemnity provision of £2.4m (2024: £2.0m), relates to retirement and leaving indemnity schemes in Sri Lanka £0.9m (2024: £0.9m), India £0.6m (2024: £0.6m), France £0.2m (2024: £0.2m), Germany £0.6m (2024: £0.1m), Denmark £0.1m (2024: £0.1m) and Slovakia £nil (2024: £0.1m). The schemes are unfunded. The service cost, representing deferred salaries accruing to employees, is included as an operating expense and determined by reference to local laws and actuarial assumptions where applicable.

The key actuarial assumptions used in relation to valuation of the Sri Lankan scheme comprise of mortality rates, staff turnover (16% up to age of 54 and zero thereafter) (2024: 16% up to the age of 54 and zero thereafter), retirement age (60 years) (2024: 60 years), discount rate (11% p.a.) (2024: 12% p.a.) and salary increases (9% p.a.) (2024: 10% p.a.).

The severance provision of £0.1m (2024: £0.1m) relates to severance costs payable to employees.

The dilapidation provision of £3.5m (2024: £3.3m) relates to exit costs to be incurred at the end of leasehold contracts for properties within the Group.

Other provisions relates primarily to warranty provisions £0.9m (2024: £0.4m), restructuring provisions of £1.3m (2024: £1.9m) and other provisions of £0.8m (2024: £1.1m). The provisions greater than one year are expected to be utilised within one to three years.

## 27. Financial risk controls

### Management of financial risk

The main financial risks faced by the Group are credit risk, liquidity risk and market risk, which include interest rate risk and currency risk. The Board regularly reviews these risks and has approved written policies covering the use of financial instruments to manage these risks.

The Group Finance Director retains the overall responsibility and management of financial risk for the Group. Most of the Group's financing and interest rate and foreign currency risk management is carried out centrally at Group head office. The Board approves policies and procedures setting out permissible funding and hedging instruments, exposure limits and a system of authorities for the approval of transactions.

### Management of interest rate risk

The Group has exposure to interest rate risk arising principally from changes in Euro, Sterling and US Dollar interest rates. The Group does not have any hedges in place at the year-end against exposure to interest rate risk.

A 1% decrease in interest rates on the Group's debt position during the year ended 31 March 2025, would have increased the Group's profit before tax by approximately £1.3m (2024: £1.3m).

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### 27. Financial risk controls continued

#### Management of foreign exchange risk

The Group's Shareholders' equity, earnings and cash flows are exposed to foreign exchange risks, due to the mismatch between the currencies in which it purchases inventory and the final currency of sale to its customers.

It is Group policy to hedge identified significant foreign exchange exposure on its committed operating cash flows. This is carried out centrally based on forecast orders and sales.

The US Dollar and Euro represent the main foreign exchange translational exposures for the Group. The following table demonstrates the sensitivity of the Group's profit before tax to a 10% strengthening in Sterling against US Dollar and Euro.

Profit before tax – gain/(loss)	2025 £m	2024 £m
10% strengthening in Sterling against Euro	<b>(1.9)</b>	(0.5)
10% strengthening in Sterling against US Dollar	<b>(1.1)</b>	(1.1)

#### Management of credit risk

Credit risk exists in relation to customers, banks and insurers. Exposure to credit risk is mitigated by maintaining credit control procedures across a wide customer base.

The Group is exposed to credit risk that is primarily attributable to its trade and other receivables. This is minimised by dealing with recognised creditworthy third parties who have been through a credit verification process. The maximum exposure to credit risk is limited to the carrying value of trade and other receivables.

As well as credit risk exposures inherent within the Group's outstanding receivables, the Group is exposed to counterparty credit risk arising from the placing of deposits and entering into derivative financial instrument contracts with banks and financial institutions. The Group manages exposure to this credit risk by entering into financial instrument contracts only with highly credit-rated authorised counterparties which are reviewed and approved annually by the Board.

Counterparties' positions are monitored on a regular basis to ensure that they are within the approved limits and that there are no significant concentrations of credit risks. The Group's largest customer is approximately 7% (2024: 7%) of Group sales.

#### Management of liquidity risk

The Group manages its exposure to liquidity risk and maximises its flexibility in meeting changing business needs through the cash generation of its operations, combined with bank borrowings and access to long-term debt. In its funding strategy, the Group's objective is to maintain a balance between the continuity of funding and flexibility through the use of overdrafts, bank loans and facilities.

At 31 March 2025, the Group had net cash of £43.7m (2024: £31.5m). The Group had total working capital facilities available of £245.6m (2024: £246.8m) with a number of major UK and overseas banks, of which £240m (2024: £240m) were committed facilities. The Group had drawn £139.3m against total facilities at 31 March 2025 (2024: £137.4m). In addition, the Group has an £80m accordion facility that it can use to extend the total facility up to £320m. The syndicated facility is available both for acquisitions and for working capital purposes. The facilities are subject to certain financial covenants, which had significant headroom at 31 March 2025.

#### Management of capital

The Group's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain robust capital ratios to support the development of the business with a view to providing strong returns to Shareholders. In order to maintain or adjust the capital structure, the Group increases bank borrowings, issues new shares or changes the amount of dividends paid to Shareholders. In respect of this objective, the Group has a target gearing range of between 1.5 and 2.0 times. Gearing at 31 March 2025 was at the bottom of the range at 1.3 times (2024: 1.5).

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 23, cash and cash equivalents in note 22 and equity attributable to Shareholders.

## 28. Financial assets and liabilities

### Fair values

The Group's principal non-derivative financial instruments comprise bank loans and overdrafts, cash and short-term borrowings. The Group also holds other financial instruments such as trade receivables and trade payables that arise directly from the Group's trading operations.

Derivative financial instruments are represented by short-term foreign currency forward contracts placed by the Group with external banks as part of the Group's cash management and foreign currency risk management activities. The fair value of derivative foreign exchange instruments is determined on initial recognition at forward market exchange rates at inception of the contract and subsequently remeasured based on forward market exchange rates at the balance sheet date. As at 31 March 2025, the gross cash inflows/outflows for foreign exchange forward contracts was £31.9m, mainly in Euro and US Dollar. The fair value of these derivatives included within trade and other payables was £0.2m (2024: £nil).

The carrying values of the Group's trade and other receivables, trade and other payables and assets held for sale are disclosed in notes 21, 29 and 12. The carrying value of these items approximates book value due to the short maturity of these instruments.

The carrying values of the Group's other financial assets and financial liabilities are set out below by category. Carrying values for all financial assets and liabilities are equivalent to fair values.

	Carrying amount 2025 £m	Fair value 2025 £m	Carrying amount 2024 £m	Fair value 2024 £m
<b>Financial assets at amortised cost</b>				
Cash at bank and in hand	139.3	139.3	110.8	110.8
Deferred consideration	0.3	0.3	6.3	6.3
<b>Financial liabilities at amortised cost</b>				
Bank overdrafts and short-term borrowings	(95.6)	(95.6)	(79.3)	(79.3)
Non-current interest-bearing loans and borrowings:				
Floating rate borrowings	(138.0)	(138.0)	(135.5)	(135.5)
Lease liabilities	(27.4)	(27.4)	(20.1)	(20.1)
<b>Financial liabilities at fair value through profit and loss ("FVTPL")</b>				
Contingent consideration	(9.3)	(9.3)	(6.7)	(6.7)

The methods and assumptions used to determine the fair value of financial assets and liabilities are set out below.

All material changes in fair value of financial instruments as at the balance sheet date have been recognised in the consolidated Statement of Profit or Loss. Impairment reviews did not identify any material impairment of financial assets from carrying values as reported at the balance sheet date and, as such, no material impairments are included in the consolidated Statement of Profit or Loss.

### Fair value methods and assumptions

Forward foreign exchange contracts (forwards) – the fair value of forward foreign currency contracts is determined with reference to observable yield curves and foreign exchange rates at the reporting date. The FX contracts outstanding with banks at the year-end had a maturity of one year or less.

Loans and borrowings – the fair value of loans and borrowings has been calculated by discounting future cash flows, where material, at prevailing market interest rates.

### Fair Value Hierarchy

For financial assets and financial liabilities measured at fair value, as set out in the tables above, the fair value measurement techniques are based upon applying unadjusted, quoted market rates or prices or inputs other than quoted prices that are observable for the assets or liability either directly or indirectly.

IFRS 13 'Financial Instruments: Disclosures' requires financial instruments measured at fair value to be analysed into a fair value hierarchy based upon the valuation technique used to determine fair value. The highest level in this hierarchy is Level 3 within which inputs that are not based on observable market data for the asset or liability are applied.

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### 28. Financial assets and liabilities continued

The valuation techniques used by the Group for the measurement of derivative financial instruments, loans and deferred consideration are considered to be within Level 2, which includes inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

Contingent consideration is included in Level 3 of the fair value hierarchy. The fair value is determined considering the expected payment, discounted to present value using a risk-adjusted discount rate. The expected payment is determined separately in respect of each individual earn-out agreement taking into consideration the expected level of profitability of each acquisition. The unobservable inputs are the projected forecast measures that are assessed on an annual basis. Changes in the fair value of contingent consideration relating to updated projected forecast performance measures are recognised in the consolidated Statement of Profit or Loss in the period that the change occurs.

Reconciliation of Level 3 fair value of contingent consideration payable on acquisitions:

	2025 £m	2024 £m
At 1 April	6.7	4.1
Contingent consideration arising from current year acquisitions payable in future years	6.7	3.0
Contingent consideration paid in the current year relating to previous years' acquisitions	(2.3)	–
Costs charged to the consolidated Statement of Profit or Loss:		
Subsequent adjustments on acquisitions	(1.7)	(0.3)
Exchange difference	0.1	(0.1)
<b>At 31 March</b>	<b>9.3</b>	<b>6.7</b>

Subsequent adjustments on acquisitions of £1.7m credit (2024: £0.3m credit) and exchange differences of £0.1m (2024: £0.1m) are included within operating costs.

Contingent consideration is sensitive to forecast operating profits of the relevant acquired businesses. At 31 March 2025, the estimated fair value of contingent consideration payable on acquisitions would increase by £5.0m (2024: £2.4m) if projected forecast profits were higher and decrease by £5.7m (2024: £2.4m) if projected forecast were lower by c.20%.

### 29. Trade and other payables

#### Current

	2025 £m	2024 £m
Trade payables	42.3	44.7
Other payables	26.7	27.9
Accrued expenses and contract liabilities	12.1	14.9
	<b>81.1</b>	<b>87.5</b>

Trade payables are non-interest bearing and are settled in accordance with credit terms. Other payables and accrued expenses are non-interest bearing and are settled throughout the year. Included in current year other payables is contingent consideration of £3.1m relating to acquisitions in the current and prior years (2024: £2.2m), employee-related payable of £13.5m (2024: £14.7m), VAT payable of £4.2m (2024: £4.0m), a total of £3.5m of customers deposits (2024: £3.6m) and £2.4m other payables (2024: £3.4m).

Contract liabilities relate to contracts with customers, recognised and measured in accordance with the requirements of IFRS 15, and relate to either advance payments received for goods to be delivered in the future or amounts invoiced in respect of performance obligations which are not yet satisfied in full and due to be satisfied within a period of 12 months from the reporting date.

Contract liabilities as at 31 March 2025 amounted to £1.7m (2024: £1.2m). Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounted to £1.3m (2024: £1.0m).

Certain businesses in the Group participate in supply chain finance arrangements whereby suppliers may elect to receive early payment of their invoices from a bank by factoring their receivable from discoverIE entities. Under this arrangement, the term of invoices payable by the Group can be extended by 30-45 days from the original invoice due date, which impacts the timing of payment but does not alter the value of the recognised liability. Included within trade payables is £2.1m (2024: £2.0m) subject to such an arrangement.



## 29. Trade and other payables continued

### Non-Current

	2025 £m	2024 £m
Other payables	6.2	4.6

Included in non-current trade and other payables is £6.2m contingent consideration relating to acquisitions in the current and prior years (2024: £4.5m).

## 30. Share capital

Allotted, called up and fully paid	2025 Number	2025 £m	2024 Number	2024 £m
Ordinary shares of 5p each	96,356,109	4.8	96,356,109	4.8

During the year to 31 March 2025, no shares were issued to the Group's Employee Benefit Trust (2024: nil). At 31 March 2025 the Trust held 299,219 shares (2024: 414,600). During the year to 31 March 2025, employees exercised 115,381 share options under the terms of the various share option schemes (2024: 275,492).

## 31. Share-based payment plans

The Group operates various share-based payment plans. The various schemes are explained below and have been separated into two separate disclosures. The charge to the consolidated Statement of Profit or Loss in respect of each of these schemes is:

	2025 £m	2024 £m
a) discoverIE Group plc long-term incentive plan ("the LTIP")	2.0	2.6
b) Approved and unapproved executive share option schemes	-	-
	2.0	2.6

### a) The LTIP

The LTIP involves a conditional award of shares on a grant of a nil-cost option. The award of shares to Executive Directors and senior management is recommended by the Remuneration Committee on the basis of various factors such as their contribution to the Group's success. The LTIPs are equity-settled and there are no cash-settled alternatives. The vesting of an award is dependent on the individual's continued employment for a three-year period from the date of grant and the satisfaction by the Company of certain performance conditions. The exercise of the awards is also subject to a two-year holding period from the date of vesting.

For awards made in the year ended 31 March 2025, the performance conditions are as follows:

- 45% of the award is based on the Company's comparative total shareholder return ("TSR") against a comparator group made up of the constituents of the FTSE250 Index;
- 45% of the award is based on the Company's absolute earnings per share ("EPS") performance;
- 10% of the award is subject to the Company's ESG performance ("ESG"), based on the Company's reduction in carbon emissions;
- For certain operational management, 25% of the award is based on the Company's absolute earnings per share ("EPS") performance and 75% of the award is based on local earnings targets.

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### 31. Share-based payment plans continued

Awards are valued using the Monte Carlo model and Black-Scholes model. No non-market performance conditions were included in the fair value calculations. The fair value per award granted and the assumptions used in the calculation are as follows:

Awards granted in the year ended 31 March 2025:

Grant date	12 June	12 June	12 June	12 June
	2024	2024	2024	2024
	TSR	EPS	ESG	EPS/Local
Share price at grant date	£7.17	£7.17	£7.17	£7.17
Exercise price	nil	nil	nil	nil
Number of employees	15	15	15	36
Shares under option	235,229	235,229	52,273	178,744
Vesting period (years)	3	3	3	3
Expected volatility	39.36%	39.36%	39.36%	39.36%
Option life (years)	10	10	10	10
Expected life (years)	5	5	5	5
Risk-free rate of return	4.37%	4.37%	4.37%	4.37%
Expected dividend yield	nil	nil	nil	nil
Fair value	£3.81	£6.56	£6.56	£6.72

Awards granted in the year ended 31 March 2024:

Grant date	14 June	14 June	14 June	14 June
	2023	2023	2023	2023
	TSR	EPS	ESG	EPS/Local
Share price at grant date	£9.38	£9.38	£9.38	£9.38
Exercise price	nil	nil	nil	nil
Number of employees	15	15	15	22
Shares under option	184,082	184,082	40,907	82,637
Vesting period (years)	3	3	3	3
Expected volatility	40.83%	40.83%	40.83%	40.83%
Option life (years)	10	10	10	10
Expected life (years)	5	5	5	5
Risk-free rate of return	4.72%	4.72%	4.72%	4.72%
Expected dividend yield	nil	nil	nil	nil
Fair value	£6.49	£8.90	£8.90	£8.91

The expected volatility is based on historical volatility over the period of time commensurate with the expected term immediately prior to the date of grant. The expected life is the average expected period to exercise. The risk-free rate of return used in the valuation is the rate of interest obtainable from government securities over a period commensurate with the expected term of the equity incentive.

The total charge for the year relating to the LTIP schemes was £2.0m (2024: £2.6m).

## 31. Share-based payment plans continued

### Outstanding LTIP

A summary of the awards that have been granted under the LTIP and remain outstanding is given below:

#### At 31 March 2025

Outstanding at 1 April 2024	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2025	Exercise dates
5,500	–	–	(5,500)	–	2022–2026
452,990	–	–	–	<b>452,990</b>	2023–2027
312,508	–	–	–	<b>312,508</b>	2023–2028
614,531	–	–	(103,877)	<b>510,654</b>	2024–2029
506,328	–	(2,619)	(679)	<b>503,030</b>	2025–2030
358,925	–	(72,456)	(345)	<b>286,124</b>	2026–2031
574,015	–	(13,560)	–	<b>560,455</b>	2027–2032
488,500	–	(10,867)	–	<b>477,633</b>	2028–2033
–	701,475	–	–	<b>701,475</b>	2029–2034
<b>3,313,297</b>	<b>701,475</b>	<b>(99,502)</b>	<b>(110,401)</b>	<b>3,804,869</b>	

#### At 31 March 2024

Outstanding at 1 April 2023	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2024	Exercise dates
5,500	–	–	–	5,500	2022–2026
629,140	–	–	(176,150)	452,990	2023–2027
390,924	–	(3,834)	(74,582)	312,508	2023–2028
620,943	–	(6,412)	–	614,531	2024–2029
547,867	–	(41,539)	–	506,328	2025–2030
371,739	–	(12,814)	–	358,925	2026–2031
592,086	–	(18,071)	–	574,015	2027–2032
–	491,708	(3,208)	–	488,500	2028–2033
<b>3,158,199</b>	<b>491,708</b>	<b>(85,878)</b>	<b>(250,732)</b>	<b>3,313,297</b>	

The weighted average remaining contractual life for the share options outstanding at 31 March 2025 is 5.9 years (2024: 6.2 years) and the weighted average share price for the exercises during the year ended 31 March 2025 was £6.85 (2024: £8.07).

The range of exercise prices for options outstanding at the end of the year was £nil (2024: £nil).

### b) Approved and unapproved executive share option schemes

The Group operates an approved and an unapproved executive share option scheme, the rules of which are similar in all material respects. The grant of options to senior management is recommended by the Remuneration Committee on the basis of their contribution to the Group's success. The options vest after three years.

The exercise price of the options is equal to the closing mid-market price of the shares on the trading day prior to the date of the grant. Exercise of all options is subject to continued employment. The life of each option granted is ten years. There are no cash settlement alternatives.

Options are valued using the Black-Scholes model. No non-market performance conditions were included in the fair value calculations.

The fair value per option granted during the year and the assumptions used in the calculation are as follows:



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### 31. Share-based payment plans continued

Grant date	12 June 2024	14 June 2023
Share price at grant date	£7.17	£9.38
Exercise price	£7.24	£9.18
Number of employees	11	10
Shares under option	28,285	19,011
Vesting period (years)	3	3
Expected volatility	37.80%	37.51%
Option life (years)	10	10
Expected life (years)	6.5	6.5
Risk-free rate of return	4.37%	4.72%
Expected dividends expressed as a dividend yield	1.67%	1.22%
Fair value	£2.67	£3.82

The expected volatility is based on historical volatility over the period of time commensurate with the expected term immediately prior to the date of grant. The expected life is the average expected period to exercise. The risk-free rate of return used in the valuation is the rate of interest obtainable from government securities over a period commensurate with the expected term of the equity incentive.

The total charge for the year relating to the approved and unapproved share option schemes was £35,000 (2024: £39,000).

#### Outstanding share options under the executive share option schemes

A summary of the options over ordinary shares that have been granted under the approved and unapproved executive share option schemes and remain outstanding is given below:

##### At 31 March 2025

Outstanding at 1 April 2024	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2025	Exercise price (pence)	Exercise dates
6,144	-	-	-	<b>6,144</b>	421.17	2022-2029
11,374	-	(4,792)	-	<b>6,582</b>	603.60	2023-2030
11,731	-	(6,548)	-	<b>5,183</b>	803.00	2024-2031
13,855	-	(5,474)	-	<b>8,381</b>	686.80	2025-2032
17,882	-	(5,678)	-	<b>12,204</b>	918.00	2026-2033
-	28,285	(7,730)	-	<b>20,555</b>	724.00	2027-2034
<b>60,986</b>	<b>28,285</b>	<b>(30,222)</b>	-	<b>59,049</b>		

##### At 31 March 2024

Outstanding at 1 April 2023	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2024	Exercise price (pence)	Exercise dates
1,691	-	-	(1,691)	-	219.50	2020-2027
9,580	-	-	(9,580)	-	402.00	2021-2028
10,693	-	-	(4,549)	6,144	421.17	2022-2029
11,374	-	-	-	11,374	603.60	2023-2030
11,731	-	-	-	11,731	803.00	2024-2031
15,179	-	(1,324)	-	13,855	686.80	2025-2032
-	19,011	(1,129)	-	17,882	918.00	2026-2033
60,248	19,011	(2,453)	(15,820)	60,986		



## 31. Share-based payment plans continued

### Changes in share options

A reconciliation of option movements over the year to 31 March 2025 is shown below:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 April	60,986	£7.35	60,248	£5.88
Granted	28,285	£7.24	19,011	£9.18
Exercised	–	–	(15,820)	£3.88
Forfeited	(30,222)	£7.52	(2,453)	£7.93
<b>Outstanding at 31 March</b>	<b>59,049</b>	<b>£7.21</b>	<b>60,986</b>	<b>£7.35</b>
<b>Exercisable at 31 March</b>	<b>29,249</b>	<b>£5.99</b>	<b>17,518</b>	<b>£5.40</b>

The weighted average remaining contractual life for the share options outstanding at 31 March 2025 is 7.5 years (2024: 7.7 years).

The range of exercise prices for options outstanding at the end of the year was £4.21 to £9.18 (2024: £4.21 to £9.18).

## 32. Pension

### Defined contribution schemes

The Group makes payments to various defined contribution pension schemes, the assets of which are held in separately administered funds. In the United Kingdom, the main scheme is the discoverIE Group plc Employee Pension Scheme ("the discoverIE scheme"). Contributions by both employees and Group companies are held in externally invested trustee-administered funds.

The Group contributes a specified percentage of earnings for members of the discoverIE scheme, and thereafter has no further obligations in relation to the discoverIE scheme. At 31 March 2025, 99 employees were active members of the discoverIE scheme (2024: 94). The total cost charged to the consolidated Statement of Profit or Loss in relation to the UK-based discoverIE scheme was £491,000 (2024: £459,000). Employer contributions in respect of other UK-based schemes and overseas pension schemes were £906,000 (2024: £650,000) and £2,673,000 (2024: £2,812,000) respectively. Total contributions payable in the next financial year are expected to be at rates broadly similar to those in FY 2024/25 but based on actual salary levels in FY 2025/26.

### Defined benefit schemes

The acquisition of the Sedgemoor Group in June 1999 brought with it certain defined benefit pension schemes, together "the Sedgemoor Scheme". The Sedgemoor Scheme is funded by the Group, provides retirement benefits based on final pensionable salary and its assets are held in a separate trustee-administered fund.

Following the acquisition of the Sedgemoor Group, the Sedgemoor Scheme was closed to new members. Shortly thereafter, employees were given the opportunity to join the discoverIE scheme and future service benefits ceased to accrue to members under the Sedgemoor Scheme.

Contributions to the Sedgemoor Scheme are determined in accordance with the advice of independent, professionally qualified actuaries and are set based upon funding valuations carried out every three years.

On 21 January 2025, the Trustee entered into a bulk annuity "buy-in" policy with an insurance company. This policy covers all known current members of the Scheme and its fair value matches the present value of the benefits insured. To fund the premium, the Group paid cash contributions to the Scheme of £4.5m in 2025, of which £3.0m came from an escrow account set up to the benefit of the Trustee.

Other than the Trustee bank account, the buy-in policy is the only asset now held by the Trustee as part of the Scheme's investment strategy. Under the terms of the policy, the Trustee will receive income equal to the pension benefits that have been insured. This largely removes exposure to the Group from pension scheme investment, inflation and longevity risks. Residual differences between the benefits currently insured under the buy-in policy and those paid out by the Fund are allowed for within the IAS19 figures.

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### 32. Pension continued

Based upon the results of the triennial funding valuation at 31 March 2024, the Sedgemoor Scheme's Trustee agreed with Sedgemoor Limited on behalf of the participating employers to make regular payments totalling £0.4m over the year to 31 March 2026, with subsequent contributions of £0.4m p.a. increasing by 3% each April payable over the period to May 2030. These contributions, payable monthly, will continue to be paid into an escrow account to the benefit of the Trustee unless and until the scheme is wound up. In addition, 12 payments of £50k will be paid monthly from June 2025 to May 2026 directly to the Scheme. Additional payments to either the Scheme or the escrow account will also be made to cover any back payments due to members following completion of the data cleansing and GMP equalisation projects, currently estimated to be £0.9m and are due to be paid in instalments from Q4 calendar 2025 to Q2 calendar 2026. For the year ended 31 March 2025, a total of £0.8m (2024: £2.0m) was paid into the escrow account and £1.5m was paid directly into the Scheme (2024: £nil).

The main actuarial assumptions used are set out as follows:

	2025	2024
Rate of increase of pensions in payment	2.4%	2.5%
Discount rate	5.6%	4.8%
Inflation assumption – RPI	3.3%	3.4%
Inflation assumption – CPI*	2.2%	2.3%

\*3.2% from 2030

The discount rate is based on the yields on AA grade sterling corporate bonds at the reporting date.

Pensioner mortality assumptions are based on 110% of the rates in the 'S4NA' table, projected from 2013 and with long-term improvement rates in line with CMI 2023 projections based on each member's actual date of birth with a long-term annual rate of improvement of 1.25% pa. These projections are the "core" projections released by the CMI, other than allowing for a 20% weighting of 2022 and 2023 mortality data reflecting our best estimate impact on long term mortality trends.

The weighted average duration of the defined benefit obligation at 31 March 2025 was 9 years (2024: 10 years).

The Directors consider that were a pension asset to be realised in respect of this scheme after all member benefits have been paid and after the scheme is wound up, this would be fully recoverable by the Group in line with the rules of the scheme.

The charges recognised in the consolidated Statement of Profit or Loss in respect of defined benefit schemes are as follows:

	2025 £m	2024 £m
Pension charge (recognised in operating costs)	0.7	0.9



## 32. Pension continued

### Past service cost

The charges recognised in the consolidated Statement of Comprehensive Income are as follows:

	2025 £m	2024 £m
<b>Remeasurement (losses)/gains:</b>		
Return on plan assets (excluding amounts included in net interest expense)	<b>(7.6)</b>	(1.4)
Actuarial changes arising from changes in actuarial assumptions	<b>2.9</b>	0.2
Actuarial loss recorded in the consolidated Statement of Comprehensive Income	<b>(4.7)</b>	(1.2)

There was £nil additional actuarial loss relating to the unfunded retirement and leaving indemnity schemes (note 26) recorded in the consolidated Statement of Comprehensive Income.

The fair value of assets and expected rates of return used to determine the amounts recognised in the consolidated Statement of Financial Position are as follows:

	2025 £m	2024 £m
Bonds	-	6.9
Cash	<b>0.2</b>	5.9
Liability-driven investments	-	6.3
Asset-backed security	-	9.0
Bulk annuity policy	<b>23.3</b>	-
Fair value of scheme assets	<b>23.5</b>	28.1
Present value of funded defined benefit obligations	<b>(24.0)</b>	(27.8)
<b>(Liability)/asset recognised in the consolidated Statement of Financial Position</b>	<b>(0.5)</b>	0.3

Over the year to 31 March 2025, the surplus reduced from £0.3m to £0.5m deficit. The movement related to pension administration costs of £0.7m (2024: £0.8m) and actuarial losses of £4.7m (2024: £1.2m) recognised in the consolidated Statement of Comprehensive Income.



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 32. Pension continued

Changes in the present value of the defined benefit obligation are as follows:

	2025 £m	2024 £m
Opening defined benefit obligations	27.8	28.6
Net interest cost	1.3	1.3
Actuarial losses/(gains) due to:		
Experience on benefit obligation	(0.7)	0.1
Changes in financial assumptions	(1.9)	(0.1)
Changes in demographic assumptions	(0.4)	(0.2)
Benefits paid	(2.1)	(1.9)
Closing defined benefit obligations	24.0	27.8

Changes in the fair value of the scheme assets are as follows:

	2025 £m	2024 £m
Opening fair value of scheme assets	28.1	30.9
Interest on scheme assets	1.3	1.4
Actual return on plan assets less interest on plan assets	(7.6)	(1.4)
Pension administration costs	(0.7)	(0.9)
Contributions	4.5	-
Benefits paid	(2.1)	(1.9)
Closing fair value of scheme assets	23.5	28.1

### Sensitivities

The sensitivity of the 2025 pension liabilities to changes in assumptions are as follows:

Assumption	Change in assumption	Increase in scheme deficit £m
Discount rate	Decrease by 0.5%	1.1
Inflation	Increase by 0.5%	0.4
Life expectancy	Increase by 1 year	1.1

Following the buy-in, any such changes above would result in a corresponding change in the asset and no net impact on the balance sheet position.

### 33. Auditors' remuneration

During the year the Group paid fees for the following services from auditors:

	2025 £m	2024 £m
Auditors' remuneration:		
Audit of the Group Financial Statements (including the Company)	0.7	0.8
Audit of local subsidiary Financial Statements	0.8	1.0
Total audit fee	1.5	1.8
Audit-related assurance services:		
Review of the half year interim statement	0.1	0.1
Audit fees	1.6	1.9

The fee for non-audit services was £83,500 (2024: £123,000), of which £80,000 (2024: £112,000) relates to interim review and £3,500 (2024: £11,000) relates to reporting required by regulators in overseas countries.



### 34. Related party disclosures

As at 31 March 2025 the Group's subsidiaries are set out below. Unless otherwise stated, the Group holds (directly or indirectly) 100% of the total voting rights of all subsidiaries.

Except where noted, all material subsidiaries have a 31 March year-end and the shares carry the same voting rights as their effective interest.

UK-registered subsidiaries that qualify to take the statutory audit exemption as set out within section 479A of the Companies Act 2006 for the year ended 31 March 2025 are listed below. discoverIE Group plc will guarantee the debts and liabilities of those companies at the balance sheet date in accordance with section 479C of the Companies Act 2006.

#### Audit exempt entities within section 479A of Companies Act 2006

Name	Company Number
CDT 123 Limited	09637514
Contour Holdings Limited	06846542
Cursor Controls Holdings Limited	09472278
CustomDesignTechnologies Limited	03207845
discoverIE Electronics Limited	06556285
discoverIE Nordic Holdings Limited	09056483
Herga Technology Limited	00533707
SLV Holdings Limited	09943868
Santon Switchgear Limited	03207845
Variohm Holdings Limited	05783452
Xi-Tech Limited	07068708
Sens-Tech Limited	00668759
Contour Electronics Limited	02773976
Cursor Controls Limited	04105605
Variohm-Eurosensor Limited	02736925
discoverIE Management Services Ltd	02036196
discoverIE Holdings Ltd	01618416
Noratel UK Limited	04136659
Vertec Scientific Limited	01677833
Silver Telecom Limited	03434576
Hivolt Capacitors Limited	NI029851
2J Antennas UK Limited	08356756
Antenova Limited	03835617
Stortech Electronics Limited	02217300

With the exception of Hivolt Capacitors Limited, the country of incorporation and registration for the entities above is England and Wales and the registered address is 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH. The country of incorporation and registration for Hivolt Capacitors Limited is Northern Ireland and the registered address is Maydown Industrial Estate, Derry, BT47 6UQ.

Name and nature of business	Registered address	Country of incorporation and registration
<b>Management Services - Head Office</b>		
discoverIE Management Services Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
<b>Operating Companies</b>		
2J Antennas s.r.o	Štefánikova 61, 085 01 Bardejov	Slovakia
2J Antennas UK Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
2J Antennas USA Corporation	2020 W Guadalupe Rd, Suite 8, Gilbert, Arizona, 85233	USA

## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 34. Related party disclosures continued

Name and nature of business	Registered address	Country of incorporation and registration
Antenova Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
burster Inc.	50207 Hayes Road, Shelby Township, MI 48315	USA
burster präzisionsmesstechnik GmbH & Co KG	Nymphenburger Str. 3, c/o McDermott Will & Emery Lawyers Tax Consultants LLP, 80335 Munich	Germany
Calculagraph Company (trading as Control Products Inc)	280 Ridgedale Avenue, East Hanover, New Jersey 07936	USA
Coil-Tran de Mexico, S.A. DE C. V. <sup>2</sup>	Calle Matamoros 124, Colonia Centro, Municipio Agualeguas, Nuevo Leon, CP 65800	Mexico
Coil-Tran LLC (trading as Hobart Electronics and Noratel US)	160 South Illinois Street, Hobart, Indiana, 46342-4512	USA
Contour Electronics Asia Limited	Room 601, 6/F Shing Yip Industrial Building, 19-21 Shing Yip Street, Kwun Teng, Kowloon	Hong Kong
Contour Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Cursor Controls Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
CustomDesignTechnologies Ltd	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Danselbud Noratel Transformator sp. z o.o.	ul. Szczecinska 11K, Dobra Szczecinska PL-72-003	Poland
Diamond Technologies Inc.	43 Broad Street, Unit C103, Hudson, MA 01749	USA
EMC Innovation Limited <sup>1</sup>	Woolim Lions Valley B-909 & 910, 283 Bupyeong-daero, Bupyeong-gu, Incheon	South Korea
Flux A/S	Industrivangen 5, 4550 Asnaes	Denmark
Flux International Limited	41/27, 23 Village No. 6, Phuncharoen Lane, Bangna-Trad K.M. 16.5 Road, Bang Chalong Sub-district, Bang Phli District, Samut Prakan Province, 10540	Thailand
Foshan Noratel Electric Co Limited <sup>1</sup>	10, Plainvim (Foshan Nanhai) International Intelligent Industrial Park, 12-1 Huasha Road, Shishan, Nanhai Foshan, Guangdong Province	China
Foss Fiberoptisk Systemsalg AS	Dansrudveien 45, N-3036 Drammen	Norway
Foss Fibre Optics s.r.o	Odborárska 52, 831 02 Bratislava	Slovakia
Hectronic AB	Åkaregatan 2, 754 54 Uppsala	Sweden
Hivolt Capacitors Limited	Maydown Industrial Estate, Derry, BT47 6UQ	Northern Ireland
Limitor GmbH	Dieselstraße 22, 73660 Urbach	Germany
Limitor Hungaria Kft	Pécs, Makay István út 13/b, 7634	Hungary
Limitor Solutions GmbH	Dieselstraße 22, 73660 Urbach	Germany
Logic PD, Inc. (trading as Beacon Embedded Works)	6201 Bury Drive, Eden Prairie, MN 55346	USA
Magnasphere Corporation	850 New Burton Road, Suite 201, Dover, DE 19904	USA
MTC Micro Tech Components GmbH	Josef-Krätz-Strasse 13, 89407 Dillingen a.d. Donau	Germany
Myrra Deutschland GmbH	Marie – Curie – Str. 4/1, D – 71083 Herrenberg	Germany
Myrra Hong Kong Limited	42/F Central Plaza, 18 Harbour Road, Wanchai	Hong Kong
Myrra Power sp. z o.o.	Ul. Warszawska 1, 05-310 Kaluszyn	Poland
Myrra SAS	2 Boulevard de La Haye, 77600 Bussy-Saint-Georges	France
Noratel AS	Elektroveien 7, 3300 Hokksund	Norway
Noratel Canada Inc	267 Matheson Boulevard East, Unit 2, Mississauga, ON L4Z 1X8	Canada
Noratel Denmark A/S	Metalvej 7F, 4000 Roskilde	Denmark



## 34. Related party disclosures continued

Name and nature of business	Registered address	Country of incorporation and registration
Noratel Finland OY	Kiertokatu 5, PB 11, 24280 Salo, Helsinki	Finland
Noratel Germany AG	Elsenthal 53, DE-94481 Grafenau, Bremen	Germany
Noratel India Power Components Pvt Limited	Nila Technopark, Trivandrum, Kerala, 695581	India
Noratel International (Private) Limited	P.O Box 15, Phase II, KEPZ, Katunayake	Sri Lanka
Noratel Power Engineering LLC	3780 Kilroy Airport Way, Suite 200, Long Beach, CA 90822	USA
Noratel Sp. z o.o.	ul. Szczecinska 1K, Dobra Szczecinska, PL-72-003	Poland
Noratel Sweden AB	Lars Lindahlsväg 2, Box 108, Laxå 69522	Sweden
Noratel UK Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
NSI bvba	Kapittelstraat 18, 3740 Bilzen	Belgium
Santon Circuit Breaker Services B.V.	Hekendorpstraat 69, 3079 DX Rotterdam	Netherlands
Santon GmbH	Oberstrasse 1, Altes Rathaus Hinsbeck, Postfach 5217, 41334 Nettetal	Germany
Santon Group B.V.	Hekendorpstraat 69, 3079 DX Rotterdam	Netherlands
Santon Holland B.V.	Hekendorpstraat 69, 3079 DX Rotterdam	Netherlands
Santon International B.V.	Hekendorpstraat 69, 3079 DX Rotterdam	Netherlands
Sens-Tech Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Shape LLC	850 New Burton Road, Suite 201, Dover DE 19904	USA
Silver Telecom Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Stortech Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Variohm-Eurosensor Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Vertec Scientific Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Zhongshan Myrra Electronic Co Limited <sup>1</sup>	39-2 Industrial Road, Xiaolan Industrial Park, Xiaolan Town, 528400, Zhongshan, Guangdong Province	China
<b>Holding Companies</b>		
Aramys SAS	2 Boulevard de la Haye, Parc Gustave Eiffel, 77600 Bussy-Saint-Georges	France
CDT 123 Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Contour Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Cursor Controls Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE Europe Holding BV	Hekendorpstraat 69, 3079 DX Rotterdam	Netherlands
discoverIE France Holdings SAS	2 Boulevard de la Haye, Parc Gustave Eiffel, 77600 Bussy-Saint-Georges	France
discoverIE General Partner GmbH	Talstraße 1 – 5, 76593 Gernsbach	Germany
discoverIE German Acquisition GmbH <sup>1</sup>	Talstraße 1 – 5, 76593 Gernsbach	Germany
discoverIE German Holdings GmbH	Nymphenburger Str. 3, c/o McDermott Will & Emery Lawyers Tax Consultants LLP, 80335 Munich	Germany
discoverIE Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales



## NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 31 MARCH 2025

### 34. Related party disclosures continued

Name and nature of business	Registered address	Country of incorporation and registration
discoverIE Nordic Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE US Holdings Inc.	850 New Burton Road, Suite 201, Dover, DE 19904	USA
EWAC Holding B.V.	Hekendorpstraat 69, 3079 DX Rotterdam	Netherlands
Sedgemoor Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
SLV Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Trafo Holding AS	Elektroveien 7, 3300 Hokksund	Norway
Varichm Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Xi-Tech Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
<b>Dormant Companies</b>		
Acal Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
ACTECH Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Advanced Crystal Technology Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Amega Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Bosunmark Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Gothic Crellon Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Heason Technology Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Radiatron Components Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Radiatron Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Sedgemoor Group Pension Trustees Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Sedgemoor Group Supplementary Pension Trustees Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Sedgemoor Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Townsend-Coates Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Coil-Mag LLC (trading as IMAG Electronics)	160 South Illinois Street, Hobart, Indiana, 46342-4512	USA
Herga Technology Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Santon Hekendorpstraat B.V.	Hekendorpstraat 69, 3079 DX Rotterdam	Netherlands
Santon Switchgear Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales

<sup>1</sup> Zhongshan Myrra Electronic Co Limited, Foshan Noratel Electric Co Limited and EMC Innovation Limited have 31 December year-ends.

<sup>2</sup> 15% of Coil-Tran de Mexico SA de CV is owned by local management.



## 34. Related party disclosures continued

### Related parties

#### Remuneration of key management personnel

The Group considers key management personnel as defined in IAS 24 'Related Party Disclosures' to be the members of the Group Management Committee as set out on page 93. Remuneration is set out below in aggregate. The charge for share-based payments of £1.8m (2024: £2.3m) relates to the Group's LTIP as detailed in note 31.

	2025 £m	2024 £m
Short-term employee benefits	4.6	4.7
Pension benefits	0.2	0.2
Share-based payments	1.8	2.3
	<b>6.6</b>	<b>7.2</b>

#### Terms and conditions of transactions with related parties

All transactions with related parties were on an arm's length basis. Outstanding balances at year-end are unsecured and settlement occurs in cash.

#### Transactions with other related parties

There were no transactions with Directors (other than the payment of salaries and fees and the provision of employee benefits as outlined in the Remuneration Report) during the year.

## 35. Exchange rates

The profit and loss accounts of overseas subsidiaries are translated into Sterling at average rates of exchange for the year and consolidated Statements of Financial Position are translated at year-end rates. The main currencies are the US Dollar, the Euro and the Norwegian Krone. Details of the exchange rates used are as follows:

	Year to 31 March 2025		Year to 31 March 2024	
	Closing rate	Average rate	Closing Rate	Average rate
US Dollar	1.2947	1.2754	1.2643	1.2566
Euro	1.1971	1.1883	1.1695	1.1585
Norwegian Krone	13.6624	13.8861	13.6814	13.3524

## 36. Event after the reporting date

There were no matters arising, between the balance sheet date and the date on which these Financial Statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10 "Events after the Reporting Period". The following important non-adjusting events should be noted:

### Dividends

A final dividend of 8.60p per share (2024: 8.25p), amounting to a dividend of £8.3m (2024: £7.9m) and bringing the total dividend for the year to 12.50p (2024: 12.0p), was declared by the Board on 3 June 2025. The Group Financial Statements do not reflect this dividend.



## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 £m	2024 £m
<b>Non-current assets</b>			
Investments	5	191.3	189.3
Deferred tax asset	6	0.8	1.4
Debtors	6	88.7	88.7
		<b>280.8</b>	279.4
<b>Current assets</b>			
Debtors <sup>1</sup>	6	4.1	5.2
Cash at bank and in hand		55.8	33.1
		<b>59.9</b>	38.3
<b>Total assets</b>		<b>340.7</b>	317.7
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	(48.5)	(31.2)
		<b>(48.5)</b>	(31.2)
<b>Total liabilities</b>		<b>(48.5)</b>	(31.2)
<b>Net assets</b>		<b>292.2</b>	286.5
<b>Capital and reserves</b>			
Called up share capital	8	4.8	4.8
Share premium account		192.0	192.0
Merger reserve		2.9	2.9
Profit and loss account		92.5	86.8
<b>Total Shareholders' funds</b>		<b>292.2</b>	286.5

The profit of the Company for the financial year ended 31 March 2025 was £15.4m (2024: £24.4m).

These Financial Statements on pages 206 to 209 were approved by the Board of Directors on 3 June 2025 and signed on its behalf by:

**Nick Jefferies**  
Group Chief Executive

**Simon Gibbins**  
Group Finance Director

<sup>1</sup> It has been identified that amounts owed by subsidiary undertakings and deferred tax assets totalling £88.7m and £1.4m, respectively, at 31 March 2024 had previously been presented within current assets in error, and should have been presented within non-current assets. There was no expectation that they would be recovered within 12 months and therefore did not meet the criteria to be classified as current assets. The comparative balance sheet has accordingly been restated to show these balances within non-current assets. There has been no impact on net assets or the result for the year as a result of this restatement.



## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Share capital £m	Share premium £m	Merger reserve £m	Profit and loss account £m	Total £m
<b>At 1 April 2023</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>71.0</b>	<b>270.7</b>
Profit for the year	–	–	–	24.4	24.4
Share-based payments	–	–	–	2.6	2.6
Dividends	–	–	–	(11.2)	(11.2)
<b>At 31 March 2024</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>86.8</b>	<b>286.5</b>
Profit for the year	–	–	–	15.4	15.4
Share-based payments	–	–	–	2.0	2.0
Dividends <sup>1</sup>	–	–	–	(11.7)	(11.7)
<b>At 31 March 2025</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>92.5</b>	<b>292.2</b>

<sup>1</sup> Refer to note 13 of the consolidated Financial Statements.

At 31 March 2025, an amount of £66.9m (2024: £63.2m) out of the total £92.5m (2024: £86.8m) in the profit and loss account is available for distribution, subject to filing these Financial Statements with Companies House. When making a distribution to Shareholders, the Directors determine profits available for distribution by reference to guidance on realised and distributable profits under the Companies Act 2006 issued by the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Scotland in April 2017. The profits of the Company have been received in the form of dividends from subsidiary companies which have been paid to the Company in cash. The availability of distributable reserves in the Company is dependent on dividends received from subsidiary companies meeting the definition of qualifying consideration within the guidance referred to above, and on the available cash resources of the Group and other accessible sources of funds. The level of distributable reserves is subject to any future restrictions or limitations at the time such distribution is made.



# NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 1. Basis of preparation

The separate Financial Statements of the Company have been prepared for all periods presented, in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and in accordance with the Companies Act 2006. These Financial Statements are prepared on the going concern basis and under the historical cost convention modified for fair values, as described in note 2 to the consolidated Financial Statements.

## 2. Summary of material accounting policies

The summary of material accounting policies for the Company is described in note 2 to the consolidated Financial Statements.

## 3. Profit of the Company

The profit of the company for the financial year was £15.4m (2024: £24.4m). Dividend income received from subsidiary undertakings amounted to £24.9m (2024: £34.4m). By virtue of section 408(3) of the Companies Act 2006, the Company is exempt from presenting a separate Statement of Profit or Loss.

## 4. Employees

The Directors also provide services to other group undertakings and received remuneration from a subsidiary group undertaking, discoverIE Management Services Limited, in respect of services to the Group. Directors' emoluments are shown in note 8 to the consolidated Financial Statements.

## 5. Investments

	Subsidiary undertakings £m
At 1 April 2023	187.0
Impairment of investment	(0.3)
Share-based payments	2.6
At 31 March 2024	189.3
Share-based payments	2.0
<b>At 31 March 2025</b>	<b>191.3</b>

Details of all direct and indirect holdings in subsidiaries are provided in note 34 of the consolidated Financial Statements.

Equity investments in subsidiary undertakings are reviewed annually for indicators of impairment of the carrying value, measured at cost less accumulated impairment losses. Where the net assets of a subsidiary fall below the carrying amount of the investment, an impairment test is performed. The impairment test compares the carrying amount to the estimated recoverable amount, calculated based on value in use of the forecast business cash flows, discounted at the Company's pre-tax discount rate.

## 6. Debtors

	2025 £m	2024 £m
<b>Amounts falling due within one year:</b>		
Corporation tax	2.0	2.8
Other debtors	2.0	2.3
Prepayments	0.1	0.1
	<b>4.1</b>	5.2

### Amounts falling due within over one year:

Amounts owed by subsidiary undertakings	<b>88.7</b>	88.7
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Amounts owed by subsidiary undertakings bore interest at a Sterling base rate plus a margin of 1.75% (2024: 1.75%). All amounts are repayable on demand. There are no material expected credit losses recognised for these receivables.

At 31 March 2025, the Company has recognised a deferred tax asset of £0.8m (2024: £1.4m) in respect of losses. Deferred tax assets are recognised to the extent that there are sufficient forecast future taxable profits against which the Company's losses can be offset. At 31 March 2025, the Company had not recognised a deferred tax asset in respect of tax losses of £2.1m (2024: £4.3m).



## 7. Creditors: amounts falling due within one year

	2025 £m	2024 £m
Bank loans and overdrafts	6.3	7.6
Amounts owed to subsidiary undertakings	40.2	21.4
Other payables	0.7	0.7
Accruals	1.3	1.5
	<b>48.5</b>	<b>31.2</b>

Amounts owed to subsidiary undertakings bore interest at a nil rate (2024: nil rate) and are repayable on demand.

## 8. Called up share capital

Allotted, called up and fully paid	2025 Number	2025 £m	2024 Number	2024 £m
Ordinary shares of 5p each	96,356,109	4.8	96,356,109	4.8

During the year to 31 March 2025, no shares were issued to the Group's Employee Benefit Trust (2024: nil).

At 31 March 2025, there were outstanding options for employees of subsidiaries to purchase up to 3,863,918 (2024: 3,374,283) ordinary shares of 5p each between 2022 and 2034 at prices ranging from £nil per share to £9.18 per share. These are subject to certain performance conditions as disclosed in note 31 of the consolidated Financial Statements. During the year to 31 March 2025, employees exercised 115,381 share options under the terms of the various schemes (2024: 275,492). The shares exercised during the year ended 31 March 2025 were settled by the Trust.

## 9. Related parties

The Company is exempt under the terms of FRS 101 from disclosing related party transactions with wholly owned entities that are part of the Group as these transactions are fully eliminated on consolidation.

## 10. Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Borrowings by subsidiary undertakings totalling £139.3m (2024: £137.4m) which are included in the Group's borrowings (note 23) have been guaranteed by the Company.

## 11. Share-based payments

For detailed disclosures of share-based payments granted to the employees of subsidiaries refer to note 31 of the consolidated Financial Statements.

## 12. Post balance sheet events

There were no matters arising, between the statement of financial position date and the date on which these financial statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10 'Events after the reporting period'. The following important non-adjusting events should be noted:

### Dividends

A final dividend of 8.60p per share (2024: 8.25p), amounting to a dividend of £8.3m (2024: £7.9m) and bringing the total dividend for the year to 12.50p (2024: 12.0p), was declared by the Board on 3 June 2025.



## FIVE YEAR RECORD

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
<b>Consolidated Statement of Profit or Loss – continuing operations<sup>1</sup></b>					
Revenue	422.9	437.0	448.9	379.2	302.8
Adjusted operating profit	60.5	57.2	51.8	41.4	30.8
Adjusted profit before tax	50.1	48.2	46.3	37.6	27.2
Profit before tax	32.0	22.2	29.1	17.1	13.5
Profit for the year from continuing operations	24.6	15.5	21.3	9.7	9.5
<b>Earnings per share – continuing operations</b>					
Adjusted earnings per share	38.7p	36.8p	35.2p	29.4p	22.4p
Diluted earnings per share	25.0p	15.8p	21.7p	10.1p	10.3p
Dividend per share	12.50p	12.0p	11.45p	10.8p	10.15p
<b>Consolidated Statement of Financial Position</b>					
Net debt	(94.3)	(104.0)	(42.7)	(30.2)	(47.2)
Non-current assets	396.9	381.0	335.9	326.5	244.6
<b>Net assets</b>	<b>308.0</b>	301.6	303.6	290.4	208.4

<sup>1</sup> The figures up to 2022 exclude the results of discontinued operations mainly related to the disposal of the Acal BFI business.



## PRINCIPAL LOCATIONS

### Group head office

Location	Company	City
United Kingdom	discoverIE Group plc	Guildford
	discoverIE Management Services	Guildford

### Operating companies

Location	Company	City
United Kingdom	2J Antennas UK	Waterlooville
	Antenova Limited	Waterlooville
	CDT	Brackley
	Contour Electronics	Hook
	Cursor Controls	Newark
	Heason Technology	Horsham
	Herga Technology	Bury St. Edmunds
	Hivolt Capacitors	Derry
	Noratel UK	Nantwich
	Positek	Cheltenham
	Sens-Tech	Egham
	Silvertel	Newport
	Stortech Electronics	Harlow
	Variohm-Eurosensor	Towcester
Vertec Scientific	Reading	
Belgium	NSI	Bilzen
Canada	Noratel Canada	Toronto
China Mainland	Antenova China	Shanghai
	Foshan Noratel Electric	Foshan City
	Zhongshan Myrra Electronic	Zhongshan
Denmark	Flux	Asnaes
	Noratel Denmark	Roskilde
Finland	Noratel Finland	Salo
France	Myrra SAS	Bussy St Georges
Germany	Burster	Gernsbach
	Limitor	Urbach
	MTC Micro Tech Components	Dillingen
	Noratel Germany	Bremen and Grafenau
Hong Kong	Variohm-Eurosensor	Heidelberg
	Contour Asia	Kowloon
Hungary	Myrra Hong Kong	Wanchai
	Limitor Hungaria	Pécs
India	Noratel India Power Components	Bangalore and Trivandrum
Mexico	Noratel	Agualeguas, Nogales
Netherlands	Santon	Rotterdam
Norway	Foss	Drammen
	Noratel Norway	Hokksund
Poland	Myrra Poland	Warsaw
	Noratel Poland	Szczecinska
Slovakia	2J Antennas	Bardejov
	Foss Fibre Optics	Bratislava
South Korea	EMC Innovation	Incheon
Sri Lanka	Noratel International	Katunayake
Sweden	Hectronic	Uppsala
	Noratel Sweden	Laxå and Växjö
Taiwan	Antenova Asia	Taipei
Thailand	Flux International	Samut Prakan
USA	2J Antennas	Gilbert, AZ
	Beacon EmbeddedWorks	Eden Prairie, MN
	Burster	Twinsberg, OH
	Control Products Inc (CPI)	East Hanover, NJ
	Diamond Technologies (DTI)	Hudson, MA
	Noratel US	Hobart, IN
	Magnasphere	Goshen, IN and Waukesha, WI
	Phoenix America	Fort Wayne, IN
Shape	Addison, IL	



## FINANCIAL CALENDAR 2025/26

<b>Annual General Meeting</b>	24 July 2025
<b>Results</b>	
Interim results for the six months to 30 September 2025	Early December 2025
Preliminary announcement for the year to 31 March 2026	Early June 2026
Annual Report 2026	Late June 2026

## CORPORATE INFORMATION

### Registered office

#### discoverIE Group plc

2 Chancellor Court  
Occam Road  
Surrey Research Park  
Guildford  
Surrey  
GU2 7AH

Telephone: 01483 544500

Incorporated in England and Wales  
with registered number: 02008246

### Auditors

Deloitte LLP

### Corporate solicitors

White & Case LLP

### Principal bankers

AIB Group (UK) plc  
Clydesdale Bank plc  
Citibank NA Inc  
Danske Bank A/S  
Fifth Third Commercial Bank  
HSBC Bank UK plc  
KBC Bank NV

### Registrar

Equiniti Limited

Highdown House  
Yeoman Way  
Worthing  
West Sussex  
BN99 3HH  
[www.shareview.co.uk](http://www.shareview.co.uk)

### Stockbroker

Peel Hunt LLP



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**discoverIE Group plc**  
2 Chancellor Court  
Occam Road, Surrey Research Park  
Oxted, Surrey  
GU2 7AH

Telephone +44 (0)1483 544500

[www.discoverIEplc.com](http://www.discoverIEplc.com)



READ OUR ARA ONLINE



Skatteetaten

Vår dato  
13.01.2021

Din/Deres dato  
18.12.2020

Saksbehandler  
Lars Waalorp

800 80 000  
Skatteetaten.no

Din/Deres referanse  
AR406209315

Telefon  
32212244

Org.nr  
974761076

Vår referanse  
2020/6305552

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

TRAF0 HOLDING AS  
Elektroveien 7  
3300 HOKKSUND

Att. Hanne Eriksson

## Fritak for konsernregnskapsplikt for Trafo Holding AS, org.nr. 996 755 193

Vi viser til deres brev av 18. desember 2020 hvor dere søker om fritak fra plikten til å utarbeide konsernregnskap for Trafo Holding AS.

Selskaper er datterselskap av et britisk selskap. Selskaper med morselskap i Storbritannia som utarbeider konsernregnskap er til og med regnskapsår som avsluttes 31. desember 2020 omfattet av unntaket i regnskapsloven § 3-7 for selskaper som hører hjemme i en EØS-stat. For senere regnskapsår må det søkes om dispensasjon med hjemmel i regnskapsloven § 3-7 fjerde ledd.

Skattekontoret finner med hjemmel i regnskapsloven § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for regnskapsår som avsluttes etter 31. desember 2020 for Trafo Holding 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

Trafo Holding AS er morselskap i et underkonsern, hvor discoverIE Nordic Holdings Ltd er det ultimate morselskapet og er hjemmehørende i Storbritannia. Konsernregnskap utarbeides av discoverIE Nordic Holdings Ltd på engelsk språk etter IFRS, hvor Trafo Holding AS med datterselskaper er omfattet.

### Skattekontorets vurdering

Det forutsettes at discoverIE Nordic Holdings Ltd 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 Waalorp  
seniorrådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



# Deloitte.

Deloitte AS  
Erik Børresens allé 2  
Postboks 2013 Strømsø  
NO-3003 Drammen  
Norway

+47 32 26 41 00  
www.deloitte.no

Til generalforsamlingen i Trafo Holding AS

## UAVHENGIG REVISORS BERETNING

### Konklusjon

Vi har revidert årsregnskapet for Trafo Holding AS som består av balanse per 31. mars 2025, resultatregnskap, kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

### Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. mars 2025 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

### Øvrig informasjon

Styret (ledelsen) er ansvarlig for informasjonen i årsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

### Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

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Organisasjonsnummer: 980 211 282

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## Deloitte.

Uavhengig revisors beretning  
Trafo Holding AS

### *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimater og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifierer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Drammen, 22. september 2025  
Deloitte AS

**Sturle Holseter**  
statsautorisert revisor  
(elektronisk signert)

Pennco Dokumentnøkkel: B3JZT-8ER02-FS/MX-4A2TD-1GYQX-L3JDS



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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Sturle Holseter

Statsautorisert revisor

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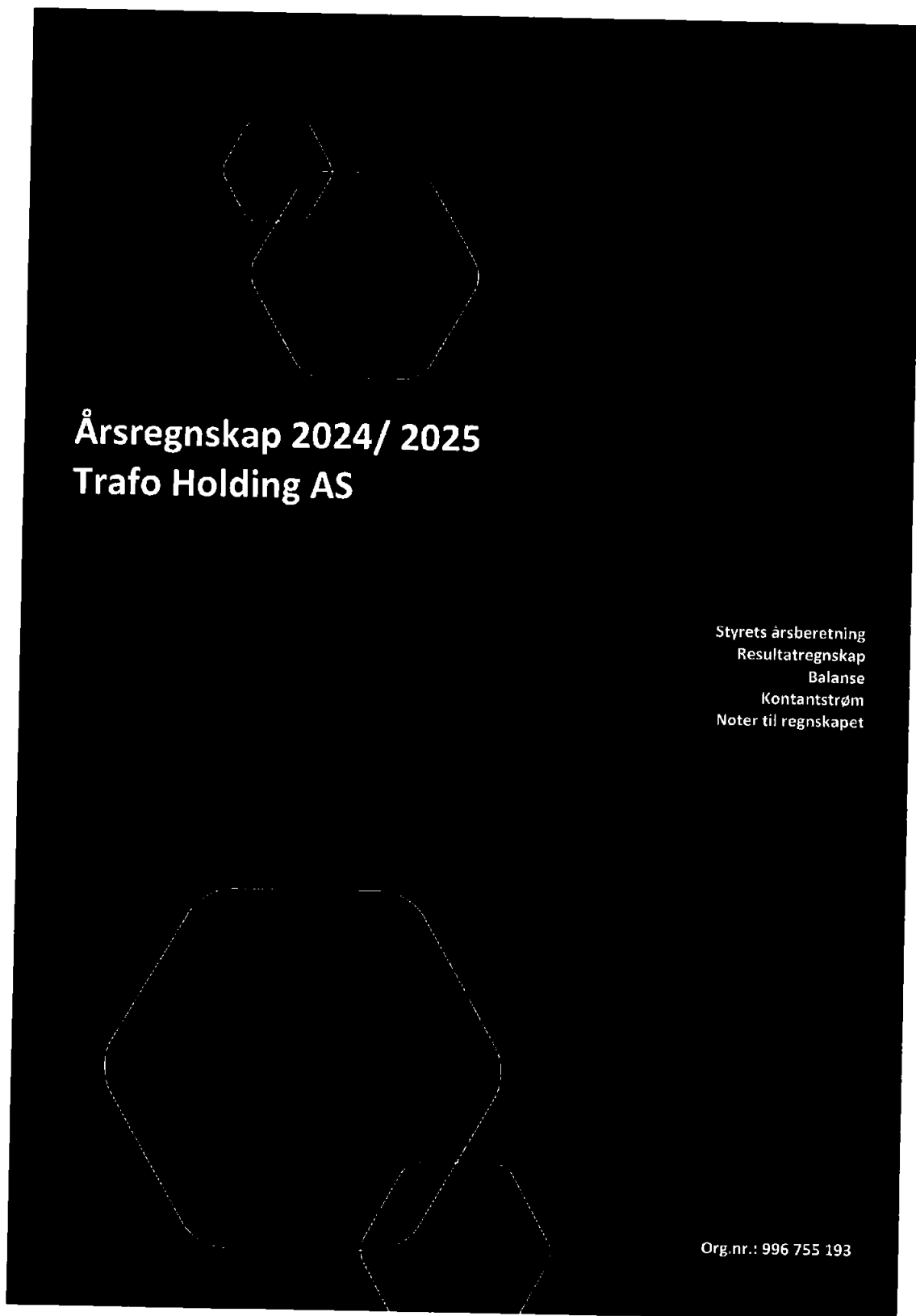
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## Årsberetning 2024/2025 for Trafo Holding AS

### Virksomhetens art og hvordan den drives:

Trafo Holding AS er morselskap for Noratel Gruppen. Noratel Gruppen er leverandør av transformatorer, DC-strømforsyninger og andre vikledede komponenter fra egen produksjon og fra samarbeidspartnere. Hovedmarkedet er i Europa, men salget foregår til kunder i hele verden. Gruppen har produksjon i Norge, Sverige, Finland, Polen, Nord Amerika, Sri Lanka, Kina og India. Selskapet er 100 % eid av DiscoverIE Nordic Holdings Ltd og inngår i DiscoverIE konsernet som er notert på London børsen. Trafo Holding AS avlegger ikke konsernregnskap, men det henvises til konsernregnskapet for DiscoverIE for mer detaljert informasjon om konsernet.

Selskapets virksomhet er lokalisert i Hokksund. Det henvises til årsberetningene for datterselskapene og morselskapet for mer detaljerte opplysninger om hvert enkelt selskap og konsernet. Regnskapsåret omfatter perioden fra 1. april 2024 til 31. mars 2025.

### FORTSATT DRIFT:

Forutsetningen om fortsatt drift er til stede, og årsregnskapet for 2024/2025 er satt opp under denne forutsetning. Selskapet vil fremover videreføre samme aktiviteter som tidligere.

### ARBEIDSMILJØ:

Trafo Holding AS har ingen ansatte. Selskapene i konsernet fører oversikt over sykefravær blant de ansatte. Det er i konsernet ikke registrert alvorlige skader i løpet av året. Konsernet har som mål å være en arbeidsplass der det er full likestilling mellom kvinner og menn. Alle ansettelsesvilkår og muligheter for øvrig er uavhengig av kjønn.

### DISKRIMINERING OG AKTSOMHETSVALDERING:

Selskapet har gjennom datterselskapene virksomhet i mange land der forskjellige nasjonaliteter, språk, religion og livssyn er representert. Selskapet søker å behandle alle likeverdig og forhindre diskriminering og sikre like muligheter for alle. Styret er ikke kjent med diskriminerende forhold i virksomheten. Det er derfor ikke gjennomført eller iverksatt særskilte tiltak for å fremme formålet i diskrimineringsloven.

Selskapet har i henhold til kravene i Åpenhetsloven utført og redegjort for aktsomhetsvurderinger. Rapporten er tilgjengelig på selskapets nettsider [www.noratel.no](http://www.noratel.no).

### FORSIKRINGSDEKNING

Det er tegnet ansvarsforsikring for styret i selskapet. Forsikringen omfatter formuestap som styret påfører selskapet.

### YTRE MILJØ:

Virksomheten i konsernet har ingen nevneverdige utslipp til luft, vann eller grunn. Virksomheten produserer ikke spesialavfall. Metallavfall fra produksjonen blir levert til gjenvinning hos avfallsforretning. Emballasjeavfall og brennbart/nedbrytbart produksjonsavfall som ikke gjenbrukes/gjenvinnes leveres på godkjent avfallsplass. Det norske selskapet i konsernet er medlem av RENAS AS og Materialretur AS.

### FORSKNINGS- OG UTVIKLINGSAKTIVITETER:

Konsernet har ikke hatt vesentlige kostnader til forsknings- og utviklingsaktiviteter i 2024/2025.

### ØKONOMISK UTVIKLING

Selskapet hadde ingen omsetning i regnskapsåret og driftsresultatet ble negativt kr. -111 907. Årsresultatet ble kr. 140 061 033. Selskapets likviditet og egenkapital er tilfredsstillende.

**FREMTIDSUTSIKTER:**

Etter styrets mening gir fremlagte resultatregnskaper for selskapet med balanse og tilhørende noter rettvise informasjon om driften og stillingen ved årsskiftet.

**FINANSIELL RISIKO:**

Selskapet har ubetydelig valutaeksponering. Selskapet har kredittrisiko på utlån til andre selskaper i konsernet. Lånene løper med flytende rente.

Selskapet har betydelig lån og er derved eksponert mot renteendringer i kapitalmarkedet. Selskapets gjeld har flytende rente. Selskapet er i hovedsak finansiert ved lån fra konsernselskaper. Kreditrammene er fullt ut tilfredsstillende for selskapets behov. Det er etablert et konsernkontosystem for å styre likviditetsstrømmene i konsernet. Selskapet har pantsatt aksjer i datterselskapet som sikkerhet ovenfor långivere.

**ÅRSRESULTAT OG DISPONERINGER**

I 2025 hadde selskapet et resultat etter skattekostnad på kr 140 061 033 som foreslås disponert slik:

Disponering	Beløp
Tilleggsutbytte	55 000 000
Til annen egenkapital	85 061 033

Hokksund, 17.09.2025  
Styret i Trafo Holding AS

Kirsty Jane Garrison  
Styreleder

Erling Christian Nesset  
Styremedlem

Gregory Dominique Malherbe  
Styremedlem

Vibeke Jacobsen Haarseth  
Styremedlem



## RESULTATREGNSKAP

### TRAFØ HOLDING AS

DRIFTSINNEKTER OG DRIFTSKOSTNADER	Note	2024/2025	2023/2024
Annen driftskostnad	1	111 907	178 200
<b>Sum driftskostnader</b>		<b>111 907</b>	<b>178 200</b>
<b>Driftsresultat</b>		<b>-111 907</b>	<b>-178 200</b>
<b>FINANSINNEKTER OG FINANSKOSTNADER</b>			
Inntekt på investering i datterselskap	2	146 000 000	228 500 000
Annen renteinntekt		1 351 922	3 928 723
Rentekostnad til foretak i samme konsern	2	7 176 537	6 424 700
Annen rentekostnad		0	655 720
Annen finanskostnad		0	432
<b>Resultat av finansposter</b>		<b>140 175 384</b>	<b>225 347 871</b>
Resultat før skattekostnad		140 063 477	225 169 671
Skattekostnad på resultat	3	2 444	36 377
<b>Resultat</b>		<b>140 061 033</b>	<b>225 133 294</b>
<b>Årsresultat</b>	4	<b>140 061 033</b>	<b>225 133 294</b>
<b>OVERFØRINGER</b>			
Tilleggsutbytte		55 000 000	290 000 000
Avsatt til annen egenkapital		85 061 033	-64 866 706
<b>Sum overføringer</b>		<b>140 061 033</b>	<b>225 133 294</b>



## BALANSE

### TRAFØ HOLDING AS

EIENDELER	Note	31. mars 2025	31. mars 2024
<b>ANLEGGSMIDLER</b>			
<b>FINANSIELLE ANLEGGSMIDLER</b>			
Investeringer i datterselskap	5	353 692 501	353 692 501
<b>Sum finansielle anleggsmidler</b>		<b>353 692 501</b>	<b>353 692 501</b>
<b>Sum anleggsmidler</b>		<b>353 692 501</b>	<b>353 692 501</b>
<b>OMLØPSMIDLER</b>			
Andre kortsiktige fordringer		6 013 338	4 696 560
Konsernfordringer	2	86 431 732	2 804 333
<b>Sum fordringer</b>		<b>92 445 070</b>	<b>7 500 893</b>
<b>Sum omløpsmidler</b>		<b>92 445 070</b>	<b>7 500 893</b>
<b>Sum eiendeler</b>		<b>446 137 571</b>	<b>361 193 394</b>

TRAFØ HOLDING AS

SIDE 5





## BALANSE


### TRAFØ HOLDING AS

EGENKAPITAL OG GJELD	Note	31. mars 2025	31. mars 2024
<b>EGENKAPITAL</b>			
<b>INNSKUTT EGENKAPITAL</b>			
Aksjekapital	6	215 545 458	215 545 458
Egne aksjer	6	-11 908	-11 908
Overkurs		53 856 983	53 856 983
<b>Sum innskutt egenkapital</b>		<b>269 390 533</b>	<b>269 390 533</b>
<b>OPPTJENT EGENKAPITAL</b>			
Annen egenkapital		86 690 394	1 629 361
<b>Sum opptjent egenkapital</b>		<b>86 690 394</b>	<b>1 629 361</b>
<b>Sum egenkapital</b>	<b>4</b>	<b>356 080 927</b>	<b>271 019 894</b>
<b>GJELD</b>			
<b>ANNEN LANGSIKTIG GJELD</b>			
Langsiktig konserngjeld	2	90 000 000	90 000 000
<b>Sum annen langsiktig gjeld</b>		<b>90 000 000</b>	<b>90 000 000</b>
<b>KORTSIKTIG GJELD</b>			
Leverandørgjeld		0	23 375
Betalbar skatt	3	2 444	36 377
Annen kortsiktig gjeld		54 200	113 748
<b>Sum kortsiktig gjeld</b>		<b>56 644</b>	<b>173 500</b>
<b>Sum gjeld</b>		<b>90 056 644</b>	<b>90 173 500</b>
<b>Sum egenkapital og gjeld</b>		<b>446 137 571</b>	<b>361 193 394</b>

Hokksund, 17.09.2025  
Styret i Trafo Holding AS

  
Kirsty Jane Garrison  
Styreleder

  
Gregory Dominique Malherbe  
Styremedlem

  
Erling Christian Nesset  
Styremedlem

  
Vibeke Jacobsen Haarseth  
Styremedlem



## KONTANTSTRØMOPPSTILLING

### TRAFØ HOLDING AS

	Note	2024/2025	2023/2024
<b>KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER</b>			
Resultat før skattekostnad		140 063 477	225 169 671
Periodens betalte skatt		36 377	1 104 057
Endring i leverandørgjeld		-23 375	17 125
Endring i andre tidsavgrensningsposter		-85 003 725	67 326 604
<b>Netto kontantstrøm fra operasjonelle aktiviteter</b>		<b>55 000 000</b>	<b>291 409 343</b>
<b>KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER</b>			
Utbetalinger ved nedbetaling av langsiktig gjeld		0	1 409 343
Utbetalinger av utbytte		55 000 000	290 000 000
<b>Netto kontantstrøm fra finansieringsaktiviteter</b>		<b>-55 000 000</b>	<b>-291 409 343</b>
Netto endring i kontanter og kontantekvivalenter		0	0
Beh. av kont. og kontantekvivalenter ved per. begynnel		0	0
Beh. av kont. og kontantekvivalenter ved per. slutt		0	0



## Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

### BRUK AV ESTIMATER

I utarbeidelse av årsregnskapet har man brukt estimater og forutsetninger som har påvirket resultatregnskapet og verdsettelsen av eiendeler og gjeld, samt usikre eiendeler og forpliktelser på balansedagen i henhold til god regnskapsskikk. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

### SKATT

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli utnyttet.

### KLASSIFISERING OG VURDERING AV OMLØPSMIDLER

Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på transaksjonstidspunktet.

### DATTERSELSKAP OG TILKNYTTET SELSKAP

Datterselskap og tilknyttede selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan forventes å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbytte / konsernbidraget andelen av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.

### FORDRINGER

Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene. For øvrige kundefordringer utføres en uspesifisert avsetning for å dekke forventet tap på krav.

### KONTANTSTRØMOPPSTILLING

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.



## Note 1 Lønnskostnader

Trafo Holding AS har ikke hatt lønns- eller personalkostnader i 2024/2025 og det foreligger heller ingen slike forpliktelser. Foretaket er således ikke pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon.

Godtgjørelse til revisor er fordelt på følgende:

	2024/2025
Lovpålagt revisjon	23 910
Andre tjenester	33 000

## Note 2 Nærstående parter

Mellomværende med selskap i samme konsern	31.03.2025	31.03.2024
<b>Fordringer</b>		
Konsernfordringer	86 431 732	2 804 333
Sum	86 431 732	2 804 333
<b>Gjeld</b>		
Langsiktig lån fra DiscoverIE	-90 000 000	-90 000 000
Sum	-90 000 000	-90 000 000

Lånet fra DiscoverIE er belastet med kr. 7 176 537 i renter for regnskapsåret 2024/2025, for regnskapsåret 2023/2024 ble det belastet kr. 6 424 700.

Det er inntektsført konsernbidrag og utbytte fra datterselskap med kr 146 000 000 for regnskapsåret 2024/2025 og kr 228 500 000 i for regnskapsåret 2023/2024.

I løpet av regnskapsåret er selskapets bankinnskudd knyttet til konsernkontoordningen omklassifisert. Ved positiv saldo er beløpet omklassifisert til konsernfordringer, og ved negativ saldo til konserngjeld. Sammenligningstall for foregående år er tilsvarende omarbeidet. Denne omarbeidingen har for fjorårstallene medført en reduksjon i bankinnskudd og en økning i konsernfordringer med kr 2 804 333.

Endringen har også påvirket kontantstrømoppstillingen for perioden 2023/2024. Inngående bankbeholdning er redusert med kr 70 934 787, utgående bankbeholdning med kr 2 804 333, mens endringen i andre tidsavgrensningsposter er økt med kr 67 326 604.

## Konsernregnskap

Selskapet er morselskap i konsern. Selskapet er datterselskap av Discoverie Nordic Holdings Ltd, England (UK). Selskapet utarbeider ikke eget konsernregnskap da konsernet konsolideres inn i DiscoverIE. Konsernregnskapet er tilgjengelig på morselskapets web-sider. Selskapet er gitt fritak for utarbeidelse av konsernregnskap.



## Note 3 Skatt

	2024/2025	2023/2024
<b>Årets skattekostnad</b>		
Resultatført skatt på ordinært resultat:		
Betalbar skatt	2 444	36 377
Endring i utsatt skattefordel	0	0
<b>Skattekostnad ordinært resultat</b>	<b>2 444</b>	<b>36 377</b>
Skattepliktig inntekt:		
Ordinært resultat før skatt	140 063 477	225 169 671
Permanente forskjeller	-140 052 368	-225 004 323
<b>Skattepliktig inntekt</b>	<b>11 109</b>	<b>165 348</b>
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	-1 317 556	-733 623
Betalbar skatt på mottatt konsernbidrag	1 320 000	770 000
<b>Sum betalbar skatt i balansen</b>	<b>2 444</b>	<b>36 377</b>
Beregning av effektiv skattesats		
Resultat før skatt	140 063 477	225 169 671
Beregnet skatt av resultat før skatt	30 813 965	49 537 328
Skatteeffekt av permanente forskjeller	-30 811 521	-49 500 951
<b>Sum</b>	<b>2 444</b>	<b>36 377</b>

Skatteeffekten av midlertidige forskjeller som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller

	31. mars 2025	31. mars 2024	Endring
Utsatt skatt (22 %)	0	0	0

## Note 4 Egenkapital

	Aksjekapital	Overkurs	Egne aksjer	Annen egenkapital	Sum egenkapital
Pr 01.04.2024	215 545 458	53 856 983	-11 908	1 629 361	271 019 894
Årets resultat	0	0	0	140 061 033	140 061 033
Tilleggsutbytte	0	0	0	-55 000 000	-55 000 000
Pr 31.03.2025	215 545 458	53 856 983	-11 908	86 690 394	356 080 927



## Note 5 Datterselskap, TS og FKV

	Kontor- kommune	Eier- andel	Anskaffelses kost	Balanseført verdi	Egenkapital	Resultat
Noratel AS	HOKKSUND	100,0 %	353 692 501	353 692 501	125 362 813	117 367 971
<b>Sum</b>			<b>353 692 501</b>	<b>353 692 501</b>	<b>125 362 813</b>	<b>117 367 971</b>

Aksjer i datterselskap er stilt som sikkerhet for konsernets gjeld.

## Note 6 Aksjonærer

Aksjekapitalen i Trafo Holding AS pr 31.03 består av:

	Antall	Pålydende	Bokført
Ordinære aksjer	215 545 458	1,00	215 545 458
<b>Sum</b>		<b>215 545 458</b>	<b>215 545 458</b>

### Eierstruktur:

De største aksjonærene i % pr. 31.03 var:

	Ordinære	Eierandel	Stemmeandel
DISCOVERIE NORDIC HOLDINGS LTD.	215 533 550	100,0	100,0
<b>Sum &gt;1% eierandel</b>	<b>215 533 550</b>	<b>100,0</b>	<b>100,0</b>
Sum øvrige (Egne aksjer)	11 908	0	0
<b>Totalt antall aksjer</b>	<b>215 545 458</b>	<b>100,0</b>	<b>100,0</b>



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