20250826605123

Årsredovisning
Element Metech AB

Org.nr 556080-0210

Räkenskapsår 2024-01-01 - 2024-12-31

Fastställelseintyg

Undertecknad styrelseledamot intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 12/6-25
Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Linköping 12/6-25

Leif Aström

Docusign Envelope ID: 3C516BD3-AA75-444D-AB66-608B548D987F

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Årsredovisning

för räkenskapsåret 2024-01-01 - 2024-12-31

Styrelsen och verkställande direktören för Element Metech AB avger härmed följande årsredovisning.

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Styrelsens säte: Linköping
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i tusentals kronor (tkr).

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Förvaltningsberättelse

Information om verksamheten

Bolagets verksamhet består av försäljning av servicelösningar inom mätteknik.
Bolaget tillhandahåller tjänster inom följande områden:
- hantering och underhåll av mätinstrument omfattande kalibrerings- och reparationstjänster samt registerhållning
- Uthyrning och försäljning av mätinstrument
- Konsultationer och tekniska tjänster inom mätteknik

Företaget bedriver verksamheten från laboratorier på sju platser i Sverige samt via mobila lösningar hos kund.
Operativa dotterbolag finns i Danmark, Finland, Tyskland och Tjeckien.

Väsentliga händelser under räkenskapsåret

Under räkenskapsåret har Element Metech säkrat nytt sjuårsavtal med en av bolagets strategiska nyckelkunder. Avtalet medför en fortsatt stabil framtida utveckling av verksamheten. För att säkerställa vår leveransförmåga, enligt kraven i avtalet, har bolaget investerat i ny lösning för mobilt kalibreringslaboratorium. Bolaget har nu två mobila enheter, vilket innebär både förbättrad flexibilitet och utökad kapabilitet att möta våra kunders behov.

Under räkenskapsåret har dotterbolaget Element Metech Measurement Tecknology Services (Tianjin) Co., Ltd likviderats och påverkan på årets resultat uppstått genom nedskrivning av aktier i koncernföretag.

Förväntad framtida utveckling samt risker och osäkerhetsfaktorer

Huvuddelen av bolagets omsättning är säkrad genom fleråriga kundavtal. Detta medför en stabil framtida utveckling där bolaget kan fokusera på att utveckla processer och tjänster för att öka effektivitet och lönsamhet. Det föreligger dock alltid en kommersiell risk när dessa kundavtal skall förnyas. Med en stor exponering mot både försvarsindustri och Försvarets materielverk ser vi stor potential kommande år.

Miljöpåverkan

Bolagets miljöpolicy omfattar verksamheten för kalibrering och mättjänster. Miljöpolicyn är grunden för allt miljöarbete och alla medarbetare har ett gemensamt ansvar att förverkliga den.
Bolaget arbetar med en ständig förbättring av miljöarbetet i syfte att bidra till en hållbar och långsiktig utveckling av samhället samt förebygga föroreningar från verksamheten till den omgivande miljön.
Detta skall Element Metech AB uppnå genom att:
- sprida kunskap om miljön och föreslå mindre miljöbelastande ämnen och processer till våra kunder i samband med rådgivning och utbildning
- använda resurser på ett sätt som inte medför onödig förbrukning
- dokumentera och öppet redovisa miljöarbetet för myndigheter, allmänhet, kunder, leverantörer och anställda
- följa lagar och andra krav som företaget omfattas av
- informera och utbilda vår personal för att göra alla anställda motiverade och medvetna om sitt miljöansvar
- minimera miljöpåverkan i samband med provning och analys genom att ersätta miljöbelastande processer och kemikalier där så möjligt av tekniska och ekonomiska skäl

Ägarförhållanden

Element Metech AB är ett helägt dotterbolag till Element Materials Technology Sweden Holdings AB, 556761-0208, med säte i Linköping.

Flerårsöversikt	**2024**	**2023**	**2022**	**2021**
Nettoomsättning (tkr)	270 603	244 231	217 321	198 604
Resultat efter finansiella poster (tkr)	21 270	11 921	-5 515	13 316
Balansomslutning (tkr)	182 844	191 544	163 811	136 405
Soliditet (%) (1)	59,1%	47,4%	51,5%	55,1%
Medelantal anställda	175	177	169	169

(1) Soliditet - Justerat eget kapital*/ Balansomslutning
*) Eget kapital inklusive 79,4% av obeskattade reserver

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Förändring av eget kapital

	Aktie-kapital	Uppskriv-ningsfond	Reservfond	Balanserat resultat	Årets resultat	Totalt
Ingående balans 2023-01-01	6 000	0	1 200	76 632	-5 581	**78 251**
Omföring resultat föregående år	0	0	0	-5 581	5 581	**0**
Uppskjuten skatt särskild löneskatt	0	0	0	-4 138	0	**-4 138**
Årets resultat	0	0	0		10 779	**10 779**
Utgående balans 2023-12-31	**6 000**	**0**	**1 200**	**66 913**	**10 779**	**84 893**
Ingående balans 2023-01-01	6 000	0	1 200	66 913	10 779	84 893
Omföring resultat föregående år	0	0	0	10 779	-10 779	**0**
Uppskjuten skatt särskild löneskatt	0	0	0	1 726	0	**1 726**
Årets resultat	0	0	0		13 974	**13 974**
Utgående balans 2024-12-31	**6 000**	**0**	**1 200**	**79 418**	**13 974**	**100 594**

Förslag till resultatdisposition (kronor)

Styrelsen föreslår att till förfogande stående medel	
Balanserat resultat	79 419 431
Årets resultat	13 974 413
Summa	**93 393 844**

Styrelsen föreslår att vinsten disponeras på följande sätt:	
i ny räkning överföres	93 393 844
Summa	**93 393 844**

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Resultaträkning

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Rörelsens intäkter			
Nettoomsättning	1	270 603	244 231
Övriga rörelseintäkter		845	589
		271 448	**244 820**
Rörelsens kostnader			
Råvaror och förnödenheter		-53 504	-44 293
Övriga externa kostnader	2,3	-42 331	-37 062
Personalkostnader	4	-144 581	-140 524
Av- och nedskrivningar (samt återföring därav) av materiella och immateriella anläggningstillgångar		-4 031	-7 256
Rörelseresultat		**27 001**	**15 684**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		-5 677	0
Ränteintäkter och liknande resultatposter	7	1 775	213
Räntekostnader och liknande resultatposter	8	-1 830	-4 146
		-5 732	**-3 763**
Resultat efter finansiella poster		**21 270**	**11 921**
Bokslutsdispositioner	9	-2 132	308
Resultat före skatt		**19 138**	**12 229**
Skatt på årets resultat	10	-5 163	-1 450
Årets resultat		**13 974**	**10 779**

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Balansräkning

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för forsknings- och utvecklingsarbeten och liknande	11	0	0
Goodwill	12	0	0
		0	**0**
Materiella anläggningstillgångar			
Maskiner och andra tekniska anläggningar	13	22 553	17 199
Ombyggnad annans fastighet		83	0
Pågående nyanläggningar		2 267	325
		24 903	**17 524**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	15	22 645	28 322
Fordringar hos koncernföretag	16	24 878	26 124
		47 523	**54 446**
Summa anläggningstillgångar		**72 426**	**71 970**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		55 554	65 671
Fordringar hos koncernföretag		24 993	34 031
Aktuell skattefordran		0	1 350
Övriga fordringar		0	17
Förutbetalda kostnader och upplupna intäkter	17	13 040	14 632
		93 587	**115 702**
Kassa och bank	18	16 831	3 872
Summa omsättningstillgångar		**110 418**	**119 574**
SUMMA TILLGÅNGAR		**182 844**	**191 544**

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Balansräkning

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	19	6 000	6 000
Reservfond		1 200	1 200
		7 200	**7 200**
Fritt eget kapital			
Balanserat resultat		79 419	66 914
Årets resultat	20	13 974	10 779
		93 394	**77 693**
Summa eget kapital		**100 594**	**84 894**
Obeskattade reserver	21	**9 495**	**7 364**
Avsättningar			
Avsättningar för pensioner och liknande förpliktelser	22	23 310	25 012
		23 310	**25 012**
Långfristiga skulder			
Skulder till koncernföretag	23	7 456	21 800
		7 456	**21 800**
Kortfristiga skulder			
Leverantörsskulder		8 980	9 435
Skulder till koncernföretag		1 233	16 898
Aktuella skatteskulder		4 783	0
Övriga skulder		9 709	10 057
Upplupna kostnader och förutbetalda intäkter	24	17 283	16 085
		41 988	**52 474**
SUMMA EGET KAPITAL OCH SKULDER		**182 844**	**191 544**

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Kassaflödesanalys

		2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Den löpande verksamheten			
Resultat efter finansiella poster		21 270	11 921
Justeringar för poster som inte ingår i kassaflödet m.m.	25	8 881	11 838
		30 150	**23 759**
Betald inkomstskatt		-11 582	-6 932
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**18 569**	**16 827**
Förändringar i rörelsekapital			
Förändring av rörelsefordringar		23 841	-19 342
Förändring av rörelseskulder		-4 067	18 889
Kassaflöde från den löpande verksamheten		**38 342**	**16 375**
Investeringsverksamheten			
Förvärv av materiella anläggningstillgångar		-12 286	-4 016
Förändring långfristiga fordringar		1 246	-13 958
Kassaflöde från investeringsverksamheten		**-11 039**	**-17 974**
Finansieringsverksamheten			
Långfristiga koncernlån		-14 344	724
Kassaflöde från finansieringsverksamheten		**-14 344**	**724**
Årets kassaflöde		**12 959**	**-875**
Likvida medel vid årets början		**3 872**	**4 748**
Likvida medel vid årets slut	19	**16 831**	**3 872**

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Tilläggsupplysningar

Redovisningsprinciper m.m.

Allmänna redovisningsprinciper
Årsredovisningen har upprättats enligt årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3):

Koncerntillhörighet
Moderföretaget i den största koncernen som Element Metech AB är dotterföretag till och där koncernredovisning är upprättad är EM Topco Limited med säte i Storbritannien.
Arsredovisning för moderföretaget kan erhållas på begäran från Element Group Finance.

Koncernredovisning
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §.

Intäktsredovisning
Intäkter redovisas när inkomsten kan beräknas på ett tillförlitligt sätt och när huvudsakligen alla risker och rättigheter som är förknippade med ägandet övergått till köparen, vilket normalt inträffar i samband med leverans.

Redovisning av leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden. Se vidare not 4.

Skatt
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.
Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp.
Uppskjuten skatt beräknas utifrån beslutad skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Ersättning till anställda efter avslutad anställning
I företaget finns såväl avgiftsbestämda som förmånsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser att betala något ytterligare, utöver dessa avgifter. Övriga planer klassificeras som förmånsbestämda och beräknas enligt Tryggandelagen och redovisas i enlighet med förenklingsreglerna i BFNAR 2012:1 (K3).

Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Företaget har förmånsbestämda pensionsplaner som finansieras i egen regi. Uppgift om pensionsskuldens storlek erhålls från ett oberoende företag (tex. PRI Pensionsgaranti) och redovisas enligt den erhållna uppgiften.

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Anläggningstillgångar
Materiella och immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och eventuella nedskrivningar.
Materiella anläggningstillgångar har delats upp på betydande komponenter när komponenterna har väsentligt olika nyttjandeperioder.
Avskrivningsbart belopp utgörs av anskaffningsvärdet minskat med ett beräknat restvärde om detta är väsentligt. Avskrivning sker linjärt över den förväntade nyttjandeperioden.

Följande avskrivningstider tillämpas:

Immateriella anläggningstillgångar	
Balanserade utgifter för forsknings- och utvecklingsarbeten och liknande arbeten	5 år
Goodwill	5 år
Materiella anläggningstillgångar	
Maskiner och andra tekniska anläggningar	3-15 år
Inventarier, verktyg och installationer	3-10 år

Internt upparbetade immateriella anläggningstillgångar
Företaget tillämpar den s.k. "kostnadsföringsmodellen" avseende internt upparbetade immateriella anläggningstillgångar.

Varulager
Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärdet avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att eventuell inkurans i varulagret har beaktats.

Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Övriga redovisningsprinciper
Utöver obligatoriska upplysningar om tillämpade redovisnings- och värderingsprinciper ska upplysning lämnas om vilka redovisningsprinciper som valts och som är relevanta för förståelsen av årsredovisningen. Exempel på sådana principer kan vara redovisningen av aktierelaterade ersättningar eller ersättning till anställda efter avslutad anställning.

Fordringar, skulder och avsättningar
Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

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Noter

Not 1 Nettoomsättningens fördelning

Nettoomsättningen fördelar sig på verksamhetsgrenar enligt följande:	**2024**	**2023**
Service	233 841	214 888
Konsulting	8 931	8 057
Utrustning	7 967	4 391
Övrigt	19 865	16 895
	270 604	**244 231**

Nettoomsättningen fördelar sig på geografiska marknader enligt följande:	**2024**	**2023**
Sverige	263 889	239 204
Europa	6 715	4 914
Övriga marknader	0	113
	270 604	**244 231**

Not 2 Inköp och försäljning mellan koncernföretag

Andel av årets totala inköp som skett från andra företag inom koncernen	2,0%	1,0%
Andel av årets totala försäljning som skett till andra företag inom koncernen	6,0%	6,0%

Not 3 Arvode till revisorer

Arvode till Ernst & Young avseende revision har bokats med 159 000 SEK för 2024.

Not 4 Operationella leasingavtal	**2024**	**2023**
Kostnadsförda leasingavgifter avseende operationella leasingavtal	6 424	9 899
Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal:		
Ska betalas inom 1 år	5 898	5 737
Ska betalas inom 2-5 år	12 909	8 915
Ska betalas senare än 5 år	0	0

Not 5 Anställda och personalkostnader	**2024**	**2023**
Medelantalet anställda		
Män	132	133
Kvinnor	43	44
Totalt	**175**	**177**

Löner och andra ersättningar		
Styrelse och verkställande direktör	4 052	3 510
Övriga anställda	92 886	91 558
	96 938	**95 068**

Tantiem till styrelse och verkställande direktör ingår med	0	0

Pensions- och övriga sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	545	625
Pensionskostnader för övriga anställda	9 426	8 879
Övriga sociala kostnader enligt lag och avtal	32 877	32 510
	42 848	**42 015**

Könsfördelning bland ledande befattningshavare per balansdagen	**2024**	**2023**
Kvinnor:		
Styrelseledarmöter	0%	0%
Andra personer i företagets ledning	14%	14%
Män:		
Styrelseledarmöter	100%	100%
Andra personer i företagets ledning	86%	86%

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Not 7 Ränteintäkter och liknande resultatposter	**2024**	**2023**
Ränteintäkter från koncernföretag	1 342	213
Övriga ränteintäkter	433	170
	1 775	**383**

Not 8 Räntekostnader och liknande resultatposter	**2024**	**2023**
Räntekostnader till koncernföretag	-597	-756
Övriga räntekostnader	-715	-522
Kursdifferenser	101	-986
Räntedel i årets pensionskostnader	-618	-1 883
	-1 830	**-4 147**

Not 9 Bokslutsdispositioner	**2024**	**2023**
Skillnad mellan bokförd avskrivning och avskrivning enligt plan	-2 132	308
	-2 132	**308**

Not 10 Skatt på årets resultat	**2024**	**2023**
Aktuell skatt	5 163	1 450
Summa redovisad skatt	**5 163**	**1 450**
Genomsnittlig effektiv skattesats	**27,0%**	**11,9%**
Avstämning av effektiv skattesats		
Redovisat resultat före skatt	**19 138**	**12 229**
Skatt på redovisat resultat enligt gällande skattesats 20,6%	3 942	2 519
Skatteeffekt av:		
Övriga ej avdragsgilla kostnader	51	-3 969
Nedskrivning aktier i koncernbolag	1 169	0
Redovisad skatt	**5 163**	**1 450**
Effektiv skattesats	27,0%	11,9%

Not 11 Balanserade utgifter för forsknings- och utvecklingsarbeten och liknande arbeten	**2024**	**2023**
Ingående anskaffningsvärden	3 929	3 929
Årets anskaffningar		
Omklassificeringar	262	0
Utgående ackumulerade anskffningsvärden	**4 191**	**3 929**
Ingående avskrivningar	-3 929	-3 667
Årets avskrivningar	-262	-262
Utgående ackumulerade avskrivningar	**-4 191**	**-3 929**
Utgående redovisat värde	**0**	**-262**

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Not 12 Goodwill	**2024**	**2023**
Ingående anskaffningsvärden	10 095	10 095
Årets anskaffningar	0	0
Utgående ackumulerade anskffningsvärden	**10 095**	**10 095**
Ingående avskrivningar	-10 095	-10 095
Årets avskrivningar	0	0
Utgående ackumulerade avskrivningar	**-10 095**	**-10 095**
Utgående redovisat värde	**0**	**0**

Not 13 Maskiner och andra tekniska anläggningar	**2024**	**2023**
Ingående anskaffningsvärden	58 651	54 635
Årets anskaffningar	12 286	4 016
Utgående ackumulerade anskffningsvärden	**70 937**	**58 651**
Ingående avskrivningar	-41 127	-36 820
Omklassificeringar	-89	0
Årets avskrivningar	-4 901	-4 307
Utgående ackumulerade avskrivningar	**-46 117**	**-41 127**
Utgående redovisat värde	**24 820**	**17 524**

Not 14 Inventarier, verktyg och installationer	**2024**	**2023**
Ingående anskaffningsvärden	255	255
Årets anskaffningar	0	0
Utgående ackumulerade anskaffningsvärden	**255**	**255**
Ingående avskrivningar	-255	-255
Årets avskrivningar		
Utgående ackumulerade avskrivningar	**-255**	**-255**
Utgående redovisat värde	**0**	**0**

20250617142287

Not 15 Andelar i koncernföretag	**2024**	**2023**
Ingående anskaffningsvärden	28 322	28 322
Nedskrivningar	-5 677	0
Utgående ackumulerade anskaffningsvärden	**22 645**	**28 322**

Särskild upplysning: Under året har dotterbolaget Element Metech Measurement Tecknology Services (Tianjin) Co., Ltd likviderats vilket genererat nedksrivningar av andelar i koncernföretag.

Namn	**Kapital-andel**	**Rösträtts-andel**	**Antal andelar**	**Bokfört värde**
Element Metech A/S	100%	100%	5 000	6 073
Element Metech OY	100%	100%	1 200	1 859
Element Metech GmbH	100%	100%	-	4 384
Element Metech AS	100%	100%	-	75
Element Metech s.r.o	100%	100%	20	10 254
				22 645

Namn	**Org.nr.**	**Säte**	**Eget kapital***	**Årets resultat***
Element Metech A/S	A/S 252.561	Karup, DK	117 973 DKK	14 626 DKK
Element Metech OY	570.990	Nummela, FI	7 027 EUR	863 EUR
Element Metech GmbH	HRB 5173	Hamburg, DE	1 119 EUR	388 EUR
Element Metech AS	813143682	Raufoss, NO	-1 864 NOK	-116 NOK
Element Metech s.r.o	24 218 917	Prag, CZ	10 453 CZK	25 253 CZK

*Eget kapital samt Årets resultat anges i tusental i respektive valuta. Ägarandel i samtliga bolag är 100%.
I Eget kapital ingår 79,4 % av obeskattade reserver
Med Årets resultat avses resultat efter finansiella poster

Not 16 Fordringar hos koncernföretag	**2024**	**2023**
Ingående anskaffningsvärden	26 124	12 166
Tillkommande fordringar	-1 246	13 958
Utgående ackumulerade anskaffningsvärden	**24 878**	**26 124**

Not 17 Förutbetalda kostnader och upplupna intäkter	**2024**	**2023**
Upplupna intäkter	5 123	5 679
Förutbetalda hyreskostnader	1 512	1 023
Förutbetalda försäkringspremier	201	279
Övriga förutbetalda kostnader	6 204	7 652
	13 040	**14 632**

Not 18 Kassa och bank	**2024**	**2023**
Kassamedel	16 831	3 872
	16 831	**3 872**

Not 19 Antal aktier och kvotvärde	**2024** Kvotvärde	**2023** Kvotvärde	**2024** Kvotvärde	**2023** Kvotvärde
Antal aktier	100	100	60 000	60 000
Summa	**100**	**100**	**60 000**	**60 000**

Not 20 Förslag till vinstdisposition

Till bolagsstämmans fördogande står följande vinstmedel (SEK)

Balanserade vinstmedel	79 419 431
Årets resultat	13 974 413
Summa	**93 393 844**

Styrelsen föreslår att vinsten disponeras på följande sätt:

i ny räkning överföres	93 393 844
	93 393 844

20250617142288

Not 21 Obeskattade reserver	**2024**	**2023**
Ackumulerade överavskrivningar	9 495	7 364
	9 495	**7 364**

Not 22 Avsättningar	**2024**	**2023**
Pensioner och liknande förpliktelser		
Belopp vid årets ingång	25 012	17 746
Årets avsättningar	-4 275	-3 236
Under året ianspråktagna belopp	2 573	9 282
Under året återförda belopp	0	1 219
	23 310	**25 012**
Härav tryggat enligt Tryggandelagen	**23 310**	**25 012**

Not 23 Långfristiga skulder	**2024**	**2023**
Förfaller senare än 1 år efter balansdagen		
Skulder till koncernföretag	7 456	21 800
	7 456	**21 800**
Del av långfristig skuld som förfaller senare än 5 år		
Del av skulder till koncernföretag	**7 456**	**21800**

Not 24 Upplupna kostnader och förutbetalda intäkter	**2024**	**2023**
Upplupna semesterlöner	5 874	7 378
Upplupna sociala avgifter	2 516	2 277
Övriga lönerelaterade poster	3 110	559
Övriga upplupna kostnader	5 783	5 871
	17 283	**16 085**

Not 25 Justeringar för poster som inte ingår i kassaflödet	**2024**	**2023**
Avskrivningar	4 905	5 653
Förändring pensionsavsättning	-1 702	18 073
Nedskrivning av aktier i koncernföretag	5 677	0
	8 881	**23 726**

Not 26 Ställda säkerheter och eventualförpliktelser	**2024**	**2023**
Ställda säkerheter	Inga	Inga
Eventualförpliktelser		
Ansvarighet till Försäkringsbolaget PRI Pensionsgaranti, ömsesidigt, 2% av pensionsskulden	1 730	1 608
Bolaget har ett åtagande att återställa underskott i eget kapital i Element Metech AS	1 926	1 893

Element Metech AB
556080-0210

20250617142289

Linköping den

Matt Hopkinson
Matthew Hopkinson
Styrelseordförande

Björn Kullman
Björn Kullman
Verkställande direktör

Leif Åström
Styrelseledamot

Thomas Bomgren
Thomas Bomgren
Arbetstagarrepresentant

Vår revisionsberättelse har lämnats den
Ernst & Young AB

Clas Tegidius
Clas Tegidius
Auktoriserad revisor

Certificate Of Completion

Envelope Id: 3C516BD3-AA75-444D-AB66-608B548D987F
Status: Completed
Subject: Complete with Docusign: Element Metech AB.pdf, Annual report 2024
Source Envelope:
Document Pages: 16
Signatures: 6
Certificate Pages: 5
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC) Dublin, Edinburgh, Lisbon, London

Envelope Originator:
Debbie Esslemont
3rd Floor, Davidson Building
5 Southampton Street
London, London WC2E 7HA
Debbie.Esslemont@element.com
IP Address: 64.47.205.129

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Status: Original
05-Jun-2025 | 17:14

Holder: Debbie Esslemont
Debbie.Esslemont@element.com

Location: DocuSign

Signer Events

Bjorn Kullman
bjorn.kullman@element.com
Security Level: Email, Account Authentication (None)

Signature

Bjorn Kullman

Signature Adoption: Pre-selected Style
Using IP Address: 172.226.49.41
Signed using mobile

Timestamp

Sent: 05-Jun-2025 | 17:48
Viewed: 05-Jun-2025 | 18:00
Signed: 05-Jun-2025 | 18:01

Electronic Record and Signature Disclosure:
Accepted: 05-Jun-2025 | 18:00
ID: 81c77ff5-e769-4fcb-9c5f-2e9fddfac0d3

Leif Astrom
leif.astrom@element.com
Security Level: Email, Account Authentication (None)

Signature Adoption: Uploaded Signature Image
Using IP Address: 213.112.186.125

Sent: 05-Jun-2025 | 18:01
Viewed: 06-Jun-2025 | 11:02
Signed: 06-Jun-2025 | 11:04

Electronic Record and Signature Disclosure:
Accepted: 06-Jun-2025 | 11:02
ID: c5a134cd-5820-487c-b295-62a4bad36898

Thomas Bomgren
thomas.bomgren@element.com
Security Level: Email, Account Authentication (None)

Thomas Bomgren

Signature Adoption: Pre-selected Style
Using IP Address: 147.161.189.97

Sent: 06-Jun-2025 | 11:04
Viewed: 09-Jun-2025 | 10:00
Signed: 09-Jun-2025 | 10:14

Electronic Record and Signature Disclosure:
Accepted: 09-Jun-2025 | 10:00
ID: ff56e95c-b4c5-4267-ada6-79c86ac72b51

Matt Hopkinson
matt.hopkinson@element.com
Executive Vice President, Energy
Security Level: Email, Account Authentication (None)

Matt Hopkinson

Signature Adoption: Pre-selected Style
Using IP Address: 64.47.205.129

Sent: 09-Jun-2025 | 10:14
Viewed: 09-Jun-2025 | 10:17
Signed: 09-Jun-2025 | 10:17

Electronic Record and Signature Disclosure:
Accepted: 09-Jun-2025 | 10:17
ID: 3599b453-5b44-420a-92e6-a414559cc179

Signer Events	Signature	Timestamp
Clas Tegidius clas.tegidius@se.ey.com Security Level: Email, Account Authentication (None)	 Signature Adoption: Pre-selected Style Using IP Address: 213.115.0.109	Sent: 09-Jun-2025 | 10:17 Viewed: 10-Jun-2025 | 15:37 Signed: 10-Jun-2025 | 15:37

Electronic Record and Signature Disclosure:
Accepted: 10-Jun-2025 | 15:37
ID: ab8a0e54-109c-4708-b47e-228e1f999dba

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Rebecka Bank rebecka.bank@element.com Security Level: Email, Account Authentication (None)	COPIED	Sent: 10-Jun-2025 | 15:37 Viewed: 11-Jun-2025 | 07:12

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Legal Co Sec legalcosec@element.com Security Level: Email, Account Authentication (None)	COPIED	Sent: 10-Jun-2025 | 15:37

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Witness Events	Signature	Timestamp
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	05-Jun-2025 | 17:48
Certified Delivered	Security Checked	10-Jun-2025 | 15:37
Signing Complete	Security Checked	10-Jun-2025 | 15:37
Completed	Security Checked	10-Jun-2025 | 15:37

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

20250617142900

Revisionsberättelse

Till bolagsstämman i Element Metech AB, org.nr 556080-0210

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Element Metech AB för räkenskapsåret 2024-01-01 – 2024-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Element Metech ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Element Metech AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa riskei och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehålle i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: UEN9W-KFIFH-66NZ1-GYPK8-CHP4Y-OPY0X

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Element Metech AB för räkenskapsåret 2024-01-01 – 2024-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Element Metech AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Det datum som framgår av elektronisk underskrift
Ernst & Young AB

Clas Tegidius

Clas Tegidius
Auktoriserad revisor

Penneo dokumentnyckel: UENGW-KFIFH-66NZ1-GYPK8-CHP4Y-QPY0X

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20250611714291

CLAS TEGIDIUS
Auktoriserad revisor
Serienummer: 134614462224d9[...]c5f7f393489c0
IP: 147.161.xxx.xxx
2025-06-10 14:40:03 UTC

BankID

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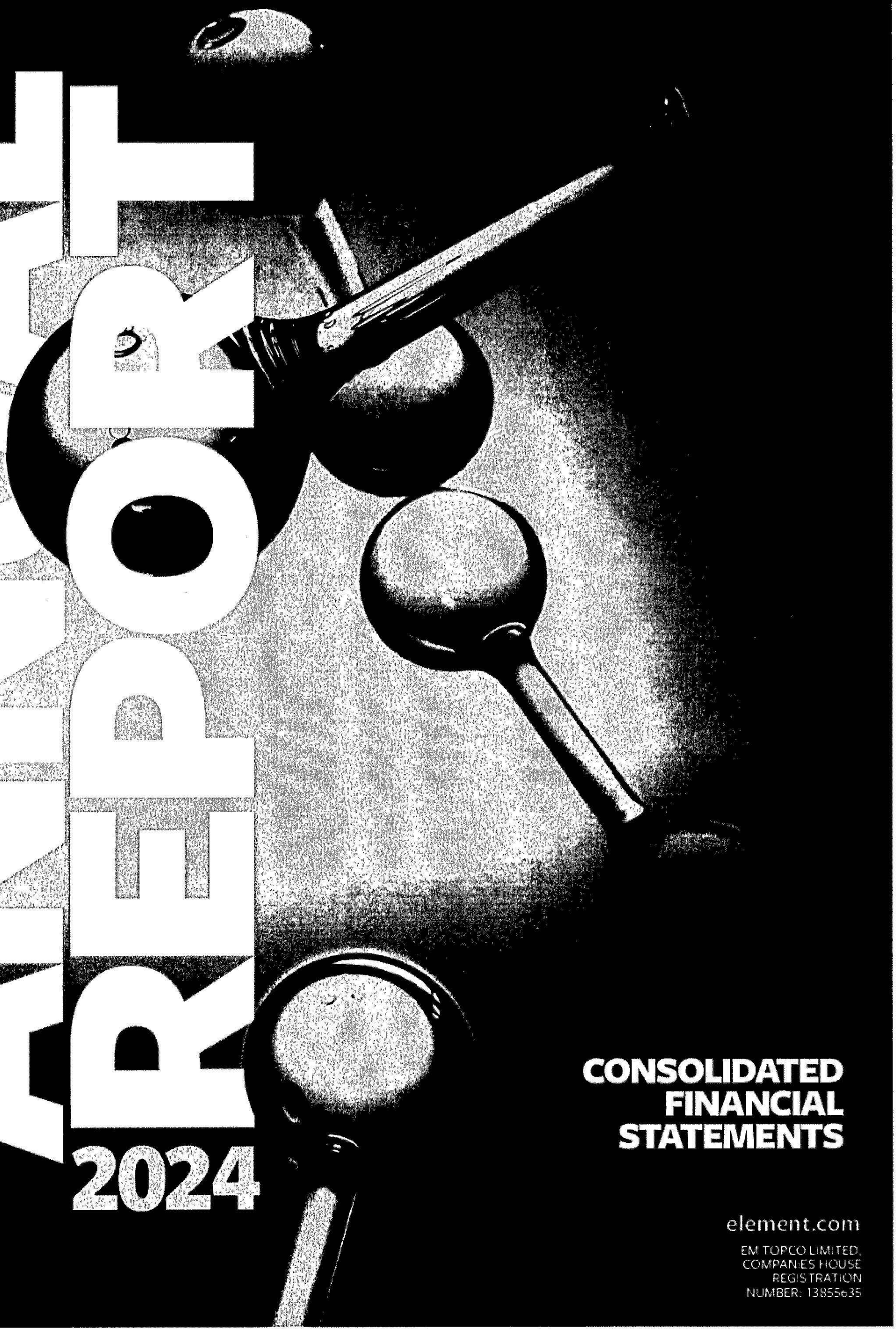
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ANNUAL REPORT 2024



CONSOLIDATED FINANCIAL STATEMENTS

element.com

EM TOPCO LIMITED,
COMPANIES HOUSE
REGISTRATION
NUMBER: 13855e35

Making tomorrow safer than today

The safety of our colleagues, our customers and the wider world is at the centre of everything we do. To fulfil our purpose of making tomorrow safer than today, we are committed to innovation and remaining at the forefront of the technical advancements that meet and exceed customer requirements.

Our people are at the heart of Element and recruiting and retaining the highest calibre of people to excel within the business is key to our continued growth and success. Thanks to their deep expertise and passion, we provide the customer service that our industries have come to expect.

We relaunched our business purpose and values three years ago and since then, we have worked relentlessly to embed them within our operations. We are consistently seeing this culture change play out and have maintained our outstanding safety record and high colleague engagement scores. We can clearly see that our colleagues understand our purpose and values and how they contribute to our business, as well as to our communities and industry.

We share a drive and ambition with our customers as well, supporting them as they make amazing steps forward with new products, components and technologies that have a positive impact on the world around us. We are committed to partnership and collaboration and reaching the newest frontiers of development with our like-minded customers. When failure is not an option, we ensure that products get to market efficiently and that they are safe, fit for purpose and compliant.

We are proud to support critical industries that the world engages with every day, like aerospace, defence, medical devices, the built environment, and mobile technology, among many others. In every test, inspection and certification we complete, we are striving to ensure a safer world.

With our dedicated colleagues and customers, we are making tomorrow safer than today.

Our Purpose

MAKING TOMORROW SAFER THAN TODAY. OUR PURPOSE IS OUR REASON FOR BEING.

It describes the impact we have on the wider world and the people and communities we serve, creating a safer future for everyone.

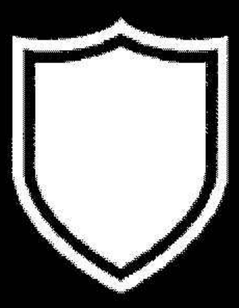
All our colleagues have a role to play in bringing our purpose to life. Understanding our values helps us to do this.

Our Values

INTEGRITY | CARE | PROGRESS

These three values were chosen by our people and describe what it means to work at Element. Every day we work, every decision we make, every question we ask and every interaction we have, is guided by integrity, care and progress.

A focus on safety continues to be fundamental to how we work – it is of paramount importance to how we operate every day. Safety is core both to what we do and why we do what we do. Therefore, we have chosen a purpose that elevates and puts a spotlight on safety – working safely and creating a safer tomorrow for people and their communities.



INTEGRITY

We do what is right.

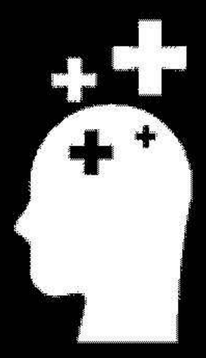
Our foundations are built on trust and accountability. We take pride in our work and we keep our promises. We are committed to delivering every time for our customers and for each other.



CARE

We care about the impact we have.

Creating a safer world starts with us caring about each other, our customers and the communities and environment we operate in. Our culture is inclusive, and everyone is welcome. We work together to create a stronger business, making a positive difference in the world around us.



PROGRESS

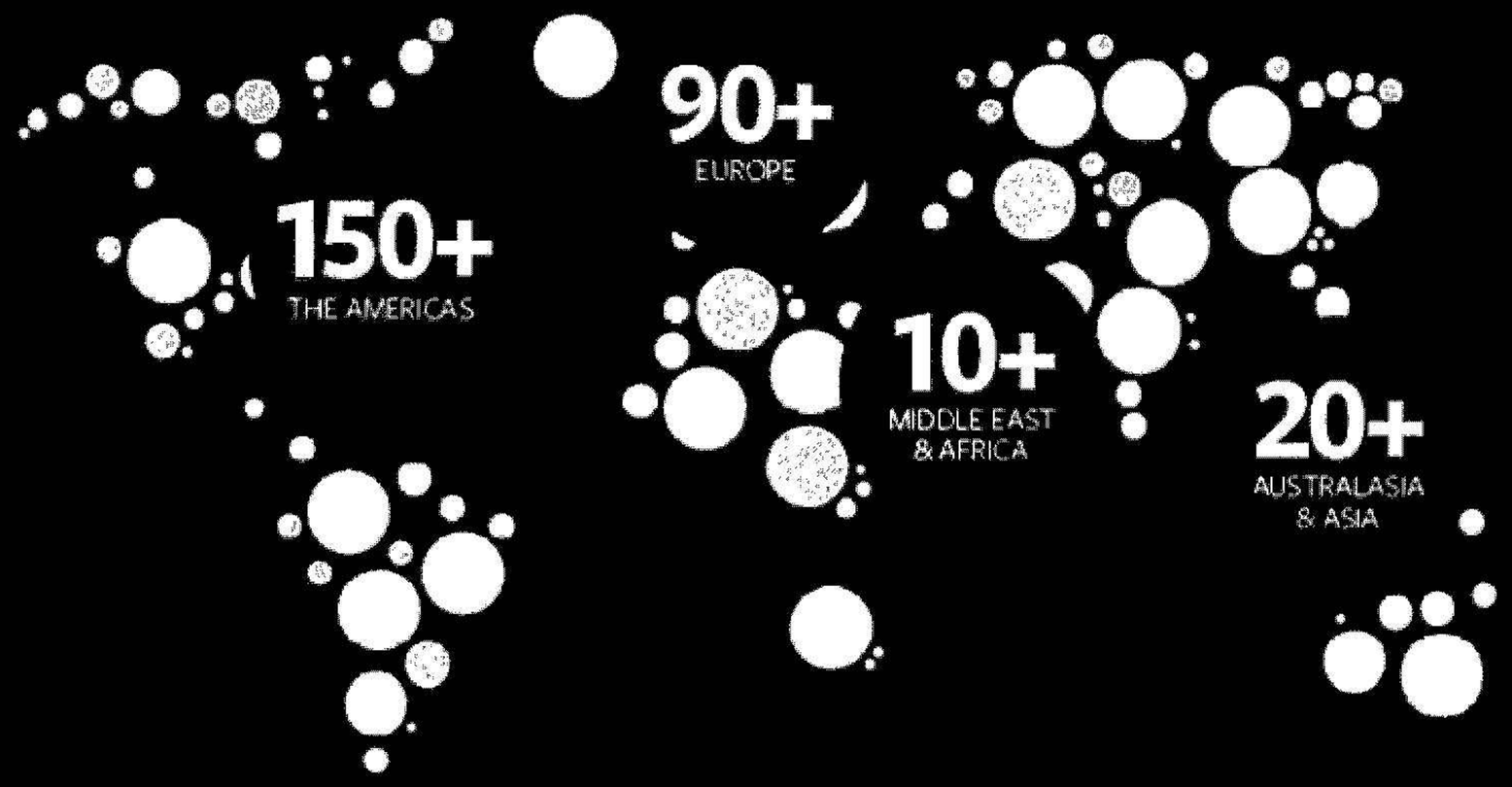
We strive to create a more positive future.

We stay curious to evolve and improve every day. We grow and learn by constantly thinking about our impact and how we can do better for each other, society and the planet.

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Strategic Report



270

8,500

50,000

74+

$1,429M

17.5M

$268M*

75

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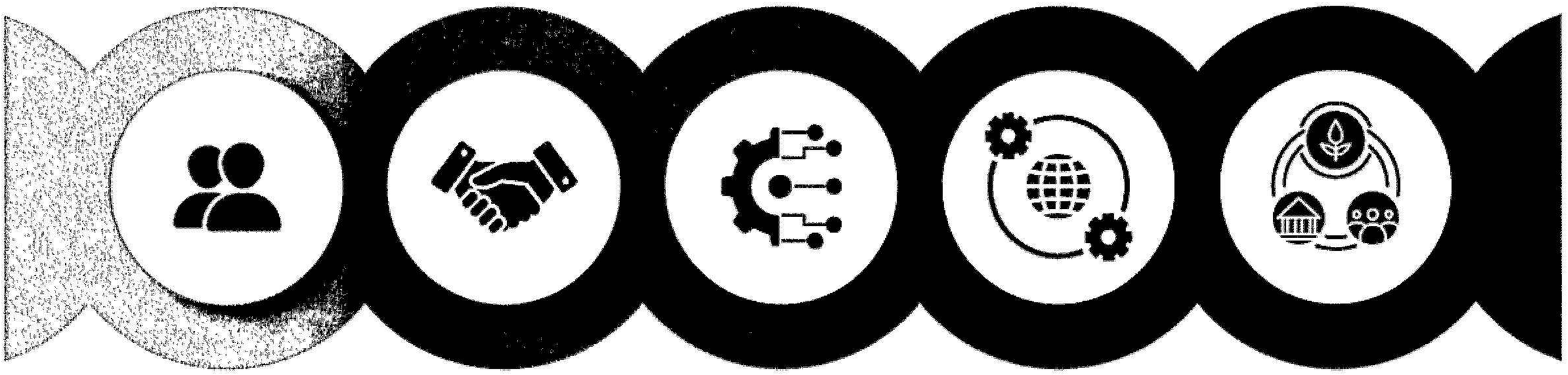
OUR STRATEGY

Element is one of the largest privately owned laboratory-focused businesses serving customers operating in some of the world's most highly regulated product testing markets. Through a combination of unrivalled technical expertise, the widest range of customer and market approvals, and a scaled operation of 270 laboratories in 25 countries, we help our customers launch and maintain safe and compliant products.

We are guided by our purpose of *Making Tomorrow Safer Than Today*. This means that safety will always be at the heart of our strategy and daily decision making.

In mid-2020, we shared our ambition to double the size of our business within five years through organic growth as well as the continuation of our highly targeted M&A programme. As we enter 2025, we are on track to achieve this ambition and have already grown revenues from USD $783m in 2020 to USD $1.4bn by the end of 2024.

The five strategic pillars that have been steering our decision-making and driving our strategy are:



PEOPLE & CULTURE

We will create a safe, empowered and inclusive workplace and culture, where people enjoy coming to work.

CUSTOMER & OPERATION

We will nurture trusted customer partnerships, proven by technical leadership, consistent operational delivery and excellent customer service.

DIGITAL & INNOVATION

We will develop digital solutions and foster innovation to support a differentiated market position.

PLATFORM & OPERATIONS

We will leverage our scaled platforms to deliver market-leading growth and drive efficiency gains.

ESG & SUSTAINABILITY

We will create a positive impact for our customers, our environment, and our people and communities.

OUR PROGRESS

Even in the challenging macro environment of the last five years – with Covid-19, a land war in Europe, the impact of inflation, interest rate rises and supply chain challenges – we have proven the strength of the Element platform, and the leadership positions we have built in our core end markets.

During this period, we have continued to deliver strong organic growth, executed significant M&A and made continual investment in expanding our technical leadership.

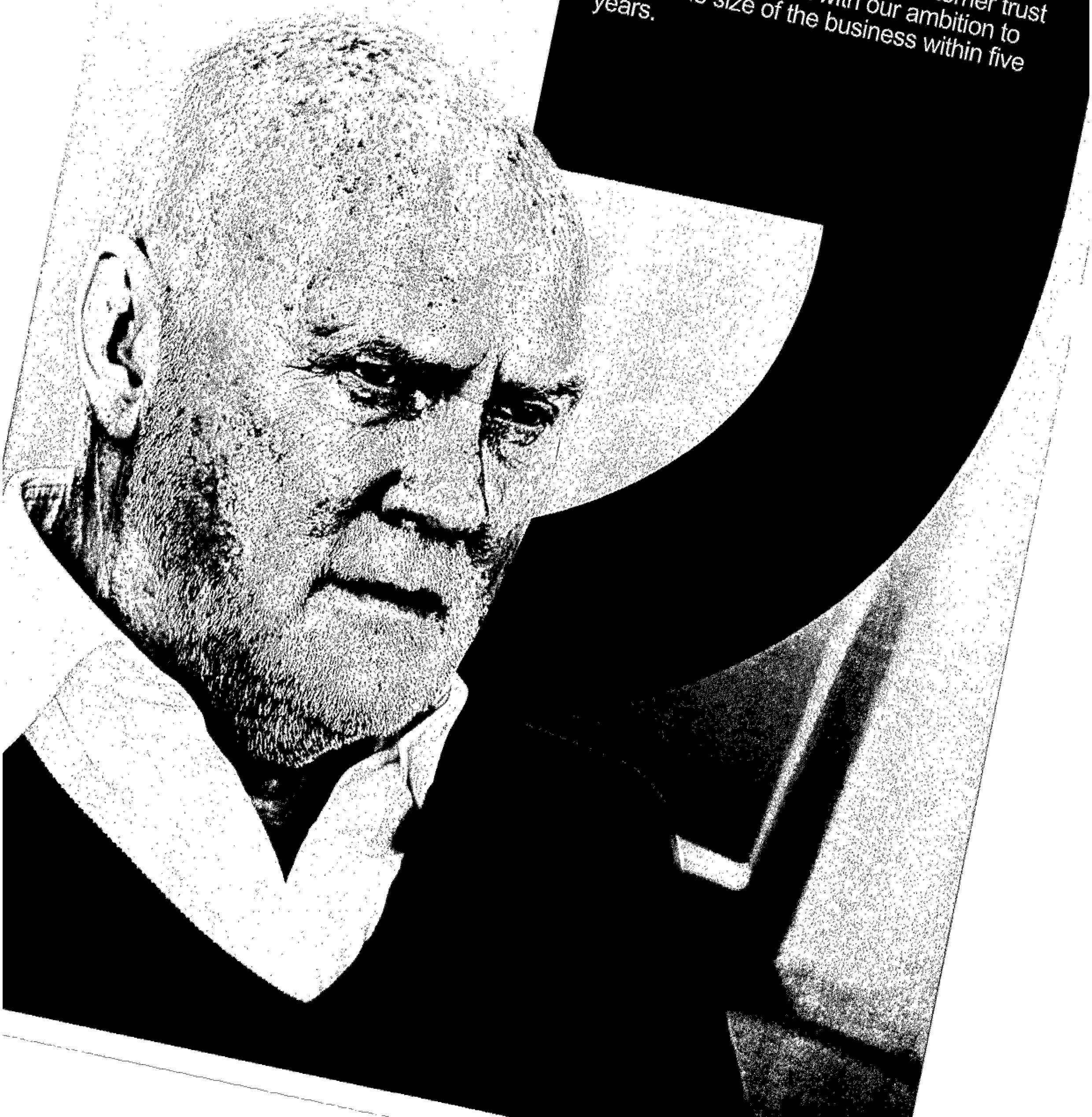
We have also continued to invest in digital innovation which remains a top growth driver for many of our customers. In 2024, we invested in technology at the highest rate in our history to ensure we kept pace with the rapidly changing landscape and that our underlying systems are efficient and cyber-secure.

Our talented team is driving this progress. Element employs approximately 8,500 brilliant colleagues, and among them, many of the world's leading technical experts in our chosen end markets. In 2024, we doubled down on strategic initiatives to build this talent. This included launching new leadership programmes to propel high-potential colleagues into roles that will secure our future success, such as our new General Managers' (GM) Academy and continuing our successful Women's Accelerator Programme which was first launched in 2023.

Through our focused five-year strategy, we have been establishing resilient foundations for our business, and cementing our position as the testing partner of choice for our customers. To drive our long-term growth, all six of our business units have developed focused 2025-2028 strategies that will continue driving innovation, technical leadership and best-in-class laboratory testing in our focused end markets. This will enable us to continue supporting our customers, whether they are working to deliver against record commercial aircraft demand and backlogs, achieving regulatory approval for life-saving drugs, or transitioning away from a carbon-intensive business model.

Chairman Report

It requires strategic acumen to achieve dramatic growth in a period of unprecedented macroeconomic volatility – all while safeguarding the trust of customers in multiple safety-critical, highly regulated markets. Jo Wetz and his leadership team should take pride in the way they have retained that customer trust and kept us on track with our ambition to double the size of the business within five years.



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When Element was formed in 2010, only one in five Americans owned a smartphone and only a few hundred new electric cars a year were registered in Europe. Flu was the virus most feared by pandemic preparedness experts and "net zero" had no part in the global conversation. Leading economies were about to turn against nuclear power in a big way due to a tsunami devastating Japan's Fukushima plant. As for space tourism, it was more flight-of-fancy than commercial reality.

A lot has changed in the intervening years, and it is testament to the agility of our excellent team that Element has changed with it, confirming our position as a world-leading laboratory-based testing partner.

It requires strategic acumen to achieve dramatic growth in a period of unprecedented macroeconomic volatility – all while safeguarding the trust of customers in multiple, safety-critical, highly regulated markets. Jo Wetz and his leadership team should take pride in the way they have retained that customer trust and kept us on track with our ambition to double the size of the business within five years.

Our work to build a diversified business reaped rewards and demonstrated our resilience in 2024. As well as capitalising on our major investments in our aerospace capacity and capabilities, we stepped up our work with the private space giants SpaceX and Blue Origin. We also rebranded six of the NTS laboratories acquired in 2022 as Element U.S. Space & Defense, a trusted testing partner to NASA and the U.S. Department of Defense.

In Asia, we integrated our 2023 acquisition of two leading testing companies in South Korea, cementing our Connected Technology business in one of the world's most important tech markets.

Now, as global attention turns to topics such as hydrogen usage, and small nuclear reactors as a way to meet net zero targets and the energy needs of artificial intelligence, we are in pole position to help bring these projects to fruition, thanks in part to upgrades at our Huntsville, Alabama, laboratory this year. And with regulations tightening over construction projects in the Middle East and 'forever chemicals' in North America, our testing experts are ideally placed to support customers with the latest compliance demands. The sheer breadth of our activities in 2024 kept us resilient as we experienced softer demand in the pharmaceutical industry and a slowdown in the electric car market.

One unwavering champion of our ambitions is our shareholder Temasek. Since purchasing Element two years ago, the company has stepped forward with significant investment to help accelerate our expansion plans. I'm grateful for their input on our strategy and the vast experience they bring to our Board of Directors.

In terms of the Element Operating Board, I'd like to give a warm welcome to Paul Woolf, who joined Element in September as our Chief Financial Officer. Paul is an asset to our Board and Operating Board, bringing to Element more than 30 years of experience in the consumer, technology and tech-enabled services industries.

As ever, my thanks go out to the whole Element team, including the 300 colleagues who joined us in October from ISS Inspection Services.

No matter how much we invest in technology and infrastructure, you will always be the most important part of our organisation. You're the reason we achieved our best customer satisfaction rate ever in 2024, and you're the standard bearers of our safety performance which was exceptional again this year.

I'm really pleased to see from the latest data that we have hit our target for retaining your talent and that more of you than ever before are engaged in our purpose to make tomorrow safer than today.

As we press ahead with our ambitious growth plans and strive to deliver positive impact for our customers, environment, people and communities in 2025 and beyond, my one certainty is that you will rise to the challenge of whatever changes come next, driving progress with care and integrity. These are testing times for the world. And testing for the world is what we do best.

CEO Report

In 2024, 98% of our top 500 customers were repeat customers and we reached our highest ever customer satisfaction score. This reflects strong confidence in the services we provide.



Whenever someone boards a plane, takes critical medicine, gets into their car or steps into a building, they place their trust in a long line of systems dedicated to their safety.

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As a leading provider of laboratory-based testing services in some of the world's most technical and highly regulated industries, Element is a crucial link in that chain of trust. It's our privilege to support customers operating in markets where failure of their products in service is not an option.

Despite a turbulent macroeconomic backdrop over the past five years, we have demonstrated resilience and rapid growth, strengthened our technical leadership and expanded our laboratory-testing capabilities worldwide. Since 2020, we have completed 22 acquisitions and grown our global team by around one third.

Maintaining and strengthening customer confidence remains a top priority as we enter the final year of our five-year strategy, with the target of doubling the size of our business by the end of 2025. In 2024, 98% of our top 500 customers were repeat customers and revenue from our Strategic and Key Accounts grew 15% compared to the previous year. We also reached our highest ever customer satisfaction score of 74+ (NPS), reflecting strong confidence in the services we provide.

OUR PERFORMANCE

Our highest performing sectors in terms of revenues in 2024 were Aerospace, Space and Defence, Connected Technology, and the Built Environment.

The commercial aerospace division delivered another set of terrific results, despite the strike that halted production at one of our major aerospace customers in the second half of the year. As we move into 2025, the record commercial aircraft backlog will keep our teams busy supporting customers in the aerospace supply chains for some time. We are increasingly supporting our aerospace customers on innovations that advance their sustainability agenda, such as lightweighting and sustainable aviation fuel – all adding to the hugely positive outlook for this industry.

The impressive performance in our Connected Technology segment was driven by a significant recovery in the global cellular market, which had a difficult 2023 when innovation in the sector slowed down following the Covid-19 pandemic. We also saw increased demand in our Built Environment business unit following heightened building regulations.

We saw a continuation of some post Covid-19 market headwinds in our North American pharma business. Having strengthened the management team and invested in new facilities, we now see green shoots of recovery, supported by resilience in our medical device testing business and good growth in our US environmental sectors.

SAFETY

Safety is at the core of Element's purpose and underpins everything we do. In 2024, we continued to focus heavily on the safety of our people and the visitors to our 270-plus laboratories worldwide. I am proud to report that we ended the year with an industry-leading total recordable incident rate of 0.65 and our expanded workforce worked over 600,000 more hours in 2024.

Safety is never done, however, and this performance raises the bar for us to improve against as we strive for a zero-incident culture.

INVESTMENTS

During 2024, we invested more than US$100 million into further strengthening our world-class testing facilities to support the needs of our customers.

In Canada, we established two new laboratories in Toronto expanding our fire testing and life sciences capabilities with an investment of US $13 million. We also announced the expansion of our Toulouse aerospace laboratory in France that will more than double its size and introduce new mechanical testing capabilities. And these are just some of the highlights in a year of strong organic investment.

In the second quarter, we unveiled our pilot AI-powered product, RegNav. Designed to help medical device companies navigate the complex regulatory approval process and get their life-saving products to market faster, it is fast gaining traction with new customers looking to bring life-changing innovations to market safely and efficiency. We expect RegNav to go live in 2025.

Indeed, leveraging best-in-class technology remains a strategic priority for Element, and in 2024 we invested at our highest rate ever in systems that drive efficiency, conformity and strong cyber protection across the business.

ACQUISITIONS AND DIVESTITURES

In 2024, we introduced new technical talent and a wider range of services for our Aerospace, Space, Energy and Defence customers in the US through the acquisition of ISS Inspection Services. Acquiring this expert provider in the non-destructive testing space has created opportunities for us to increase the range of services we offer to some of our largest customers in these sectors. I was delighted to welcome 300 highly skilled colleagues to the Element team in October and feel energised by what we can achieve together.

It was also a pleasure to meet some of the 250 Element colleagues who joined us in 2023 following our integrations of Filton Systems Engineering in the UK and CTK and NCT in Korea, which have now been fully rebranded as Element Dongtan and Element Yongin.

After a period of rapid inorganic growth, we also took time in 2024 to re-examine the services we offer to ensure they align with our core strengths and vision. As a result, we divested several non-core activities in the assurance lifecycle space, sharpening our strategic focus and generating valuable proceeds that we can now redeploy to fuel growth. My thanks go to the colleagues who left our Group as part of this divestment – we wish them all the best in their new organisation.

OUR PEOPLE

I would also like to acknowledge the hard work of our team of approximately 8,500 Element colleagues worldwide for the commitment, technical expertise and testing capabilities they provide to our customers as we continue on our journey together to make the world a safer place.

The improved talent retention rate and fantastic colleague engagement score we attained in 2024 reflects, I believe, our relentless focus on making Element a great place to work.

We invested in our frontline leadership by launching a General Managers' Academy and welcomed the second cohort of colleagues to our Women's Accelerator Programme.

Fair pay is a topic that matters deeply to colleagues, which is why we shared the results of our gender pay gap analysis again in 2024. While a small mean pay gap in low single digits persists, showing there is still work to do, we are encouraged that it remains significantly lower than industry averages in the regions where we operate.

In September, we welcomed Paul Woolf as our new Chief Financial Officer (CFO). With 30 years of international experience in driving a strong growth agenda, Paul is the perfect CFO to guide us through our next phase of growth and we're thrilled to have him onboard.

SUSTAINABILITY

Reaching net zero and helping our customers do the same is a long-term strategic priority for Element as is keeping our business resilient in the face of climate change.

This year, we implemented a digital platform for reporting our greenhouse gas emissions and engaged with external experts to help us better assess and manage our climate-related physical risks, as disclosed in this annual report.

Our cross-functional ESG Global Taskforce continues to drive us forward on our sustainability initiatives including upping our renewable energy procurement and building a more inclusive, representative workforce.

We have also introduced an ESG Committee to report this work quarterly to the Board, ensuring it remains core to the way we create value as a business.

2025 AND BEYOND

Looking ahead to 2025 and beyond, I fully expect one of the highlights to be the opening in the UK of a brand new US $30 million Warringtonfire site – the largest private fire testing facility in Europe and one of the leading facilities in the world. It's another example of the acceleration of capital investments in our core laboratory infrastructure.

As we develop an ambitious new strategy for our next phase of growth, we remain laser-focused on driving robust organic growth that enhances both revenue and margins while continuing to acquire selectively in some of the world's fastest-growing testing markets.

Through this continued investment in our laboratories and our people we aim to keep pace with our customers' evolving needs and retain their trust so that together we can *Make Tomorrow Safer Than Today*.



Financial Review

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GROUP OVERVIEW
Element reported consolidated group revenue of US $1,429 million for FY2024 (FY2023: US $1,379 million). Revenue increased by 4% underpinned by good growth in our Aerospace, Connected Technology and Built Environment end-markets together with seeing the benefits of ongoing investment into the laboratories. However, this growth was partly offset by a decline in our Life Science businesses driven by market headwinds from reduced customer R&D budgets after COVID, and large customer projects not meeting FDA milestones. Coupled with a slowdown in second half trading in the US Aerospace market following a major aerospace customer's supply chain disruption, this had a disproportionate impact on our operational profitability which declined year-on-year to give an Adjusted EBITDA of US $268 million (FY2023: US $280 million), and an Adjusted EBITDA margin of 18.8% (FY2023: 20.3%) (see note 4 to the consolidated financial statements for the reconciliation of the consolidated total loss of US $(689) million to adjusted EBITDA).

In response to these challenges, the Group undertook a major restructuring starting in Q3 2024 to right-size and optimise the cost base for future growth. This included consolidation of laboratories and the implementation of a new organisational design to simplify and delayer with significant central and functional costs removed by pushing activities down closer to our laboratories. As a result of these cost saving actions, and alongside turnaround activities in our Life Sciences business unit and the expected continued market growth in Aerospace, Connected Technology and Built Environment, the Group maintains a positive growth outlook for revenue and Adjusted EBITDA in 2025.

ACQUISITIONS & DISPOSALS
Delivering inorganic growth through acquisition remains a key part of our strategy. In 2024 Element completed the strategic acquisition of ISS Inspection Services in the Americas region for a purchase consideration of US $241 million. This acquisition will provide the Group with a broader service offering to our customers in the Aerospace end-market.

As part of the strategy to focus on core laboratory-based services, the Group completed the disposal of its worldwide Inspection & Certification activities receiving proceeds of US $511 million and resulting in a profit on sale of US $125 million. The net proceeds from the acquisition and disposal in the year were used to reload the Acquisition and Revolving credit facilities thereby providing available liquidity for future investment and corporate activities.

GROUP SEPARATELY DISCLOSED ITEMS
A number of items are separately disclosed in the consolidated financial statements as exclusion of these items provides a better understanding and consistent presentation of the underlying profitability (Adjusted EBITDA) of the Group.

In 2024, separately disclosed items totalled a charge of US $297 million (FY2023: US $653 million) across three key areas. Firstly, the Group recognised a US $337 million impairment charge in relation to Goodwill, acquired Intangible Assets, Investments and Assets under construction. The majority of the impairment was recognised on Goodwill in our Life Science business units and reflects the market downturn from the reduced Pharma R&D spending.

Secondly, the Group also recognised a gain of US $125 million on the disposal of subsidiary companies in the year. For details of the transaction, refer to note 5 to the consolidated financial statements.

The balance of costs of US $85 million are made up of restructuring expenses (principally relating to a Group-wide restructuring program initiated in quarter Q3 2024 of US $19 million), transaction and integration costs on acquisitions and disposals, the implementation of enterprise-wide systems and cyber security transformations, and legal costs related to various litigation and disputes. For further information refer to notes 4 and 13 of the consolidated financial statements.

CAPITAL EXPENDITURE
Capital expenditure (net of disposals) for FY2024 was US $149 million (FY2023: US $129 million). In line with our strategic priorities, we continue to invest in capability and capacity expansion in Aerospace, Fire testing, Connected Technologies and Life Sciences. In addition, we have invested in footprint rationalisation, developing Centres of Excellence to improve our customer proposition and drive further operational efficiencies, and continued our investment to upgrade our ERP and supporting systems.

GROUP NET DEBT AND CASH FLOWS
On the statement of financial position, Element ended the financial year with net debt (excluding lease liabilities) of US $(1,825) million (FY2023: US $(3,345) million). The Group delivered net cash flow from operating activities of US $140 million (FY2023: US $120 million). The reduction on prior year being driven by the movement on trade and other payables in relation to timing of prior year spend on capital investments and non-recurring project spend.

During the year, the Group raised a further US $1,650 million through the issuance of convertible notes to the majority investor. Available liquidity from this investment and US $511 million of disposal proceeds received from disposals highlighted above were used to pursue organic and inorganic expansion plans and to pay down in full the PIK Notes and the Second Lien Term loan. The residual cash was held on the statement of financial position or used to reload the Acquisition and Revolving credit facilities.

GROUP TAXATION

The tax charge for 2024 is a charge of US $(52) million. Included in this charge is a cash tax cost (US $47 million) relating to the disposal of the Inspection & Certification (I&C) business during the year and a deferred tax cost (US $15 million). The cash tax cost arises in the US and the deferred tax cost relates to the use of US tax losses, previously recognised as a deferred tax asset. The use of these losses has reduced the cash tax cost of the disposal transaction. The cash tax is due to be paid in April 2025. The tax position for the Group for a number of years has been a tax credit in the income statement, triggered by the unwind of the deferred tax liability on intangibles as the latter are amortised through the accounts. This factor is also relevant for the 2024 position but has been materially impacted by the impact of the sale of the I&C business.

RISKS AND UNCERTAINTIES

Risks to Element are anticipated and regularly assessed, and internal controls are enhanced where necessary to ensure that such risks are appropriately mitigated. There are a number of potential risks that could have a material impact on the Group's financial performance. The principal risks and uncertainties include competitive threats, legal and regulatory issues, cyber-attacks, dependency on key customers, movements in interest rates or exchange rates and quality issues.

These risks and relevant risk-mitigation activities are set out in detail on pages 34-36.



Operating Review

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Aerospace, Space and Defence

ELEMENT SERVICES THESE SIGNIFICANT END MARKETS VIA OUR AEROSPACE AND ENERGY, AND SPACE AND DEFENCE BUSINESS UNITS IN THE AMERICAS, AND OUR AEROSPACE AND DEFENCE BUSINESS UNIT IN THE EMEAA REGION. COMBINED, THIS MAKES ELEMENT ONE OF THE WORLD'S LARGEST LABORATORY-BASED TESTING PROVIDERS BY REVENUE FOR THESE FAST-GROWING SECTORS.

WITH AROUND 3,800 EXPERTS IN OVER 100 LABORATORIES, WE OFFER THE SECTOR UNRIVALLED CAPABILITIES AND GEOGRAPHIC REACH IN NON-DESTRUCTIVE AND DESTRUCTIVE MATERIALS TESTING, PRODUCT QUALIFICATION TESTING, CALIBRATION, SPECIAL PROCESSES AND ADVISORY SERVICES.



As well as supporting the major commercial aerospace and private space companies, Element provides a broad spectrum of testing services to the defence industry in a range of countries including the US, UK and Sweden, and is a trusted testing partner for mission-critical space and defence initiatives to governments in those countries.

Meanwhile, our team of over 600 scientists and engineers, located in 23 worldwide facilities, provides specialist services for the energy sector, helping the world transition to a secure, lower-carbon economy.

Thanks to our expertise and investment in these fast-growing sectors, 2024 was another excellent year for our Aerospace, Space and Defence segments, which saw revenue growth of 5% in the Americas and 10% in EMEAA.

Despite the delays in jet deliveries stemming from problems at one of our major aerospace customers, we performed strongly in commercial aerospace due to the production ramp-up at Airbus and global air passenger demand, which hit record highs.

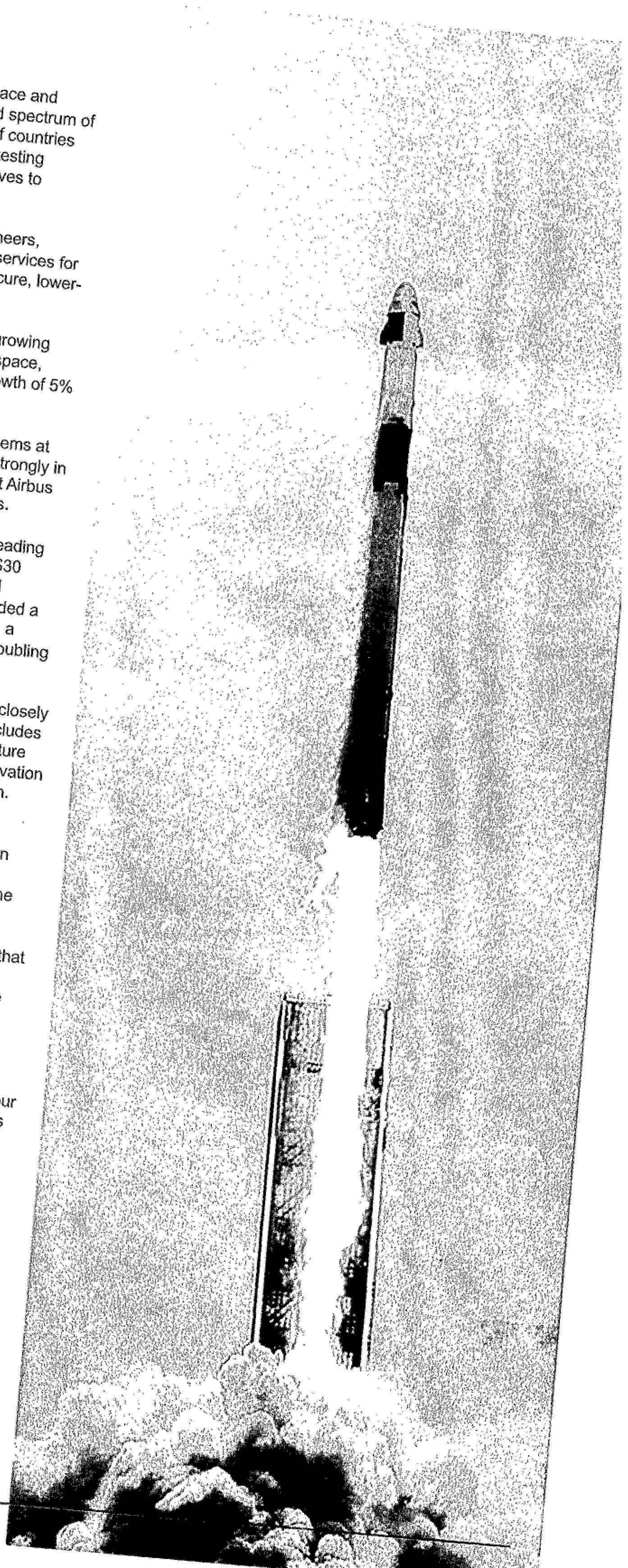
To support this growth and maintain our position as the leading aerospace testing partner, we completed more than US $30 million in investments at 14 labs across the Americas and EMEAA, enhancing our global testing capacity. This included a 1,000m² extension to our facility in Toulouse, France, plus a brand new 2500m² building at the same site, more than doubling our capacity in the European aerospace hub.

The private space sector continues to thrive, and we work closely with many of the sector's biggest players. Our expertise includes testing for the extreme stresses of space, such as temperature spikes, radiation, pressure and vibration, and supports innovation in satellite communication and long-range space exploration.

Six of the laboratories that joined Element through our 2022 acquisition of National Technical Systems (NTS) rebranded in 2024 as Element U.S. Space and Defense. This entity in our portfolio confirms Element's role as a pivotal testing ally for the US government including agencies such as NASA and their suppliers. A highlight of the year was the unveiling at our Rustberg, Virginia, facility of a US $3 million floating platform that allows us to test naval equipment in simulated real-world conditions, such as explosions and rough waters. It means we can verify that equipment meets the Navy's stringent shock-resistance standards, enhancing the operational readiness of ships and the safety of sailors.

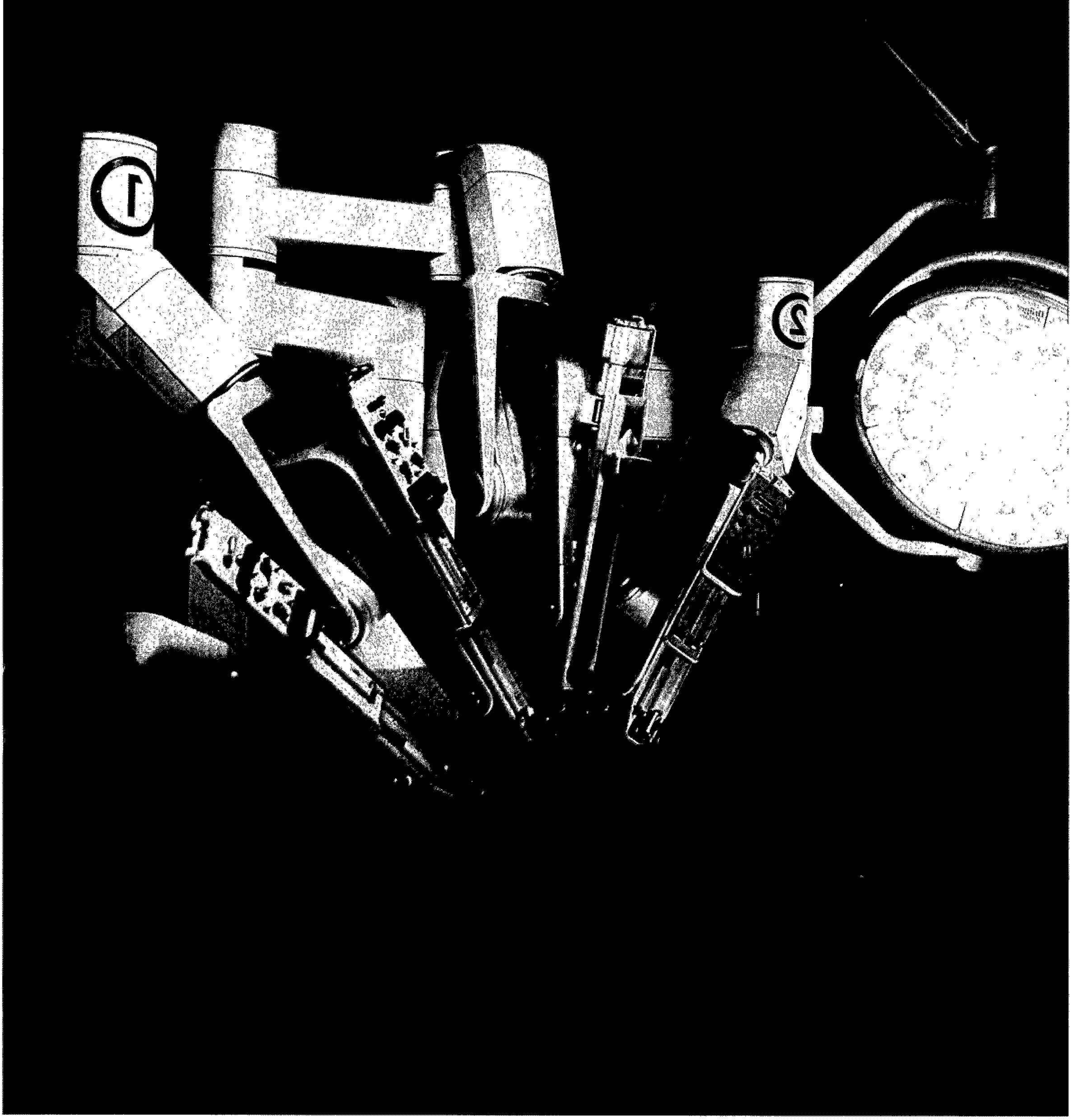
Electrification and energy transition remain central themes for our Aerospace and Energy business unit in the US and investments in 2024 included upgrades to our facility in Huntsville, Alabama, to strengthen our position in the emerging small nuclear reactor industry. These reactors are poised to address increasing global electricity demand, driven by the shift to electric vehicles and the rising adoption of AI technologies.

Meanwhile, our investments in hydrogen fuel cell testing capabilities are beginning to deliver results, particularly within the UK. Further investments are planned to help us support hydrogen innovation, which will be critical for the next generation of aerospace and space propulsion systems as well as the green energy transition.



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SMART TECHNOLOGY IS RAPIDLY RESHAPING OUR WORLD AND MAKING SAFETY, COMPLIANCE AND SPEED-TO-MARKET MORE CRITICAL THAN EVER.



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Many of the world's top technology companies depend on Element to ensure they can launch safe and compliant products fast. From mobile phones and wearable trackers to medical devices, factory robots and self-driving cars, a vast range of innovations require the rigorous testing and certification expertise of our agile team of over 1,000 technology experts based in 41 laboratories around the world.

Our cellular business flourished in 2024, rebounding from a quieter 2023 due to a resurgence in product launches from the leading North American manufacturers and dynamic growth in AI-enabled devices. A key operational achievement in the US was the consolidation of our carrier and regulatory compliance testing laboratories into a single facility in Columbia, Maryland, to reduce bottlenecks and complexity for our cellular customers.

Our UK business division has underperformed against market opportunity largely driven by loss of commercial and technical expertise in the business through attrition. In response, management completed a restructure of the business, successfully bringing in significant experience and technical competence from the industry across commercial, technical and operational functions and optimised the target operating model. The business closed the year with positive commercial lead indicators across new opportunities, inbound leads, quotes won and win rate and is expect to have a strong recovery in 2025.

In the UK, the official opening of our US $10 million Connected Technologies Centre of Excellence in Surrey which began operations in late 2023, has allowed us to expand our specific absorption rate (SAR) offering into Europe and carry out more electromagnetic compatibility (EMC), radio and wireless testing. Meanwhile, our successful integration of South Korean companies NCT and CTK, acquired in 2023, has enabled us to extend our internet of things (IoT), battery and mobility testing capabilities to customers in Asia. Now rebranded as Element Dongtan and Element Yongin, these businesses exceeded performance expectations in 2024, and we are already using our new foothold in one of the world's most innovative technology markets to invest in new capabilities and facilities.

Following a strong start in H1, our Mobility division faced significant market headwinds underpinned by the US election and uncertainty around future of the EV market, leading to delays in program launches for key automotive manufacturers and subsequent revenue impact. Risk is expected to continue into H1 2025 until the market settles but is expected to recover as program launches come back online. Element is well placed to service any potential change in direction from the market with its full range of capabilities.

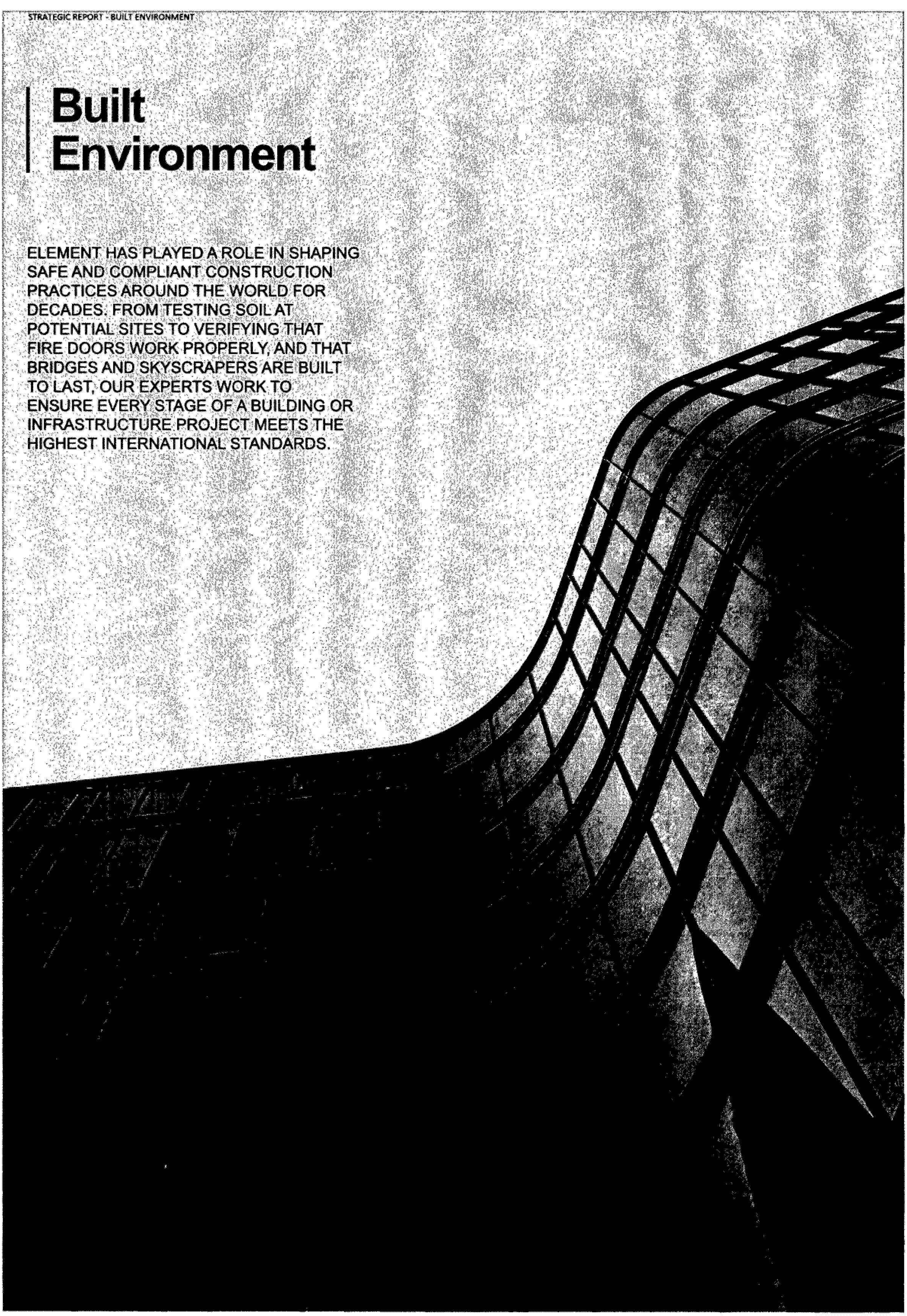
Battery testing remained a critical growth driver for us in 2024, and we will continue to strengthen our capacity and capability in this area as vehicles, consumer goods and industrial applications transition towards greater electrification. We expect to see steady momentum in the EV sector over 2025 coupled with heightened demand for technical support related to autonomous vehicles and AI-powered products.

In 2025, we welcome Dr Fabian Schober as the SVP of our new global Connected Technologies and Mobility business unit. Fabian brings more than 16 years' experience in the testing, inspection and certification sector (TIC) and a successful track record in global leadership roles. With the two regional CT&M units we were operating in 2024 now unified under his stewardship, we can adapt faster to global trends and help our Connected Technologies & Mobility customers launch groundbreaking innovations worldwide.



Built Environment

ELEMENT HAS PLAYED A ROLE IN SHAPING SAFE AND COMPLIANT CONSTRUCTION PRACTICES AROUND THE WORLD FOR DECADES. FROM TESTING SOIL AT POTENTIAL SITES TO VERIFYING THAT FIRE DOORS WORK PROPERLY, AND THAT BRIDGES AND SKYSCRAPERS ARE BUILT TO LAST, OUR EXPERTS WORK TO ENSURE EVERY STAGE OF A BUILDING OR INFRASTRUCTURE PROJECT MEETS THE HIGHEST INTERNATIONAL STANDARDS.



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In 2024, our Built Environment business unit in EMEAA saw solid revenue growth driven by increased demand and heightened risk management awareness.

The Middle East was a standout region, particularly Saudi Arabia where public investment in infrastructure expansion, coupled with stricter environmental regulations, is sustaining strong demand for our services. Our established presence and strategic investments in the region have allowed us to support these developments. In Singapore, we continued integrating the capabilities from our 2022 acquisitions, FOSTA and STS, while expanding our operations to meet growing demand in Asia.

This year also marked significant advancements in our capabilities. In Toronto, Canada, we established a new 5,000-square-meter industrial laboratory specialising in fire testing and building sciences. Equipped with advanced technology and supported by a team of over 30 highly qualified professionals, the facility caters to a range of industries, including construction, aerospace and transportation. This investment delivers faster turnaround times for our customers and enhances their access to comprehensive testing solutions.

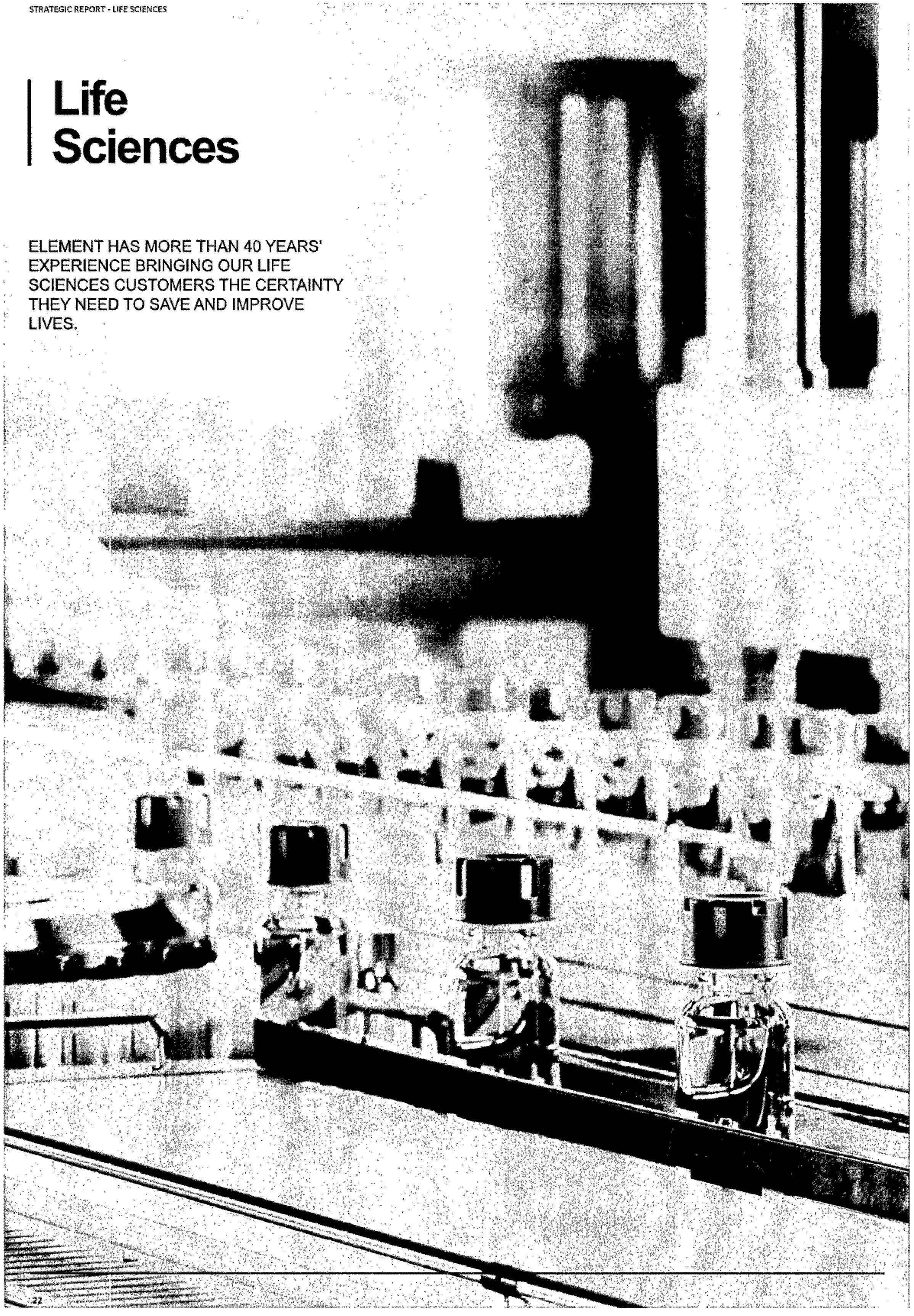
Performance was marginally down this year in our UK product testing business, mainly due to capacity constraints. We addressed this by completing preparations to more than double our testing capacity in the country through the establishment of Europe's largest private fire testing facility. Opening in 2025, the US $30 million laboratory in Warrington will help us meet increasing global demand for fire resistance testing, technical and certification services.

In the next 12 months, we will also move into new premises in Singapore, expanding our capacity to serve Asian markets. With these new facilities coming online, our investments position us to deliver even greater value to our customers and sustain our growth trajectory in 2025 and beyond.



Life Sciences

ELEMENT HAS MORE THAN 40 YEARS' EXPERIENCE BRINGING OUR LIFE SCIENCES CUSTOMERS THE CERTAINTY THEY NEED TO SAVE AND IMPROVE LIVES.



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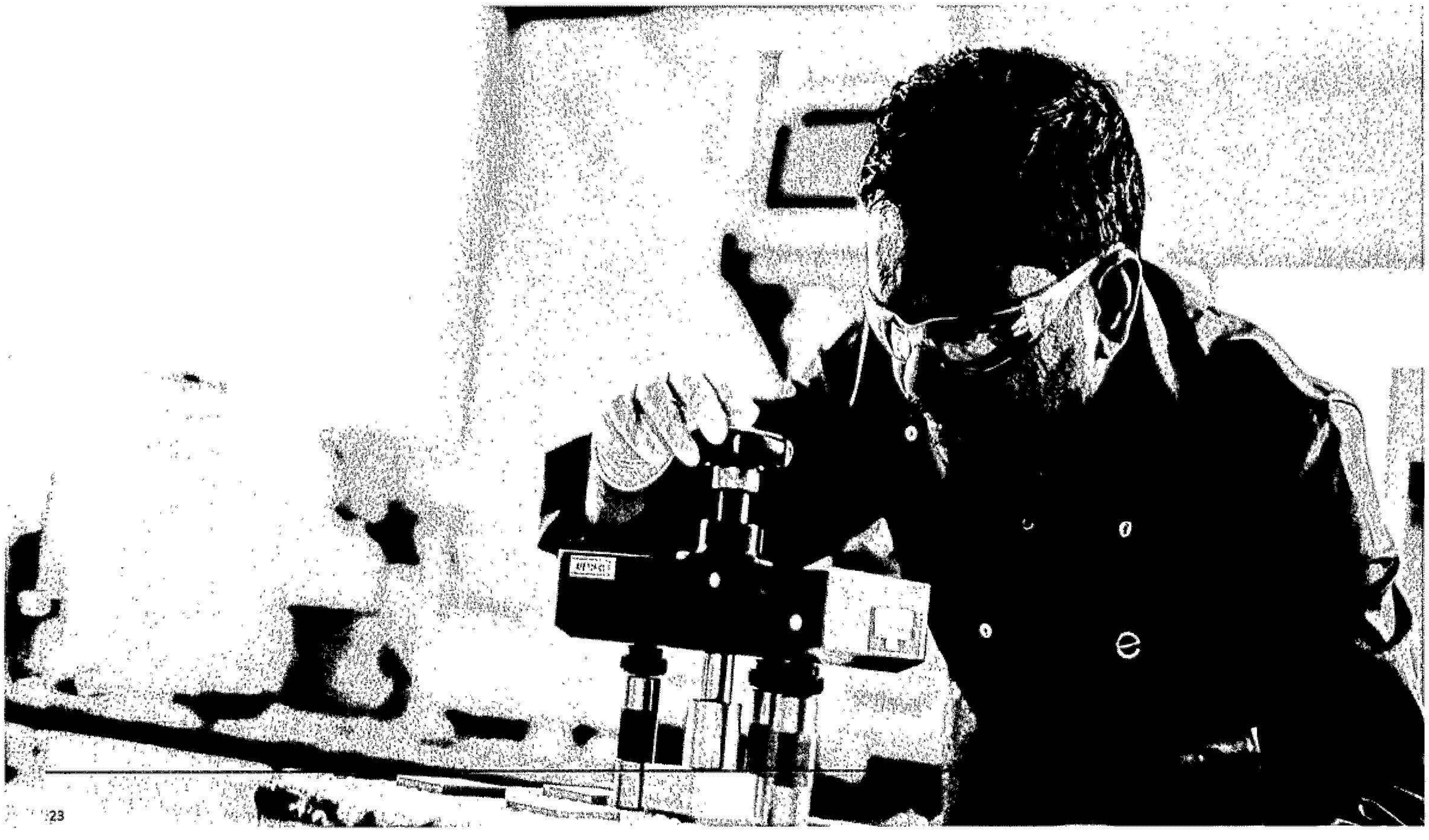
We have a team of around 800 experts in over 20 accredited laboratories specialising in pharmaceutical, medical devices, biotech, antimicrobial, food and environmental testing. They help our customers address complex regulatory challenges and bring safe solutions to market in a timely manner. As well as testing, through our Lab Solutions division, we also supply companies in the life sciences field with laboratory consumables, training and consultancy. As highlighted in the CFO report, our Life Sciences business has been challenged with subdued performance in pharmaceutical testing partly offset by a strong year for medical device and environmental testing.

One of our standout achievements was the opening in Toronto of an US $8 million new life sciences laboratory equipped with the latest technologies. The 3,250-square-meter facility has allowed us to upgrade the way we test metals, analyse the properties of materials and screen for contaminants for pharmaceutical and biotech companies.

After significant growth and innovation during the Covid-19 years, the pharmaceutical industry as a whole had a sluggish year with fewer drug discoveries and a decline in applications to the Food and Drug Administration. We used the time to reorganise and refresh our commercial strategy, broadening our service portfolio beyond early-stage drug discovery testing to include more product release testing. A new, strengthened management team is driving this expansion, which will boost our resilience and position us as a valuable partner throughout the entire drug development lifecycle.

On the Americas environmental testing front, we had a strong year driven by high-end specialised services. A surge in demand for testing on 'forever chemicals' including per- and polyfluoroalkyl substances (PFAS), dioxins and furans fuelled this success, as US regulations to limit PFAS in drinking water took effect and guidelines were issued in Canada. We also expanded our emissions testing services into mainland Europe, with especially strong growth in the Netherlands, which keeps us ahead in this increasingly important sector. Meanwhile, our Lab Solutions business continued to support the UK market with the provision of laboratory consumables and consultancy.

Looking to the future, 2025 will see a major investment in several of our main testing laboratories as part of a significant expansion project. This will boost our capacity and capabilities to handle even more complex testing needs as we continue to shape our Life Sciences business unit for robust and sustainable growth.



Acquisitions and Integration

FORTIFYING ELEMENT'S GLOBAL LEADERSHIP POSITION THROUGH INORGANIC GROWTH IS CENTRAL TO OUR STRATEGY.

Since the start of this decade alone, we have selectively acquired more than 20 industry-leading businesses to bolster our unparalleled range, reach and expertise in safety-critical sectors. Over those five years, we have welcomed more than 3,000 people to the Element family. 2024 was no exception: we made one of our largest acquisitions to date, integrated and invested behind the three businesses we acquired in 2023, and reinvested some of the proceeds from divestments into enhancing our core offering worldwide.

In October, we completed the acquisition of ISS Inspection Services, a leading provider of non-destructive testing (NDT), inspection and other special process services for the aerospace, defence and energy sectors.

By integrating the company's 300 highly skilled employees and five facilities in the US, we are expanding our capabilities in these fast-growing, highly regulated end markets. Notably, it means we can offer customers more touch points in the NDT ecosystem, particularly in the fields of after-market and maintenance, repair and overhaul. It also gives us access to a new, highly skilled mobile workforce who can work on-site at customers' premises.

The acquisition of ISS Inspection Services was Element's third largest to date. Pooling our learnings from our history of acquisitions and integrations over the past decade, in 2024 we implemented a new integration playbook to create a smoother onboarding experience for people joining Element. With swifter alignment of payroll, benefits and systems, our ISS Inspection Services colleagues got off to a productive start from day one, setting a new benchmark for future integrations.

Meanwhile, we continued to invest in the teams who joined us in 2023 from Filton Systems Engineering (FSE) in the UK and South Korean testing companies CTK and NCT. FSE has brought valuable digital engineering expertise into our Aerospace, Defense and Energy business unit while CTK and NCT – now rebranded as Element Dongtan and Element Yongin – are unlocking the internet of things (IoT), battery and mobility testing end-markets for us in South Korea, one of the world's technology powerhouses.

In 2024 we also divested our management systems certification business, comprising NQA, BM Trada management systems (we still retain the BM Trada product certification business and Q Mark schemes) and Unitek. This significant divestment reflects our commitment to remain laser-focused on the activities where we can deliver greatest value. Sharpening our strategic focus in this way has unlocked significant proceeds to reinvest in our core laboratory testing capacity and capabilities in our targeted end markets.

Operating Board

ELEMENT IS LED BY AN OPERATING BOARD WITH MANY YEARS OF EXPERIENCE IN THEIR RESPECTIVE LEADERSHIP AND MANAGEMENT FIELDS. THE OPERATING BOARD MEETS REGULARLY TO REVIEW THE OVERALL PERFORMANCE OF THE BUSINESS AND ALSO TO DETERMINE GROUP-WIDE PRIORITIES.

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JO WETZ,
CEO



Jo was appointed CEO of the Element Group in 2019 and is responsible for the overall strategic direction and growth of the Group. Prior to becoming CEO, he was the Group CFO from 2012 and has been a Board member of the Group since the buyout from Stork in 2010. Before Element, he built a career in private equity and led the investment in a number of global testing businesses in both Europe and the US, including the buyout of Element in 2010.

Jo has been instrumental in growing Element from 20 locations in five countries at the time of the buyout in 2010 into a global business with over 270 locations, and approximately 8,500 colleagues, through a combination of strong organic growth and the integration of more than 50 acquisitions. During his time at Element, Jo has led the buyouts with 3i, Bridgepoint and Temasek and most recently he oversaw the successful buyout by Temasek in 2022.

PAUL WOOLF,
CFO

Paul joined Element in September 2024 as Group CFO and sits on the Company's Operating Board and main Board of Directors. Paul brings a proven track record of over 30 years' financial leadership in the consumer, technology, and tech-enabled services industries and has held a wide range of executive roles in both private equity backed and listed businesses.

Paul's experience in private equity backed companies includes tenure as CFO and COO for CPA Global, an IP platform business (now part of Clarivate plc), and CFO for the UK's Automobile Association. He has also been CFO for public companies including Mitie plc, a leading facilities management company, and more recently Cazoo, a European marketplace for used cars. His earlier career was spent in a variety of roles for well-known international organisations including Dell Technologies, Jardine Matheson, and PwC.



Operating **Board**

RICK SLUITERS,

EVP AMERICAS

Rick joined Element in 2004, originally as a Business Development Manager responsible for integrating newly acquired laboratories into the organisation. He has held General Manager positions for Element's laboratories in Los Angeles, Detroit and Amsterdam and led several US laboratories through a lean process transformation. Rick was part of the management team that lead the buyout from Stork in 2010 and in 2011, Rick took the position of Vice President of European Operations and joined the Element Executive Team.

Rick became the Executive Vice President (EVP) of Aerospace in 2014. Under his leadership the global aerospace sector has more than tripled in size and successfully integrated over 10 acquisitions, adding capabilities, capacity and footprint to become the number one provider of aerospace testing services in the world. In October 2020, Rick was appointed EVP, Americas, with responsibility for Element's operations in the USA, Canada and Mexico, covering around 120 laboratories.



MATT HOPKINSON,

EVP EMEAA

Matt joined Element in December 2018, initially as EVP for Element's global Energy business. In October 2020, Matt was appointed EVP for the Europe, Middle East, Asia and Africa region (EMEAA) and has responsibility for three business units covering Aerospace and Defence, Connected Technology and Mobility (global), and Built Environment.

Matt has twenty years of experience in the Testing, Inspection and Certification sector, holding operational and commercial leadership roles based in Europe, South America and North America. Principally this has covered leading global laboratory networks, as well as leading teams focused on account management, technical governance, systems development and new growth initiatives. Before his role at Element, Matt was a member of the Group Executive Leadership Team at Bureau Veritas.



Operating **Board**

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Trudy was appointed as Group General Counsel in December 2022 and is responsible for leading the Legal, Insurance, Governance and Compliance teams and building capabilities across Risk. She has over 25 years of experience working in PLC and private equity environments across a range of different business sectors and in the legal profession.

Trudy was most recently Group General Counsel and Company Secretary at Avast PLC, an FTSE-100 global cyber security company. She sat on the Executive Team, leading teams across Governance, Legal, Compliance, Privacy, Risk and Internal Audit. She also spent over 14 years as Chief Operating Officer at Private Equity Firm Terra Firma Capital Partners.

Our People

Our team of approximately 8,500 scientists, engineers, technologists, and support professionals is spread across 270 locations in 25 countries and dedicated to making tomorrow safer than today. We want all colleagues to feel motivated by our purpose and our people strategy is focused on creating an empowering culture that attracts, engages, develops, and retains a talented workforce that reflects the diversity of our customer base.

LEARNING AND DEVELOPMENT

In 2024 we launched a new career development framework, providing frontline managers with an easy-to-follow structure for driving personal and professional advancement within their teams. It guides them in talking to employees about their aspirations, strengths, and skills gaps so that together they can create action plans, complete with goals and milestones. Alongside the framework are extensive colleague resources including mentorship opportunities and the Element Academy which offers a broad range of e-learning modules.

BUILDING OUR LEADERS

Investing in leadership was a core focus in 2024.
In April, we launched the General Managers' (GM) Leadership Academy, a year-long programme committed to developing our GMs, one of the most critical roles in our organisation. An initial group of 34 GMs embarked on the program, which combines in-person events, virtual training, and peer learning to enhance the leadership capabilities key to growth, customer satisfaction, and an empowering culture.

As a next step, the GM Academy will be rolled out to future cohorts with the goal of training the entire GM community globally. In addition, the work we have done developing the programme has enabled us to create a new competency framework when recruiting GMs and other leaders externally.

In addition, 16 colleagues completed the inaugural year of our Women's Accelerator Program, designed to identify and fast-track emerging, high potential female leaders. In EMEAA, we also welcomed the first cohort to our Sales Leadership Academy, a 12-month training program to build our next generation of sales managers and directors.

We were also pleased to continue with Element's graduate programmes which we have now been running for three years in our EMEAA Aerospace and Defence, and Built Environment business units.

In 2025, we plan to invest in our frontline leaders by training 1,000 people managers in skills such as active listening, decision making and problem solving.

TALENT ACQUISITION AND RETENTION

Having redesigned our recruiting process for the competitive post-pandemic landscape in 2023, we now proactively source from broader talent pools and have reduced our reliance on recruitment agencies. All hiring managers undergo training on best recruitment and retention practices and are equipped with new tools to improve colleague onboarding.

In 2024, we onboarded nearly 1,800 new colleagues to Element and took an average of just 33 days to fill each role, a reduction of 20% on our 2023 performance. Talent retention also improved in 2024 with voluntary attrition falling below 13% globally. Contributing factors included continued strong employee engagement, as well as industry-benchmarked compensation and benefits initiatives including LEAP, our long-term incentive programme for senior leaders, and a range of colleague assistance initiatives focused on well-being and colleague support.



EMPLOYEE ENGAGEMENT

Through various open and confidential engagement channels, we strive to maintain healthy dialogue with every colleague and constantly improve the employee experience at Element.

In our Q1 2024 pulse survey, we were pleased to achieve an engagement score of 75. This maintains the high score we achieved in our fuller Your Voice employee engagement survey in late 2023 and is an improvement on our score of 71 in 2021. Digging into the data from these surveys and putting together action plans was a leadership focus in 2024. We will continue to benchmark our results with a further Your Voice engagement survey in 2025.

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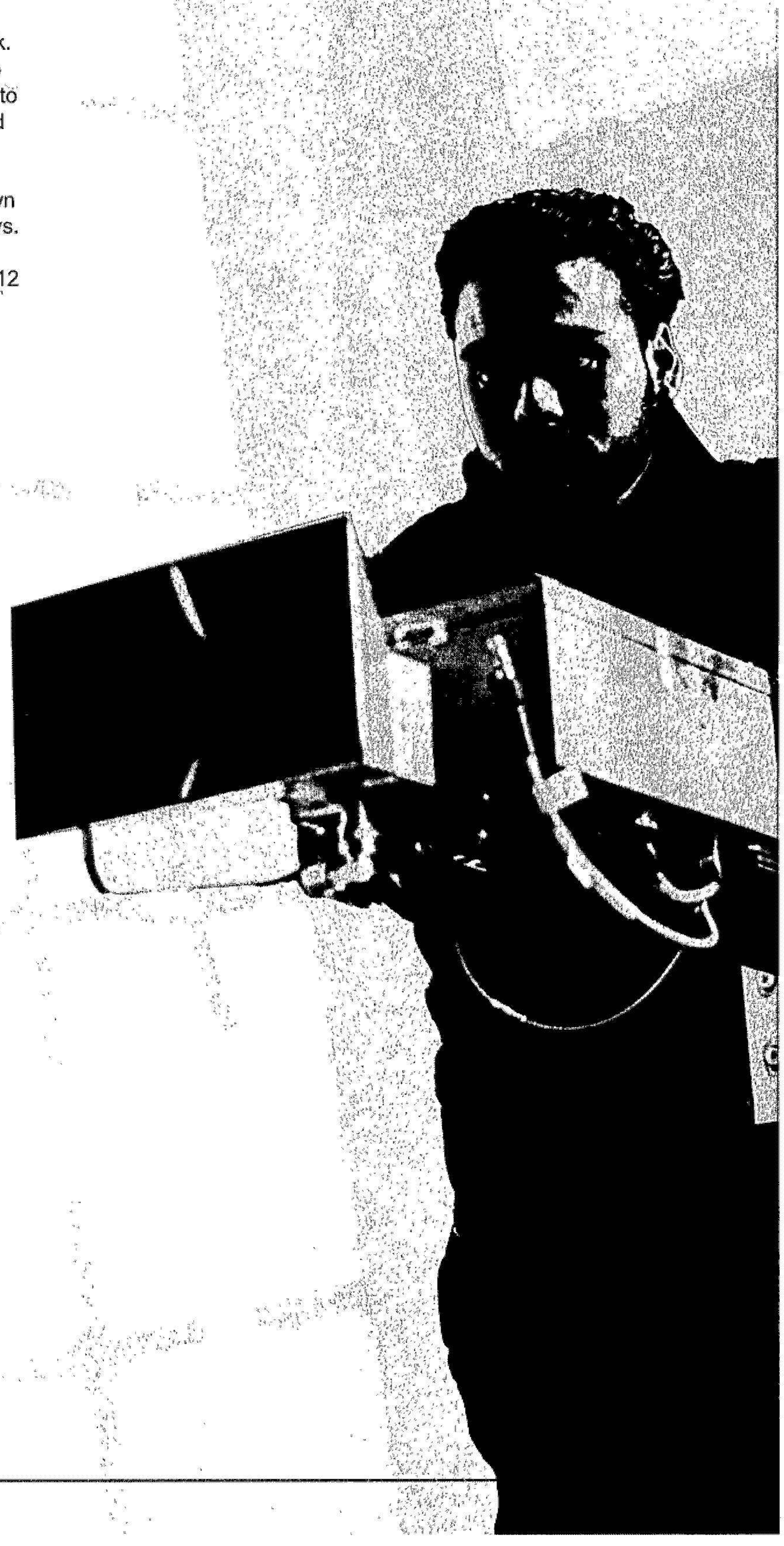
A highlight of the year, as always, was #InOurElement Week. This annual company-wide celebration gives us a chance to bring our 8,500 colleagues together, in person and virtually, to honour our shared values, recognise team contributions and reinforce our purpose. This year's week-long programme included well-being sessions, a global inter-lab competition, colleague resource network roundtables as well as local town halls, team-building events and community volunteering days.

Element actively engages with local communities by giving 12 hours of paid volunteering time per year to every colleague, which is equivalent to having up to 50 full-time colleagues dedicated to volunteering.

SOME OF THE WAYS WE LITEN AND ENGAGE

CEO and Operating Board location visits
Engagement surveys
Quarterly global town hall meetings
Quarterly business unit town halls
Monthly all-hands GM meetings for laboratories

Formal and informal meetings
Colleague resource networks
Ambassador calls with representatives from each location
Regular group communications and newsletters
The Hub intranet site



Task Force on Climate-related Financial Disclosures (TCFD report)

Our purpose of *Making tomorrow safer than today* transcends our testing, inspection, and certification services – it is fundamentally rooted within Element. At Element, we believe that the TIC industry can play a significant, and meaningful role in leading the way in environmental sustainability in partnership with customers around the world.

We acknowledge the critical importance of attaining net-zero emissions for Scope 1, 2 and 3 by 2050, creating awareness of and addressing climate-change risks and opportunities throughout our value chain.



In 2024, we undertook a comprehensive evaluation of our environmental impact and refined our objectives. To align with our majority stakeholders, Element has revised its original net-zero commitment established in 2021 and we are now pleased to commit to achieving 50% reduction in Scope 1 and Scope 2 emissions by 2030, and net-zero emissions by the year 2050.

Following the release of our TCFD report in 2023, we have engaged with external TCFD consultants to assist us with the modelling and assessment of physical risks across our portfolio and we have begun implementing a digital platform to report Scope 1, 2 and 3 emissions.

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The below disclosure complies with the requirements of the Companies Act 2006 as amended by the Companies (Climate-related Financial Disclosure) Regulations 2022.

GOVERNANCE

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

The Board has ultimate responsibility for climate risk management and our Environmental, Social, and Governance (ESG) framework, including those risks and opportunities related to climate change.

The Board is supported by the newly established ESG Committee, implemented in 2024. This committee, along with other supporting committees:

- Conducts formal quarterly reviews of policies and strategies pertinent to ESG matters;
- places particular emphasis on climate change as a critical risk factor and receives updates on sustainable strategies, proposed targets, and external reporting practices from both the ESG Global Taskforce and Regional Sustainability leads;
- when necessary, climate-related issues are escalated and reported to the Board for further deliberation.

The Board receives quarterly updates on all ESG matters, including progress against the net-zero target by 2050, broader environmental initiatives such as investment in hydrogen capabilities, and advancements in battery testing and internal governance, social, and reporting activities. The Board ensures that the company's ESG purpose aligns with the business strategy and customer proposition, oversees progress against targets, and controls activities to mitigate climate risks.

The ESG Committee, chaired by the Chief Financial Officer, is supported by the ESG Global Taskforce, which comprises of individuals from various departments, including Sustainability, Diversity, Equity & Inclusion, Human Resources, and Legal. The Taskforce focuses on:

- monitoring our commitments, challenges and opportunities pertaining to environmental and social issues, along with sound governance practices; and
- communicating findings to the Board through the Committee on a quarterly basis, ensuring alignment with Element's strategic objectives and overall business plan.

Climate change considerations are becoming integral to our operational strategies and decision-making frameworks. We have established a network of Sustainability Champions dedicated to supporting the Taskforce by evaluating our carbon footprint and identifying environmental improvements across multiple sites.

STRATEGY

Climate-related risks and opportunities identified over the short, medium and long term and their impact on the business

In 2024, Element proactively engaged external consultants to evaluate our alignment with the Task Force on Climate-related Financial Disclosures (TCFD) requirements. Based on their feedback, we have taken steps to enhance our management of climate-related issues. For example, we conducted a quantitative risk modelling exercise across our asset portfolio, identifying potential physical risks associated with eight specific peril categories, including flooding and wildfires. This analysis helped us identify high-risk assets and develop mitigation strategies. We also assessed transition risks and opportunities through peer comparisons and sector reviews.

To evaluate physical climate risks under future scenarios, we screened all locations to identify high-risk assets across various greenhouse gas scenarios (representative concentration pathways (RCPs)) and time horizons. A subset of these assets underwent detailed peril-level analysis using internal and external data sources.

Although high-risks assets under specific perils were identified, the outcomes of our modelling efforts are uncertain due to the complex interactions associated with various climate change scenarios. However, we believe that the information presented here reflects Element's commitment to comprehensively understanding the potential impacts of climate change on our financial position and performance.

Element's purpose of *Making Tomorrow safer than Today* focuses on the future. By combining this central purpose with our sustainability services offering, we can assist customers with sustainability solutions, from assurance to development services. Specifically, Element focusses on the validation of critical technologies needed for the global transition to clean energy sources. As the hydrogen ecosystem rapidly expands across the automotive, aerospace, defence, and energy sectors, having specialised testing capabilities is critical to driving widespread adoption. Element's expanding network of state-of-the-art facilities provides essential infrastructure to validate the safety and performance of these complex technologies and accelerate their path to market.

In 2024, we also completed the expansion of our new testing facilities in Huntsville, Alabama, to support small modular reactor (SMR) nuclear energy testing. Innovations in this space are designed to make this clean form of energy generation even safer and more

sustainable and Huntsville's large-scale testing chambers are engineered to simulate the extreme temperatures and pressures of advanced SMR systems currently under development.

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

The physical and transition risk analysis considered 3 climate scenarios: RCP2.6, RCP4.5 and RCP8.5. These climate scenarios reflect a temperature increase by 2100 of ~1.6°C, ~2.4°C and ~4.3°C respectively. As demonstrated below, these climate scenarios were examined across various timeframes, providing confidence in the long-term resilience of the business:

- As a global service provider, Element does not anticipate material impacts from climate-related policies and regulations,
- our diverse global distribution of sites allows us to redirect work as needed, minimising the impact of climate-related disruptions,
- by advancing climate risk modelling, we can monitor site-specific risks and implement appropriate mitigations where applicable,
- we continue to invest in energy-efficient technologies and renewable energy contracts to comply and reduce our carbon footprint.

Time Horizons: We have chosen three time horizons described below		
Time period	**Years**	**Justification**
Short	2024-2030	Aligned to our Scope 1 & 2 50% reduction target
Medium	2030-2050	Aligned to our net-zero target
Long	2050-2100	Longer term to capture enhanced physical risks and opportunities

RISK MANAGEMENT

Identifying and assessing climate-related risks

Environment and climate change are identified as principal risks in our group risk register. In 2024, we refined these risks with external consultants, quantifying significant physical and transition risks to ensure clear understanding of financial impacts and effective mitigations.

To determine and assess the impact of climate-related risks, our asset portfolio was modelled. Physical risk exposures for the full portfolio were firstly assessed under RCP8.5 across various timeframes. During the detailed analysis phase, we then assessed changing exposures in decadal intervals from 2024 to 2100 under RCP8.5, RCP4.5 and RCP2.6. Based on this, Element's portfolio shows:

- ~5% of sites were exposed to high or very high risk of surface water flooding
- ~3% of sites were exposed to high or very high risk of coastal inundation
- ~6% of sites were exposed to high or very high risk of riverine flooding,
- There is limited exposure to other perils under all scenarios with no assets facing damage ratios over 1% due to these perils

Management of climate-related risks

The principal risk register is owned by the Operating Board and undergoes a quarterly review by the Risk Committee. Risks are systematically evaluated across various timeframes and geographies, considering their likelihood and impact. As a result, appropriate mitigation strategies and plans are developed to effectively manage these risks. Further details on such risks are on page 34.

Within the principal risk – environment and climate change – are various physical risks to Element's asset portfolio. Our physical risk modelling has allowed us to assess on a site-by-site basis, the evolving severities and therefore financial impacts from climate events. By leveraging these findings, we are able to formulate mitigation and management strategies at an operational level. Such results and mitigations are analysed by the ESG Committee in preparation for review by the Risk Committee, as summarised in the table below.

Physical Risk	Impact on Business	Mitigations
Flooding	Damage to low-lying buildings or infrastructure assets, coastal land and property	• Insurance covering physical protection of high risk structures • Ensure risk is accounted for within the business continuity planning conducted by General Managers
Soil Movement, Freeze Thaw, Extreme Wind, Forest Fire and Extreme Heat	Increased cost associated with loss of use, human heat stress and subsidence damage and cracking of structural elements	• Physical protection over high risk structures • Review new sites once existing leases expire • Invest in further energy-efficient sources such as solar and renewable energy
Transition Risk	**Impact on Business**	**Opportunities**
Reputation and Regulatory Changes	Non-compliance of increasing disclosures can lead to a loss of clients, reduced market share and legal and financial repercussions	• Effective management of carbon emissions to drive a positive group reputation • Increased demand for Sustainability Assurance services
Price of Carbon	Higher expenses for compliance and potential penalties for non-compliance with carbon regulations	• To enhance carbon management services for clients, reducing carbon footprint and meeting regulations
Change in Market Demand	Fluctuations in market demand and rapid technological advancements can render existing services obsolete if Element fails to adapt	• Enhanced trust with partners and fostering long-term relationships through sustained collaboration

Identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

As an identified principal risk, environment and climate change is formally assessed by the ESG Committee and reviewed by the Risk Committee on a quarterly basis. This evaluation process assists the Operating Board in identifying, assessing, and managing risks related to environmental and climate concerns. The ESG Committee's objective is to identify all pertinent risks and communicate them to the *Operating Board to facilitate effective management and the development of viable solutions.*

Identified risks that fall under environmental and climate change are communicated to business units so that local risk assessments and mitigation plans can be created. Our overall risk management framework and supporting processes can be found on page 34. Our climate-related opportunities are reviewed as part of our overall budget, forecast, innovation, M&A, customer insight and other practices.

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METRICS AND TARGETS

Metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process

In 2024 Element reset its targets to net-zero in Scope 1, 2 and 3 by 2050. We report on our Scope 1 and Scope 2 GHG emissions via a third-party platform and calculate at a site level so business units can work directly on relevant local initiatives and carbon reduction plans.

Our reporting is aligned with GHG Protocol Corporate Accounting and Reporting Standard (2015) and the recommendations of the TCFD.

		Greenhouse Gas Emissions (tCO_2e)[1]		Carbon Intensity (tCO_2e/$m)[2]	
		FY23	FY24	FY23	FY24
Scope 1	Emissions from sources which Element owns or controls directly	12,532.2	11,856.3	9.1	8.3
Scope 2 (location-based)	Emissions from purchased electricity, heat and steam for our use (location-based)	53,574.3	51,544.9	38.8	36.1
Scope 2 (market-based)	Emissions from purchased electricity, heat and steam for our use (market-based)	44,127.3	41,189.9	32.0	28.8

1. The carbon emissions data presented in this report have undergone a limited assurance audit by an independent third-party auditor. This assurance process ensures the accuracy and completeness of our reported emissions figures.
2. Carbon intensity refers to the tCO_2e per $m revenue.

In 2024, Element saw a reduction in total Scope 1 and 2 emissions versus our 2023 baseline. Scope 1 carbon emissions reduced by 5% despite an increase in our site portfolio and revenue growth. Given we have purchased renewable energy certificates, Scope 2 performance has been reported using both a market and location-based method. Our market-based Scope 2 carbon emissions reduced by 7% as a result of our ESG strategies, including the procurement of renewable energy and communication to colleagues

Following our Standard Operating Procedure and the GHG Protocol, we are reporting Scope 1 and 2 emissions for 2023 and 2024 for the first time. Given 2023 has the most robust and detailed reporting available out of our historic years, 2023 has been chosen and will continue to be used as our base year. Where a significant threshold is breached, a recalculation or shifting exercise will be carried out so that we can continue to calculate and track our carbon emissions accurately.

To calculate such metrics, both spend and activity-based methodologies were used. We will continue to transition away from a spend-based approach in 2025 and minimise the use of estimations and extrapolations to improve accuracy and specificity of data. Additionally, Element aims to refine the accounting mechanisms used to ensure clear visibility in the future over Element's Scope 3 emissions, allowing us to identify top category emitters and therefore initiate engagement with critical suppliers to reduce carbon emissions.

Targets used by the organisation to manage climate-related risks and opportunities and performance against targets

As demonstrated in the table below and in alignment with the GHG Protocol and TCFD requirements, Element will commit to reaching a 50% reduction in Scope 1 and 2 emissions by 2030 and being net-zero by 2050. We are in the process of implementing a digital platform which will help us identify the most material sources of emissions so that we can implement a performance management programme of climate-related action plans to reduce our year-on-year emissions.

Given electricity represents a significant proportion of Scope 1 and 2 emissions, we will continue to transition the amount of energy consumed to renewable sources through contract renegotiations and will continue to focus on accounting for Scope 3 emissions so areas along our supply chain can be addressed to generate positive return. This will enable us to meet the following targets in the table below.

Metric and Target	Baseline (FY23)	Progress
50% reduction by 2030 (in Scope 1 & 2 emissions)[1]	56,659 tCO_2e	53,046 tCO_2e in FY24, prior to the purchase of Renewable Energy Certificates[2]. This is a 6% reduction on the FY23 baseline reflecting the progress made through data collection and contract renegotiations.
Net zero by 2050 (in Scope 1, 2 and 3)	N/A	We are currently working towards obtaining robust Scope 3 data ahead of publishing, which should be in FY25.

1. Scope 2 emissions are calculated based on the market-based methodology.
2. In 2025 we plan to purchase Renewable Energy Certificates (RECs) to further reduce 2024 Scope 2 emissions

Principal Risks and Uncertainties

DETAILS OF THE PRINCIPAL RISKS AND UNCERTAINTIES WHICH COULD HAVE A MATERIAL IMPACT ON THE GROUP'S BUSINESS MODEL, STRATEGY, FUTURE PERFORMANCE OR REPUTATION ARE SET OUT BELOW. THE PRINCIPAL RISKS ARE IDENTIFIED BASED ON THE LIKELIHOOD OF OCCURRENCE AND THE POTENTIAL IMPACT ON THE GROUP AS A WHOLE. THE SECTION BELOW IDENTIFIES THE RISK AND MITIGATING ACTIONS ASSOCIATED WITH EACH RISK.

While risk cannot be eliminated altogether, actions are taken to mitigate risk wherever possible.

As a matter of policy, the Group does not enter into speculative activities. The material business and operational risks that the Directors consider the Group to be exposed to are:

HEALTH AND SAFETY RISKS	
RISK **Workplace Health & Safety** The Group's operations involve working with materials and chemicals that by their nature have inherent safety risks. Incidents may occur which could result in harm to employees, the temporary shutdown of facilities or other disruption to processes. The Group may be exposed to financial loss, regulatory action and potential liabilities for workplace injuries and fatalities.	MITIGATING FACTORS/ACTIONS Safety is our chosen purpose and remains central to everything we do. The Group puts continued emphasis on the promotion of a culture which puts safety first and encourages employees to take personal responsibility for their actions. Health and safety guidelines are issued to all colleagues Group wide. The Group has also increased capital investment in legacy facilities to improve health and safety conditions.

STRATEGIC RISKS	
RISK **Global Economic Recovery and Market Conditions** Unmitigated delays in the receipt of orders or cancellation of existing contracts could affect the Group's financial performance. If the Group's businesses are unable to continue trading profitably during periods of lower order intake, financial performance will deteriorate, and assets may be impaired.	MITIGATING FACTORS/ACTIONS The strength of our end markets is an important driver for our growth. Our business is well diversified both geographically and by end customer. We actively monitor lead economic indicators in the market. Given the nature of the business, this allows Management to control costs and limit the impact of any global downturn on our profitability.

STRATEGIC RISKS	
RISK **Business Continuity** The Group's laboratories are exposed to business continuity risk arising from natural disasters as well as potential terror attacks impacting one or more laboratories. This could cause short to medium term disruption to the Group's operations and could result in revenue loss.	MITIGATING FACTORS/ACTIONS This is mitigated by the Group's diverse geographical presence and customer base. None of our laboratories individually generate more than 5% of Group revenue. Equally, none of our customers constitute more than 5% of the Group's revenue. Therefore, any potential operational disruption and consequent revenue loss caused by a natural disaster or terror event will be isolated to that geographical location.

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STRATEGIC RISKS	
RISK **Innovation and Digitization** The risk that new entrants or new ways of working could seriously disrupt the testing and certification sector.	MITIGATING FACTORS/ACTIONS Digitization and novel ways of delivery to customers in the longer term provides growth and the ability to innovate for customers. In line with the digitization strategy, the Group has invested in businesses in innovation and digital markets to stay ahead of the competition. Our investments in these areas are aligned with Management's commitment to grow through innovation and diversify into new markets and services.

OPERATIONAL RISKS	
RISK **Loss of Reputation due to non-compliance** The Group is exposed to potential liabilities arising from quality issues in the provision of services and associated warranty claims. The Group requires a significant number of permits, licenses and approvals to operate its business, which may be subject to non-renewal or revocation. Loss of key operating permits and approvals could result in temporary or permanent site closures, and loss of revenue.	MITIGATING FACTORS/ACTIONS The Group has quality control procedures and operational KPIs in place to mitigate this risk which are under constant review and subject to regular external audit by accreditation bodies and customers. Strict quality control measures as well as deployment of experienced quality control experts enables the Group to maintain standard operating procedures. In addition, all relevant staff are given mandatory training.

OPERATIONAL RISKS	
RISK **Consolidation of Customer Base, Competition and Pricing Pressure** Market consolidation and reduced customer base could lead to pressure in pricing.	MITIGATING FACTORS/ACTIONS The Group is improving its customer service, expanding and managing focused Strategic Account Management and Key Account Management programs, improving operational delivery, and regularly monitoring performance against expectations. The Group continues to pursue a successful diversification strategy and maintains a diversified customer profile.

FINANCIAL RISKS	
RISK **Liquidity and Cash Flow Risk** The Group is exposed to a range of financial risks, both internally and externally driven, such as an unexpected movement in interest rates or fluctuation in foreign exchange rates. In addition, as a result of past events, the Group is exposed to a number of potential liabilities in the ordinary course of business. These potential liabilities may or may not result in future cash outflows. Where a cash outflow is considered probable, based on its best estimate of likely outcome for each material past event, the Group calculates and records a provision. Any potential future cash outflows could result in financial loss and adversely impact the Group's ability to compete for future contracts. Further details of the financial risks to which the Group is potentially exposed, and details of mitigating factors are set out in note 22 of the Group financial statements.	MITIGATING FACTORS/ACTIONS In order to ensure that sufficient funds are available to fund ongoing operations and future developments, Management regularly reviews the cash flow forecasts and financing arrangements of the business to ensure that there is sufficient funding in place. The Group closely monitors the interest rate risks associated with servicing its debt and the potential impact on its statement of financial position and cash flows. The Group implements economic hedging where appropriate. The Group closely monitors the exchange rate risks associated with servicing its debt and the potential impact on its statement of financial position.

COMPLIANCE AND REGULATORY RISKS	
RISK **Ethics and Risk of Non-compliance** Non-compliance with Element values and legislation, both within the Group and with trading partners, including non-adherence to legal competition requirements could lead to reputational & regulatory risk.	MITIGATING FACTORS/ACTIONS • The Group's Code of Conduct is a clear and straightforward framework for all Element colleagues to follow, irrespective of role, geography or culture • Mandatory training programmes, including Code of Conduct, are regularly undertaken • The executive management holds town hall meetings and communicates the Group's values and ethical policies

PEOPLE RISKS	
RISK **Recruitment and Retention of Key personnel** Failure to recruit or retain qualified personnel in key areas of the business may result in the Group failing to achieve its future growth aspirations.	MITIGATING FACTORS/ACTIONS • Reward & Recognition • Employee Engagement • Career Development & Succession planning • Flexible working

INFORMATION TECHNOLOGY AND SECURITY RISKS	
RISK **Cyber Security** Cyber-security and related risks are key emergent areas of critical importance for all businesses. Cyber threats can emanate from a wide variety of sources and could target various systems for a wide range of purposes, making response particularly difficult. In addition to business interruption and financial loss, the Group may suffer reputational damage.	MITIGATING FACTORS/ACTIONS The Group's IT teams continually monitor cyber security developments. Working with a number of specialist and industry leading technical partners, multiple layers of business protection have been created through the use of advanced intrusion detection and protection systems, web access firewalls and advanced content filtering to combat denial of service attacks. Business processes are also kept under review and user education regularly carried out to minimize the possibility of ransomware incidents. Regular third-party penetration testing is performed on the Group's core IT systems. New IT system developments are subject to rigorous penetration testing prior to release. Disaster recovery plans are in place across the network which are tested and improved regularly.

GEO-POLITICAL RISKS	
RISK **Geo-political tensions** Global and regional tensions with economic implications, interstate conflicts, or political/ governmental instabilities might hamper the Group's ability to perform business as usual and cause operational disruptions.	MITIGATING FACTORS/ACTIONS • Diversification of offerings • Strategic Account management • Geographic representation

ENVIRONMENT AND CLIMATE CHANGE	
RISK **Sustainability Risks** The Group's operations require increased considerations around sustainability to avoid adverse consequences (physical risk). Reputational impact from not aligning with global megatrends, including revenue risk from loss of customers. Pressure from regulation and customers to drive a higher bar for the sustainability strategy.	MITIGATING FACTORS/ACTIONS • Diversity of Operations/Business • Continuity Plans (including BI insurance) • ESG Committee & monitoring of risks (& impact) through sustainability governance program • Investment in Sustainable initiatives

In accordance with its risk management guidelines, the Group raises awareness of business risks at all operational management levels, and encourages all management teams to assess and minimize risk. The Group ensures the appropriate cover of all essential liability and claims risks.

Non Financial and Sustainability Statement

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The Company operates within the Testing, Inspection, and Certification (TIC) industry, where trust, integrity, and compliance are key drivers of sustainable success.

Element has established a wide range of policies, procedures and guidelines which set out how we operate - what is expected of our people, and what they can expect from Element in return. They are regularly updated and routinely communicated to colleagues. The principal policies, procedures and guidelines are brought together in an overarching Code of Conduct, which reflects our commitment to conducting business with honesty and integrity wherever we operate. We are a member of the TIC Council, an international association representing independent testing, inspection and certification companies. Element is committed to meeting the obligations set by the TIC Council and our Compliance Programme reflects the requirements of the TIC Council Compliance Code.

The Board recognises that Environmental, Social and Governance (ESG) issues are integral to the Group's values and strategies. It is paramount that our operations are compliant with relevant laws and regulations in every country we work in, and that we conduct our work with integrity. Reaching net zero and helping our customers do the same is a long-term strategic priority for Element as is keeping our business resilient in the face of climate change. In 2024, a new ESG Committee has been formed to provide appropriate focus for the Group's ESG strategy, to underpin long-term shareholder and stakeholder value; and we implemented a digital platform for reporting our greenhouse gas emissions and engaged with external experts to help us better assess and manage our climate-related physical risks, as disclosed in this report on pages 30 to 33 of the Company's TCFD report.

HUMAN RIGHTS

The Group is fully committed to respecting the human rights of our employees. Element is committed to ensuring that our people are treated in accordance with the Universal Declaration of Human Rights and the UN Global Compact's ten principles. Element has a zero-tolerance approach to modern slavery/human trafficking and is committed to acting ethically and with integrity in all its business dealings and relationships to ensure that modern slavery is not taking place in the business. In accordance with section 54(1) of the Modern Slavery Act 2015, the Group's slavery and human trafficking statement is published on our website.

We align with the UNGC's ten principles on human rights, labour, environment, and anti-corruption and in 2024, we have renewed our United Nations Global Compact (UNGC) signatory status.

ANTI-BRIBERY AND FRAUD

The Group has an anti-bribery and corruption policy in place which is available to all employees via the Company's intranet. In addition, employees are required to complete mandatory training on the Code of Conduct via the learning platform or are briefed by general managers in all-hands meetings. In 2024, we carried out an anti-bribery and corruption and fraud risk assessment.

WHISTLEBLOWING HOTLINE

The Company provides a confidential whistleblower service, which is managed by a specialist third party provider, across our global business, giving all colleagues and third parties the opportunity to raise concerns. The service encompasses a telephone hotline, email and web-based reporting facility and is available in relevant languages in all countries in which Element has a presence. This service may be used to report incidents of wrongdoing including fraud, bribery and corruption, discrimination, bullying or harassment, supplier labour practices, modern slavery, tax evasion, breach of competition laws, health, safety and quality matters and environmental concerns. Any whistleblowing reports are reviewed and investigated appropriately.

During 2024, Element received 31 whistleblowing reports through the external whistleblowing service. Most reports were of an HR nature but the hotline was also used to report quality and other issues. All reports were reviewed and investigated: 5 allegations were substantiated, 11 allegations were partially substantiated, 15 allegations were unsubstantiated. The results of the investigations were reported to the Audit Committee and the Compliance Committee.

SECTION 172(1) STATEMENT

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which 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, to have regard (amongst other matters) to:

- *s.172(1)(a) the likely consequences of any decision in the long term*
- *s.172(1)(b) the interests of the Company's employees;*
- *s.172(1)(c) the need to foster the Company's business relationships with customers, suppliers and others;*
- *s.172(1)(d) the impact of the Company's operations on the community and the environment;*
- *s.172(1)(e) the desirability of the Company's maintaining a reputation for high standards of business conduct; and*
- *s.172(1)(f) the need to act fairly as between members of the Company*

(the "s.172(1) Matters").

Details of how the Board has engaged with stakeholders and how it has had regard to their interests is set out on page 55.

The Board considers s.172(1) Matters where appropriate at Board Meetings as part of the decision making. All formal Board meetings are minutes and these minutes are formally approved at the following meeting.

The Company continually assesses its long-term opportunities to create and preserve value. The Board carefully evaluates strategic decisions by considering their financial, operational, environmental, and social impacts. This ongoing review helps shape the overall performance of the business and guides the formulation of Group-wide strategies. To ensure the Group is well-positioned to achieve its objectives, the Board verifies that the necessary financial and human resources are in place. It also monitors management's performance and strategy against established goals, helping to drive long-term success. Please refer to pages 42 to 45 for further information.

Significant capital expenditures, potential acquisitions, disposals and reorganisations are thoroughly reviewed by the Board, which then approves or declines these initiatives. In making these decisions, the Board considers various factors, including financial benefits and the long-term impact on the Group, its employees, customers, and suppliers.

The Strategic Report was approved by the Board on 30 April 2025.

On behalf of the Board

Paul Woolf
Chief Financial Officer
Date: 30 April 2025

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Directors' Report

THE DIRECTORS PRESENT THEIR REPORT AND THE AUDITED FINANCIAL STATEMENTS OF EM TOPCO LIMITED FOR THE YEAR ENDED 31 DECEMBER 2024.

The principal activities of the Group are materials and product qualification testing. A description and review of the Group during the financial year and indications of future development are set out on pages 6 to 14 within the strategic report.

DIRECTORS

Element is led by a dynamic group of individuals with years of experience in their respective leadership and management fields.

The current Directors who served during the year and subsequently, were as follows:

a. Allan Leighton
b. Jo Wetz
c. Paul Woolf (appointed 24 September 2024)
d. Uwe Krueger (resigned 13 February 2025)
e. Ruth Prior (resigned 27 August 2024)
f. Nagi Adel Hamiyeh

Details of the Directors and their biographies can be found on pages 40 to 41.

Details of the Operating Board members are set out on pages 25 to 27. The Operating Board meets regularly to review the overall performance of the business and also to implement Group-wide strategies and priorities.

CORPORATE GOVERNANCE

The Element Group has approximately 8,500 employees working from over 270 facilities in countries around the world. Element is committed to operating in accordance with the highest standards of corporate governance. The Company is a holding company employing fewer than 2,000 employees. The Company does not meet the qualifying conditions for the financial year to report against the Wates Corporate Governance Principles for Large Private Companies published by the Financial Reporting Council in December 2018. The Board is, however, accountable to shareholders and given that on a consolidated basis the Group would meet the qualifying conditions, is committed to meeting the standards of corporate governance for large private companies as set out in the Wates Corporate Governance Principles for Large Private Companies. More information can be found on pages 42-44.

Board of Directors

ALLAN LEIGHTON,
NON-EXECUTIVE CHAIRMAN



Allan is a non-executive director of the Element Materials Technology Group Board. He has had an extensive and varied business career holding a series of high profile roles for major corporations in the food, retail, FMCG and communications sectors including that of Chief Executive of Asda and Pandora; Non-Executive Chair of the Co-operative Group; and Non-Executive Chairman of the Royal Mail, Entertainment One plc, and Wagamama Ltd.

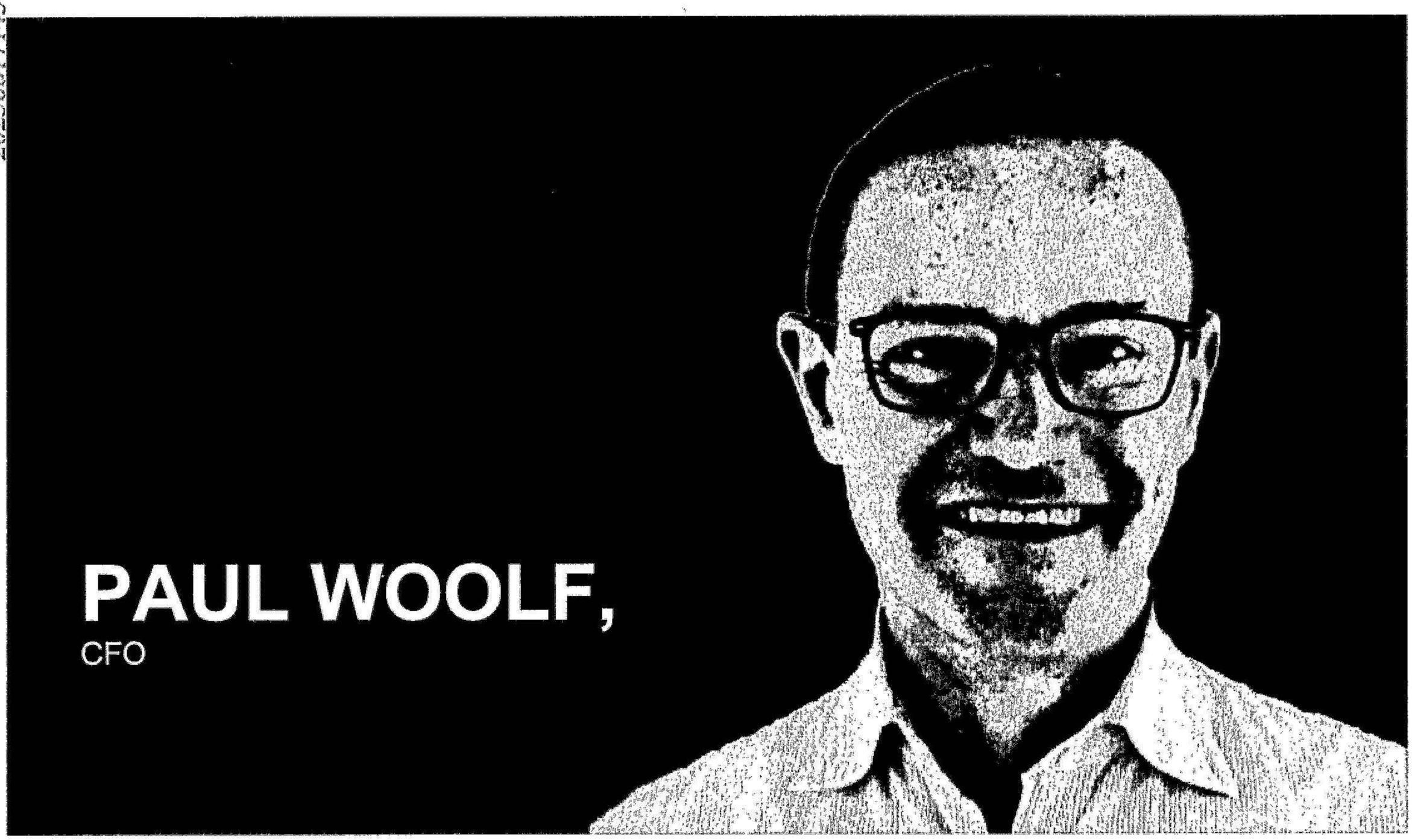
Allan holds an honorary degree from Cranfield University, an honorary fellowship from the University of Central Lancashire, and an Honorary Doctor of Letters from York St. John University.

JO WETZ,
CEO



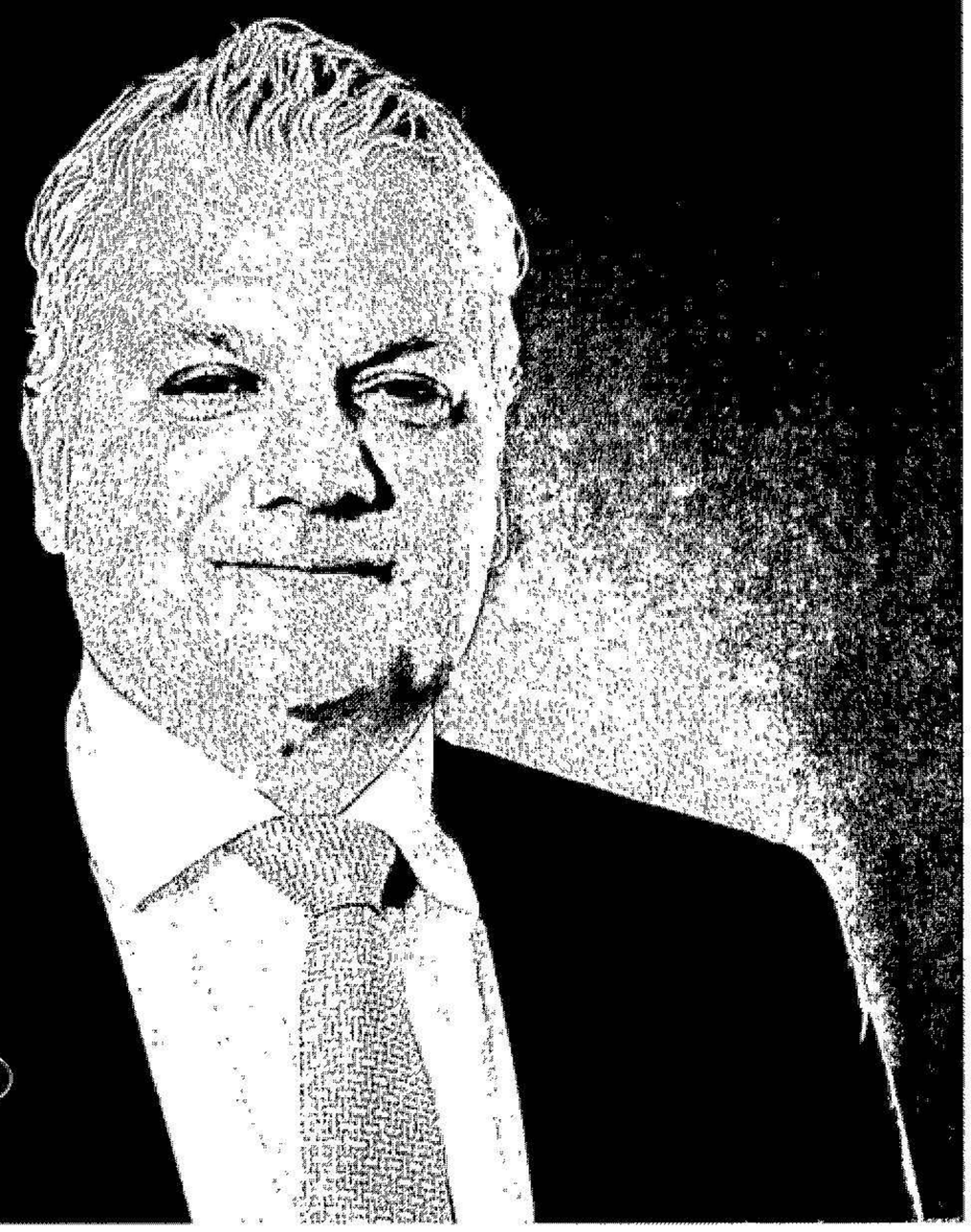
Board of Directors

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PAUL WOOLF,

CFO



NAGI HAMIYEH,

BOARD DIRECTOR

Nagi is the Head of the Europe, Middle East & Africa region at Temasek. Prior to joining Temasek, Nagi was a Banker with Credit Suisse First Boston's Energy Group. He began his career at Bain & Company.

Nagi holds a Bachelor of Science degree in Civil Engineering from the University of Texas and Master of Science degree in Civil Engineering and Environmental Engineering from the Massachusetts Institute of Technology.

Board Leadership

WATES CORPORATE GOVERNANCE
PRINCIPLES FOR LARGE COMPANIES

This report describes how the Board has applied the main principles of good corporate governance during the period of review, being the year ended 31 December 2024.

1. PURPOSE AND LEADERSHIP

Element is one of the world's leading independent providers of testing, inspection and certification services. When failure in use is not an option, we help customers make certain that their products, materials, processes, and services are safe, compliant and fit for purpose. At Element, we help to make certain that the materials and products we test, inspect and certify for our customers are safe, quality compliant, and fit for purpose. 'Making Tomorrow Safer Than Today' is Element's purpose.

Our three brand values drive our everyday behaviour:
- Integrity: we do what is right;
- Care: we care about the impact we have; and
- Progress: we strive to create a more positive future.

Our management team has built a people-first, collaborative culture that enables us to deliver on our commitments. Our passion for testing is demonstrated through our technical, commercial and operational excellence.

The Board provides leadership to the Group and the Directors promote the success of the Company. The Board promotes the Group's culture, purpose and strategy. The Board is responsible for the proper management of Group strategy and direction.

It oversees the activities and direction of the Group. The Board meets regularly to review the overall performance of the business and also to determine Group-wide strategies and drive performance. The Board ensures that the Group has the necessary financial and human resources in place to meet its objectives, reviews management performance and strategy against set objectives and helps to deliver long-term success. Details of the matters specifically reserved for the Board are set out on page 43.

2. BOARD COMPOSITION

The Board is responsible for the management of Group strategy and the long-term success of the Company. It also oversees the activities and direction of the Element Group.

The Board currently has four members and includes a combination of Executive and Non-Executive Directors. It comprises the Non-Executive Chairman, two Executive Directors and one Non-Executive Director. The Board benefits from the wide range of sector experience of its Directors. Details of the Directors and their biographies can be found on pages 50 to 51.

The roles of the Chairman and Chief Executive Officer are separate, clearly defined, set out in writing and approved by the Board. The Chairman is responsible for leadership of the Board and ensuring its effectiveness. The Chairman sets the agendas and timetables for Board meetings, facilitating debate and dialogue during the meetings.

The Chief Executive Officer is responsible for the day-to-day leadership of the Group's business and managing it within the authorities delegated by the Board. The Chief Executive Officer reports to the Chairman and to the Board directly.

Ongoing training and development is provided to all Directors to ensure that they keep abreast of relevant regulatory and legislative requirements. The Board receives regular, timely updates on all key aspects of the business, including financial performance, health and safety, the progress of the Group's strategies, key performance indicators, and external factors such as interest rates.

During 2024, the Board was briefed on a range of subjects including: ESG matters; monitoring risk management and internal controls; the Group's financial processes; operational excellence and safety initiatives; litigation and claims; taxation matters; cyber security; compliance; anti-bribery and corruption, fraud and COO risk assessment and whistleblowing.

Directors may seek independent professional advice at the Company's expense where they consider it appropriate in relation to their duties.

3. DIRECTOR RESPONSIBILITIES

The Chief Executive Officer's key responsibilities include:

a. Managing the Group on a day-to-day basis within the authority delegated by the Board;
b. Developing and proposing the Group strategy, annual plans and commercial objectives to the Board;
c. Leading the Operating Board in the day-to-day management of the Group;
d. Identifying and executing strategic opportunities for the Group;
e. Ensuring that the development needs of the Executive Directors and senior management are met;
f. Making plans for the succession and replacement of key personnel; and
g. Recommending budgets and forecasts for Board approval.

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THE BOARD'S RESPONSIBILITIES
The Board is responsible to shareholders for providing leadership and setting the values and standards of the Company and the Group. The Board has adopted a schedule of matters reserved for its attention.

The Board approves the Group's business strategy and objectives, budget and forecasts and any material changes to them. It reviews significant investment proposals and the performance of past investments and maintains an overview and control of the Group's operating and financial performance.

The Board sets policies for monitoring the Group's overall system of internal controls, governance and compliance and ensures that the necessary financial and human resources are in place for the Company to meet its objectives.

ACCOUNTABILITY
The Board has established and maintains corporate practices that provide clear lines of accountability and responsibility to support effective decision-making.

BOARD RESERVED MATTERS
The Board reserved matters are set out in the Shareholder Agreement. Decisions on operational matters are delegated to the Executive Directors under documented policies and procedures. In advance of scheduled Board meetings, each Director receives documentation providing updates on the Group's strategy, finances, operations and development. A formal schedule of matters reserved for Board approval is in place which includes matters relating to:

a. the Group's business strategy and objectives, budget and forecast and any material changes to them;
b. changes in capital structure;
c. approving the Annual Report & Accounts;
d. ensuring the Group has effective systems of internal control and risk management in place, including approving the Group's risk appetite and procedures for the detection of fraud and the prevention of bribery;
e. approving major capital projects, corporate actions and transactions;
f. reviewing the performance of the Board and its committees and the Group's overall Corporate Governance framework; and
g. approving other matters reserved for decision by the Board by law or where likely to have a material impact on the Group's finances, operations, strategy or reputation.

The Board believes that documented roles and responsibilities for Directors, with a clear division of key responsibilities between the Chairman and the Chief Executive Officer, are essential elements in the Group's governance framework and facilitate the effective operation of the Board. Accordingly, the Board has agreed the division of responsibilities between the Chairman and the Chief Executive Officer.

The Non-Executive Directors scrutinize the performance of Management. They also have a prime role in succession planning for the Executive Directors.

COMMITTEES
The Board has delegated specific responsibilities to the Audit Committee to assist it with the direction and control of the Group. These committees, together with the Operating Board, are the principal operating committees of the Group. The Compliance Committee and the ESG Committee have also been established. If the need should arise, the Board may set up additional committees as appropriate.

INTEGRITY OF INFORMATION
Detailed papers and presentation materials are circulated in advance of Board and Committee meetings to each of the Directors to allow Directors to be properly briefed in advance of meetings. Board and Committee packs include detailed financial and operational information. Presentations are given at the meetings, minutes and status of actions are considered. All meetings are minuted and these minutes/status of agreed actions are considered and formally approved at the following meeting. Separate strategy meetings and meetings with senior executives are also held throughout the year.

Key financial information is provided from the Group's accounting and financial systems. The Group's finance team is appropriately qualified to ensure the integrity of this information and is provided with the necessary training and support to keep up to date with regulatory change. Financial information is currently audited by EY on an annual basis.

4. OPPORTUNITY AND RISK

OPPORTUNITY

The Group considers its long-term opportunities to create and preserve value as part of its annual strategy review. As described in the Strategic Report, the Group's key objectives include driving strong organic growth across the business; attracting, retaining and developing technical talent; and investing and growing the business through targeted capital expenditure investment and mergers and acquisition activity. The Board promotes these activities with the aim of making the Group the best and most trusted testing partner in the world.

RISK

The Board has carried out a robust assessment of the principal risks and uncertainties facing the Company and how those risks affect the prospects of the Company. Please refer to pages 34 to 36 for further information on the Company's principal risks and uncertainties and their impact on the prospects of the Company.

The Board leads on the establishment of internal controls and transparent policies that underpin our values and reflect our commitment to conducting business with honesty and integrity wherever we operate. These controls and policies range from health and safety, quality, anti-bribery and corruption, and fair trade to trade compliance and whistleblowing. Policies are widely communicated to colleagues and reinforced through targeted programs and training, as required, to ensure they are understood and adopted.

RESPONSIBILITIES

The Group has implemented a range of operating rules, processes, best practices and operating standards. The Board approves a number of reserved matters including mergers and acquisitions, capital expenditure above stated levels and other matters. This helps promote the long-term sustainable success of the Company.

5. REMUNERATION

The Remuneration Committee scrutinizes the performance of Management and is responsible for determining levels of remuneration of the Executive Directors of the Company and such other senior employees as the Board may determine from time to time. Remuneration is set at a level which allows the Company to attract and retain the best talent who can help deliver the Company's strategic plans.

The Remuneration Committee makes recommendations to the Board in relation to the Group's remuneration strategy, recruitment and incentivization of senior executives. In doing so, the Committee takes advice from independent external remuneration consultants and advisers in relation to best market practice, remuneration benchmarking, diversity of senior management and legislative developments.

The Group ensures that colleagues are treated fairly and equally regardless of age, gender, nationality, ethnic origin, religion, marital status, disability and sexual orientation. We strive to make decisions which are made free from bias and provide a working environment that is respectful, engaging and creates opportunities for all.

6. STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

The Directors recognise the responsibility of the Company to a wide range of stakeholders, including Element's customers, shareholders and employees. The Company keeps in close contact with its principal stakeholders to understand their views in order to appropriately consider their interests in decision making, together with considering recommendations on how such engagement could be enhanced.

With a diverse team spread across our laboratories and offices worldwide, the effectiveness of our communications is key to ensuring that all our people are aligned with the business strategy and are fully aware of the role that they play in making Element successful.

7. DIRECTORS' CONFIRMATIONS

The Directors consider that the Annual Report & the financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Directors' Report, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that the Group faces.

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	HOW WE LISTEN AND ENGAGE	
People	Our people are central to the success of our business. We invest in professional development (our online Element Academy with extensive learning and development modules), health and well-being benefits, safety measures, and an inclusive workplace culture. Through our regular employee engagement surveys, training programs, town-halls and other open communication channels, we maintain interactive channels to ensure that our colleagues feel well informed and supported. New employees receive an induction and any relevant job training, giving them an opportunity to learn about the Company and understand their job and what is expected from them. All employees have regular opportunities to discuss their role and responsibilities throughout the year and managers are trained on how to hold such conversations.	• CEO location visits • Your 'Voice' engagement surveys • Global town hall meetings (at least three times a year) • Quarterly business unit town halls • Monthly all-hands meetings for laboratory GMs • Annual Performance reviews and personal development plans • Colleague resource groups that champion Racial equality, Disability empowerment, LGBTQ+ and our Women's network • Regular group communications and newsletters • The Company's intranet site Further information can be found on pages 28 to 29 (Our People)
Customers	*Our 50,000+ Customers are at the heart of everything we do.* We operate a range of interactive and customer care initiatives to ensure we remain close to their needs and feedback and respond quickly to any issues.	• Key Account Management programmes • Net Promoter Score (NPS) programme • *Voice of the Customer programme including proactive initiatives* such as email and phone surveys and passive options such as email footers and a website link for customer feedback. • Feedback processes through online traditional channels such as our '10 before 10' initiative in the US where GMs are expected to call ten customers before 10am each day to understand their needs and hear their feedback.
Investors/ shareholders	The Board recognises the importance of balancing the interests of the majority shareholder (Temasek) with those of minority shareholders (Management and former management). While the majority shareholder's views are influential in strategic decision-making, the Board ensures that all decisions are made in the best interests of the Company as a whole, with fairness and transparency, to safeguard the rights of minority shareholders and maintain their trust in the company's governance. Matters requiring the shareholders' approval are set out in the Shareholder agreement.	• Investor meetings • Ongoing dialogue with the Company's major shareholder through a program of meetings • Shareholder communications • Matters reserved for shareholders' approvals • Matters reserved for the Board approval • Detailed papers and presentation materials circulated to directors in advance of Board meetings
Vendors	We recognise the importance of ethical and sustainable supply chain practices. Our procurement processes include due diligence conducted on vendors during the on boarding process. We maintain open and transparent relationships with suppliers to ensure the consistent quality of our services. We are developing long-term, collaborative supply chain partnerships and aim to work responsibly with our suppliers.	• Tender processes for major spend areas/categories • Supplier pre-qualification checks • We expect our suppliers to follow our Supplier Code of Conduct. We encourage them to develop their own codes, policies and procedures to adhere to the principles of our Supplier Code of Conduct. New suppliers onboarded by the shared service centres and procurement team via our new onboarding platform are considered from a Modern Slavery perspective prior to being engaged.
Communities/ Environment	We are committed to conducting business responsibly and ethically to protect the health and safety of our team members, visitors and communities that we operate in.Our teams are encouraged to engage directly with their local communities through corporate social responsibility initiatives. including charitable and educational initiatives. Once per year, we celebrate In OurElement week globally as part of our drive to support our local teams and communities. The Board has oversight of climate related risks. A new ESG Committee has been formed to provide appropriate focus for the Group's ESG strategy, to underpin long-term shareholder and stakeholder value.	• All colleagues have 12 hours of volunteering leave each year to support their local communities • Local teams organize an extensive programme of charitable initiatives
Accreditation / regulatory bodies	As a TIC company, regulatory compliance and data security are paramount. Operating within a highly regulated industry, compliance with national and international standards is a priority. We have strong business ethics with data security and governance central to our operations. The Group Code of Conduct is a clear and straightforward framework to follow, irrespective of role, geography or culture. We are a member of the TIC Council, an international association representing independent testing, inspection and certification companies. Element's Compliance Programme allows the Group and the Company to meet the obligations laid down by the TIC Council. *We continuously update our internal policies to* reflect changes in legal and regulatory requirements.	• TIC Council membership • Active engagement with regulatory bodies • Participate in industry forums

Other Statutory Information

DIRECTORS' INSURANCE AND INDEMNITIES
As permitted by the Companies Act 2006, the Company purchases and maintains Directors' and Officers' insurance cover against certain legal liabilities and costs incurred by the Directors and Officers of the Group companies in the performance of their duties. The Company has also granted an indemnity to each of its Directors in relation to the Directors' exercise of their powers, duties and responsibilities as Directors of the Company, the terms of which are in accordance with the Companies Act 2006.

STAKEHOLDERS/STATEMENT ON ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS
Information on the steps taken by the Company to inform, engage and consult with our stakeholders is outlined on page 55.

EMPLOYEE CONSULTATION
The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings, Town Hall meetings, the Company newsletter, the Company's intranet site, and presentations for employees of the financial performance of the Group. New employees receive an induction and any relevant job training, giving them an opportunity to learn about the Company and understand their job and what is expected from them. All employees have regular opportunities to discuss their role and responsibilities. Performance is reviewed against annual objectives and personal development plans are discussed on a formal basis once a year.

DISABLED EMPLOYEES
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of a team member becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

PROPOSED DIVIDEND
The Directors do not recommend the payment of a dividend.

POLITICAL CONTRIBUTIONS
The Group made no political donations or incurred any political expenditure during the year.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)
The Group understands the importance of responsible energy usage. The Group remains committed to presenting data appertaining to energy usage and carbon footprint. Details of greenhouse gas emissions for two UK qualifying entities of the Group are disclosed in their respective statutory financial statements and summarized on pages 35 to 36.

PRINCIPAL RISKS AND UNCERTAINTIES
The Group is exposed to a variety of risks and actively manages them through risk management procedures. Whilst risk cannot be eliminated altogether, actions are taken to mitigate risk wherever possible. The risks that could have a material impact on the Group's business model, strategy, future performance or reputation are presented in the Principal Risks and Uncertainties Report in the Strategic Report on pages 34 to 36.
Details of the Group's financial risk management objectives and policies of the Group and exposure to foreign exchange risk, interest rate risk, credit risk and liquidity risk are given in note 23 of the consolidated financial statements.

GOING CONCERN
The Group's business activities, together with factors likely to affect its future development, performance and position are considered by the directors on an annual basis. Note 21 of the consolidated financial statements includes details of the Group's treasury activities, long- term funding arrangements, financial instruments, and financial risk management activities.The Group has sufficient financial resources which, together with internally generated cash flows and the ability to implement cost management plans if required, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments as set out in note 29 of the consolidated financial statements. The directors assess forecasts and perform financing and liquidity reviews on a regular basis.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group and the Company have adequate resources to continue to adopt the going concern basis of accounting in preparing these financial statements. Further detail is contained in the statement on going concern (note 2.3 of the consolidated financial statements).

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE
Details of future developments are discussed in the Chairman's, CEO and CFO Reports; events after the reporting date can be found in note 27 of the consolidated financial statements.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS
Each of the persons who are Directors at the time when this Directors' Report was approved has confirmed that:

a. so far as that Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
b. that Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

AUDITOR
Ernst and Young LLP, were the auditors for the financial year ended 31 December 2024. As of the date of approval of these financial statements, the appointment of the auditor for the financial year ending 31 December 2025 has not yet been confirmed. The Company intends to re-appoint or appoint an auditor in due course, in accordance with the Companies Act 2006.

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Statement of Directors' Responsibilities

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR PREPARING 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 have elected to prepare the Group Financial Statements in accordance with UK Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The Parent Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year.

In preparing the Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 in IFRSs 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. The Directors 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations.

Paul Woolf

Paul Woolf
Chief Financial Officer

Date: 30 April 2025
Registered Number: 13855635

Independent Auditor's Report to the Members of EM TOPCO Limited

OPINION

We have audited the financial statements of EM Topco Limited ('the Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated statement of profit or loss, the Consolidated statement of comprehensive income or loss, the Consolidated statement of changes in equity, the Consolidated statement of financial position, the Consolidated statement of cash flows and the related notes 1 to 30, including material accounting policy information, the Company statement of financial position, the Company statement of changes in equity and the related notes 1 to 10, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 and Parent Company's ability to continue as a going concern for a period to 31 December 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

OTHER INFORMATION

The other information comprises the information included in the annual report set out on pages 2 to 47 and 123, 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION
In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

RESPONSIBILITIES OF DIRECTORS
As explained more fully in the statement of directors' responsibilities set out on page 47, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

EXPLANATION AS TO WHAT EXTENT 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (UK adopted International Accounting Standards, FRS 101 and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the Group operates. In addition, we concluded that there are certain significant laws and regulations in relation to health and safety, employee matters, environmental matters, anti-bribery and corruption practices and testing, inspection and certification accreditations across the various jurisdictions in which the Group operates.

- We understood how the Group is complying with those frameworks by making enquiries of management including those responsible for legal and compliance procedures. We corroborated our enquiries through reading papers provided to the operating board, and consideration of the results of our audit procedures across the Group.

- We designed our audit procedures to identify non-compliance with such laws and regulations that could have a material impact on the financial statements. Our procedures included reading board minutes; reading the reporting to the audit committee on compliance with regulations; reading legal documents; and making enquiries of in-house and external general counsel, those

charged with governance and management. We involved our own specialists on any more complex legal matters. If we identify instances of non-compliance, we understand how management and those charged with governance responded to them, including understanding the remediation actions taken, through enquiry of management and inspection of relevant documentation and correspondence. We also consider the appropriateness of the accounting for the impact of any such non-compliance, and the adequacy of the financial statement disclosures.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud; discussing the matter with the audit committee; reading documentation of the Group's policies and procedures including the Group code of conduct; and assessing whistleblowing incidences for those with a potential financial reporting impact. We also considered performance targets and whether they might influence management to manipulate revenue and/or adjusted EBITDA. As a result, we identified fraud risks relating to inappropriate journals to revenue and manipulation of adjusted EBITDA including in relation to the classification of Separately Disclosed Items (SDIs). We considered the controls that the Group has established to address the risks identified, or that otherwise prevent, deter, or detect fraud; and how senior management monitors those controls.

- We designed our audit procedures to respond to the identified fraud risks as follows:

    - For all components for which revenue was in scope, our procedures included obtaining an understanding of the expected nature of postings to revenue and testing a sample of journals outside of this expectation.

    - We obtained third party support for the nature and amount of a sample of SDIs and assessed whether the classification as SDIs is in line with the accounting policy. We tested the allocation to the different categories and challenged management where required in relation to the classification. We also challenged the appropriateness and sufficiency of disclosures in relation to SDIs.

    - We also, as part of the overall response to the risk of fraud performed: journal entry testing procedures to cover areas where we identified unusual transactions and/or a potential indicator/risk of management override; and procedures on key estimates.

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

USE OF OUR REPORT

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

DocuSigned by:
Ernst & Young LLP
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Cameron Cartmell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 01 May 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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in US $million		Year Ended 31 December 2024			Restated [2] Year Ended 31 December 2023		
Continuing operations	**Note**	**Adjusted results**	**Separately disclosed items[1]**	**Total**	**Adjusted results**	**Separately disclosed items[1]**	**Total**
Revenue from contracts with customers	6	**1,429.1**	—	**1,429.1**	**1,379.2**	—	**1,379.2**
Staff costs	8	(737.2)	(35.1)	(772.3)	(702.4)	(57.4)	(759.7)
Impairment	12, 13, 14, 15, 16	—	(336.5)	(336.5)	—	(504.5)	(504.5)
Depreciation and Amortisation	13, 14, 15	(238.6)	—	(238.6)	(244.3)	—	(244.3)
Gain / (Loss) on sale of subsidiary	5	—	125.3	125.3	—	(26.9)	(26.9)
Other operating expenses	4	(426.0)	(50.8)	(476.8)	(400.1)	(64.3)	(464.4)
Operating Profit/(Loss)[1]	4	**27.3**	**(297.1)**	**(269.8)**	**32.4**	**(653.1)**	**(620.6)**
Finance income	9	50.4	—	50.4	39.5	—	39.5
Finance costs	10	(419.5)	—	(419.5)	(419.9)	—	(419.9)
Share of profit of associates and joint ventures	16	2.0	—	2.0	2.5	—	2.5
Loss before tax		**(339.8)**	**(297.1)**	**(636.9)**	**(345.5)**	**(653.1)**	**(998.5)**
Taxation	11	(14.0)	(37.9)	(51.9)	24.0	13.9	37.9
Loss for the period		**(353.8)**	**(335.0)**	**(688.8)**	**(321.5)**	**(639.2)**	**(960.6)**
Attributable to:							
Equity holders of the Parent		(356.5)	(335.0)	(691.5)	(321.5)	(639.2)	(960.6)
Non-controlling interest		2.7	—	2.7	—	—	—
Loss for the period		**(353.8)**	**(335.0)**	**(688.8)**	**(321.5)**	**(639.2)**	**(960.6)**

[1]Refer to note 4 for Adjusted EBITDA and analysis of separately disclosed items.

[2]Refer to note 2.2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OR LOSS

		Year Ended 31 December	
in US $million	**Note**	**2024**	**2023**
Loss for the period		**(688.8)**	**(960.6)**
Items that will not be reclassified to profit or loss:			
Actuarial gain / (loss) on defined benefit pension scheme	24	0.4	(11.9)
Deferred tax credit on items recognised in other comprehensive income	11	—	2.7
Total items that will not be reclassified to profit or loss		**0.4**	**(9.2)**
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation difference of foreign operations		(101.8)	75.6
Total items that may be reclassified subsequently to profit or loss		**(101.8)**	**75.6**
Total comprehensive loss for the period		**(790.2)**	**(894.2)**
Attributable to:			
Equity holders of the Parent		(792.9)	(894.2)
Non-controlling interest		2.7	—
Total comprehensive loss for the period		**(790.2)**	**(894.2)**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in US $million	Note	Share capital	Share premium	Preference shares	Convertible note	Translation reserve	Accumulated Losses	Total Equity	Non-controlling interest	Total
As at 1 January 2023		**–**	**55.7**	**4,038.5**	**–**	**15.4**	**(914.3)**	3,195.3	**11.7**	3,207.0
Profit/(Loss) for the year		–	–	–	–	–	(960.6)	(960.6)	–	(960.6)
Other comprehensive income/(loss)		–	–	–	–	75.6	(9.2)	66.4	–	66.4
Total Comprehensive income		**–**	**–**	**–**	**–**	**75.6**	**(969.8)**	**(894.2)**	**–**	**(894.2)**
Transactions with owners in their capacity as owners:										
Issue of shares		–	0.8	241.2	–	–	–	242.0	–	242.0
Dividends		–	–	–	–	–	–	–	(0.4)	(0.4)
Accumulated accrued dividends		–	–	404.7	–	–	(404.7)	–	–	–
As at 31 December 2023		**–**	**56.5**	**4,684.4**	**–**	**91.0**	**(2,288.8)**	**2,543.1**	**11.3**	**2,554.4**
As at 1 January 2024		**–**	**56.5**	**4,684.4**	**–**	**91.0**	**(2,288.8)**	**2,543.1**	**11.3**	**2,554.4**
Profit/(Loss) for the year		–	–	–	–	–	(688.8)	(688.8)	2.7	(686.1)
Other comprehensive income/(loss)		–	–	–	–	(101.8)	0.4	(101.4)	(0.4)	(101.8)
Total Comprehensive income		**–**	**–**	**–**	**–**	**(101.8)**	**(688.4)**	**(790.2)**	**2.3**	**(787.9)**
Transactions with owners in their capacity as owners:										
Issue of shares	25	–	–	–	1,650.1	–	–	1,650.1	–	1,650.1
Dividends	26	–	–	–	–	–	–	–	(0.8)	(0.8)
Accumulated accrued dividends	25	–	–	468.6	102.4	–	(571.0)	–		–
As at 31 December 2024		**–**	**56.5**	**5,153.0**	**1,752.5**	**(10.8)**	**(3,548.2)**	**3,403.0**	**12.8**	**3,415.8**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US $million	Note	As at 31 December 2024	2023
Non-current assets			
Goodwill	12	3,555.2	4,109.2
Other intangible assets	13	1,111.5	1,204.3
Property, plant and equipment	14	681.6	689.8
Right of use assets	15	168.9	167.3
Investment in associates and joint ventures	16	1.9	5.6
Derivative financial instruments	23	8.2	34.7
Other non-current assets		3.1	3.4
		5,530.4	**6,214.3**
Current assets			
Trade and other receivables	17	388.3	399.9
Contract assets	6	19.9	16.8
Inventories		6.5	6.3
Income tax receivable	11	6.9	13.2
Cash and cash equivalents	18	123.8	172.8
		545.4	**609.0**
Current liabilities			
Trade payables		(31.0)	(47.7)
Other payables	19	(190.9)	(212.1)
Lease liabilities	15	(34.1)	(39.7)
Income tax payable	11	(47.6)	(7.3)
Provisions	20	(14.7)	(13.1)
Deferred and contingent consideration	22	(2.7)	(18.2)
Interest bearing loans and borrowings	21	(12.3)	(9.9)
		(333.3)	**(348.0)**
Net current assets		**212.1**	**261.0**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

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US $million	Note	As at 31 December 2024	2023
Non-current liabilities			
Interest bearing loans and borrowings[1]	21	(1,737.0)	(3,326.2)
Redeemable shares	21	(199.4)	(181.6)
Retirement benefit obligation	24	(2.9)	(4.8)
Provisions	20	(51.3)	(56.9)
Lease liabilities	15	(152.9)	(137.0)
Deferred tax liabilities	11	(158.5)	(175.4)
Income tax payable	11	—	(1.4)
Deferred and contingent consideration	22	(10.4)	(20.2)
Other payables	19	(14.3)	(17.4)
		(2,326.7)	**(3,920.9)**
Net assets		**3,415.8**	**2,554.4**
Equity			
Share capital		—	—
Share premium	25	56.5	56.5
Preference shares	25	5,153.0	4,684.4
Convertible Note	25	1,752.5	—
Translation reserve		(10.8)	91.0
Retained earnings		(3,548.2)	(2,288.8)
		3,403.0	**2,543.1**
Non-controlling interests		12.8	11.3
Total shareholders' equity		**3,415.8**	**2,554.4**

The financial statements of EM Topco Limited (Company registration number 13855635) were approved by the Board of Directors and authorised for issue on 30 April 2025. They were signed on its behalf by

Paul Woolf

Paul Woolf
Director
30 April 2025

[1] The classification of the RCF has changed from current to non-current due to amendments to IAS 1, effective from January 2024. The prior year has been restated, resulting in an adjustment of $265.6m from current to non-current liabilities.

CONSOLIDATED STATEMENT OF CASH FLOWS

US $million	Note	Year ended 31 December 2024	2023
Cash flows from operating activities			
Loss after tax		**(688.8)**	**(960.6)**
Adjustments for:			
Finance income	9	(39.5)	(35.1)
Finance cost	10	393.0	396.4
FV loss – Derivatives	10	26.5	20.1
Net FV gain – Liabilities	9	—	(4.4)
Foreign exchange (gain)/loss	9	(10.9)	3.5
Share of profit of associates and joint ventures	16	(2.0)	(2.5)
(Profit)/Loss on disposal of property, plant and equipment	4	2.6	(0.4)
(Profit)/Loss on disposal of subsidiary	5	(125.3)	26.9
Income tax debit/(credit) recognised in profit and loss		51.9	(37.9)
Impairment	12, 13, 14, 15, 16	336.5	504.5
Depreciation and Amortisation	13, 14, 15	238.6	244.3
Pension contributions	24	(1.7)	(12.9)
FV loss/(gain) on contingent consideration re-measurement	22	(4.6)	9.8
Non-cash movement in provision		(4.0)	(2.0)
LEAP Costs		—	1.3
Gain on Insurance claim		—	(4.2)
Share based payments	19	1.3	0.9
		173.6	**147.7**
Movements in working capital:			
Increase in trade and other receivables		8.5	(48.3)
Payment of LEAP		—	(2.6)
Increase/(decrease) in trade and other payables		(30.0)	34.1
Cash generated from operations		**152.1**	**130.9**
Income taxes paid		(12.6)	(11.2)
Net cash flows from operating activities		**139.5**	**119.7**
Cash flows from investing activities			
Purchase of intangible assets	13	(26.9)	(9.5)
Purchase of property, plant and equipment	14	(144.9)	(135.4)
Proceeds from disposal of property, plant and equipment		23.8	16.1
Proceeds from sale of subsidiary	5	503.7	5.2
Interest swap Interest received	9	37.1	33.2
Cash outflow on deferred and contingent consideration	22	(22.5)	(11.1)
Payment for Investment in Associates		(1.1)	(0.5)
Dividend received	16	2.9	2.3
Cash outflow on business acquisitions (net of cash acquired)	5	(237.5)	(58.5)
Net cash from / (used in) investing activities		**134.6**	**(158.2)**
Cash flows from financing activities:			
Bank Loan Interest Paid	10	(224.3)	(231.0)
Drawdown of borrowings	21	350.0	248.5
Repayment of borrowings	21	(2,043.3)	(139.1)
Issue of preference shares and convertible notes	25	1,650.1	241.2
Payment of lease liabilities	15	(51.3)	(45.2)
Proceeds from issue of shares	25	—	0.8
Dividends paid to non-controlling interest	26	(0.8)	(0.4)
Net cash generated by / (used in) financing activities		**(319.6)**	**74.8**
Net increase/(decrease) in cash and cash equivalents		**(45.5)**	**36.3**
Cash and cash equivalents at the beginning of the period		**172.8**	**134.3**
Effects of exchange rates on cash and cash equivalents		(3.5)	2.2
Cash and cash equivalents at the end of the period	18	**123.8**	**172.8**

1 STATEMENT OF COMPLIANCE AND PRESENTATION OF FINANCIAL STATEMENTS

The consolidated financial statements of EM Topco Limited (the "Company") and its subsidiaries (together referred to as the "Group" or "Element"), have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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The Group is a global provider of testing, inspection and certification services for a diverse range of materials and products.
The accounting policies in accordance with UK adopted International Accounting Standards are included in the relevant notes to the consolidated financial statements.

The Company and entities controlled by the Company are disclosed in Note 30.

The Company is a private company incorporated and domiciled in England and Wales. The Company's registered office is The Scalpel 18th Floor, 52 Lime Street, London, United Kingdom, EC3M 7AF.

The financial statements were approved by the Board of Directors and authorized for issue on 30 April 2025.

2 ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are described below. These accounting policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period. Presentation currency of the financial statements is United States Dollars (US $) which is the Company's functional currency. All information provided in United States Dollars (US $) has been rounded to the nearest hundred thousand, unless otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

The interests of non-controlling shareholders that represent ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

The Group has a number of joint arrangements where more than half of the voting power is not owned. As the Group is exposed, or has rights, to variable returns from its involvement with these companies and has the ability to use its controlling power over these companies to affect the amount of the company returns, these investments are accounted for as subsidiaries.

The Group's subsidiaries and associated companies which are included in the consolidated financial statements are listed in Note 30.

Prior year restatement

On review of Staff costs the Group identified separately disclosed staff costs in 2023 that were incorrectly mapped to Other operating expenses. This has been corrected as shown in the table below to align with the current year presentation.

in US$ million	Note	Year ended 31 December 2023	Restatement	Restated Year ended 31 December 2023
Staff costs	8	-702.3	-57.4	-759.7
Other operating expenses	4	-521.8	57.4	-464.4

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2.3 GOING CONCERN

A full description of the Group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, are set out in the Strategic Report, including the Financial Review, and in note 23 to the financial statements.

The Group's business activities, together with factors likely to affect its future development, performance and position are considered by the Directors on an annual basis. In addition, notes 21 and 23 include details of the Group's treasury activities, long-term funding arrangements, financial instruments, and financial risk management activities.

During the year to 31 December 2024 the Group incurred a loss of US $(688.8) million which is mainly driven by finance costs of US $(419.5) million and non-cash items such as depreciation and amortisation of US $(238.6) million and impairment of US $(336.5) million. Management's key focus is the adjusted EBITDA for the period which was US $268.3 million. The operating loss for the period was US $(269.8) million.

The net current asset position as of 31 December 2024 was US $212.1 million and overall net debt (excluding deferred financing fees) was US $1,801.70 million. Net cash inflow from operating activities was US $139.5 million with closing cash of US $123.8million.
As highlighted in note 23 to the Group financial statements, the Group meets its day-to-day working capital requirements from the cash flows generated by its trading activities and its available cash resources. These can be supplemented when required by additional drawings under the Group's revolving credit facilities and capex/acquisition facilities. During 2024, the Group received additional equity funding of $1.7bn from the majority investor, Esta Investments Pte. Ltd and disposal proceeds of $0.5bn. On the 31 December 2024, the Group had credit facilities of US $400.0 million, of which US US $10.0 million had been drawn down leaving US $384.3 million undrawn available within the facilities, net of the HSBC guarantee facility of US $5.7 million. The Group held cash of US $123.8 million at the end of the period. At the date of signing these accounts the undrawn facility available has reduced to US $304.3 million as a result of a further drawdown of US $80 million from the capex/acquisition facilities. The cash was primarily used to settle the tax liability relating to a disposal of subsidiary (note 5).

The Directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current committed facilities. As part of a regular assessment of the Group's working capital and financing position, the Directors have prepared a detailed bottom-up trading budget and cash flow forecast for the period through 31 December 2026.

In assessing the going concern status, the Directors have considered:

- Latest global end market projections impacting underlying end–markets
- Susceptibility to inflation and interest rate movements
- The status of the Group's existing and future credit arrangements
- Technological disruption due to simulation and software potentially reducing traditional testing and/or outsourcing of testing activities
- Difficulties in recruiting/retaining technical talent to support organic growth
- Overall margin pressure due to significant cost inflation, and the availability of mitigating actions including price increases and managing capital expenditure
- Likelihood of settlement of significant legal claims
- Input from the majority shareholder on its strategic plans for the Group

The going concern assessment takes into account the Group's cash flow and available undrawn credit facilities. Based on the going concern assessment performed over the period to 31 December 2026, the Directors have a reasonable expectation that the Group will continue in operation, settle its liabilities as they fall due, and remain compliant with banking facilities and have adequate liquidity to trade. The going concern period is consistent with the bottom-up trading budget and cash flow forecast.

The base case includes an adjustment to the forecasts to consider the impact of plausible scenarios on the headroom on cash and available credit facilities. This base case scenario, which sensitized the forecasts for specific identified risks, modelled the reduction in anticipated levels of underlying EBITDA and the associated increase in net debt. It was also sensitized further to consider the impact of higher than forecast interest rates. The EBITDA reduction scenario modelled the sustained decline in Group performance due to a variety of macroeconomic issues,impacting average historic forecast accuracy, including, but not limited to, cost inflation and a decline in end markets.

Throughout this scenario, and the scenario in which interest charges are higher than forecast, the Group continues to have significant liquidity headroom on its debt commitments and existing facilities and against the revolving credit facility covenant.

Further considerations were made to assess a further deterioration to the EBITDA reduction modelled in the base case scenario that would result in a break-even liquidity position for the Group, including consideration of the plausibility of the occurrence of this deterioration and the Directors concluded that it is implausible that such a scenario would occur.

The Directors therefore adopted the going concern basis of accounting in preparing the financial statements.

2.4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group has adopted all the new and revised UK adopted International Accounting Standards and interpretations that are relevant to its operations and effective for accounting periods covered by the financial statements. The accounting policies have been applied consistently to all periods presented in the financial statements. Due to amendments to IAS 1 effective from January 2024, the classification of the Group's Revolving Credit Facility has changed in the current year and for the comparative period, see Note 21. There were no other changes as a result of the adoption of these accounting standards and interpretations.

At the date of authorization of the financial statements, the following standards and interpretations that are potentially relevant to the Group and which have not yet been applied in these reported results were in issue but not yet effective (and in some cases had not yet been adopted by the UK Endorsement Board)

- Amendments to IAS 21, Lack of exchangeability - applicable for annual periods beginning on or after 1 January 2025.
- Amendments to IFRS 9 and IAS 7, classification and measurement of financial instruments - applicable for annual periods beginning on or after January 2026.
- Annual improvement to IFRS accounting standards, volume 11 - applicable for annual periods beginning on or after January 2026
- IFRS 18, Presentation and disclosure in financial statements - applicable for annual periods beginning on or after January 2027
- IFRS 19, Subsidiaries without public accountability: disclosures - applicable for annual periods beginning on or after January 2027

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Group is currently determining the impact of IFRS 18 and IFRS 19 implementation. It is not expected that the adoption of other standards and amendments will have a material impact on the consolidated financial statements of the Group.

2.5 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue from the rendering of material and product qualification testing, inspection, certification and calibration services pursuant to written contracts with its customers.

Revenue is measured at the fair value of the consideration to which the Group expects to be entitled and represents amounts receivable for services provided in the normal course of business, net of VAT and other sales-related taxes. These services are recognised using either the output or input method of revenue recognition, as appropriate, as the performance obligations are satisfied over time and reflect the transfer of rights to testing data to the customer. When the Group provides goods to customers outside the scope of a broader service agreement, revenue is recognised at a point in time when control of the goods is transferred to the customer, as specified by the shipping terms.

Revenue is reduced for estimated and agreed liquidated damages resulting from failure to meet the agreed service performance levels set out in the contract.

In most instances, activities undertaken to fulfil performance obligations to the customer represent a series of substantially-the-same services which have the same pattern of transfer. On this basis most of the Group's contracts have a single performance obligation. In cases where the Group identifies more than one performance obligation such as added services or different product subgroups the transaction price is allocated between the performance obligations based on the observable stand-alone selling prices.
Output methods are normally used for contracts with well-defined milestones no longer than 4 days in duration. This ensures that no material work-in-progress is omitted and at the same time, externally relevant milestones in a form of tests completed, test report issued, etc are utilised.

Under the input method, performance is measured based on the efforts incurred to date, in most cases this is a percentage of completion calculation based on labour hours or shifts worked. The input method is applied to contracts which do not have well defined customer milestones or when time between milestones exceed 4 days in duration.

Contract assets are recognised in line with revenue and the timing of invoicing under the input method. Contract Assets are reclassified to unbilled receivables at the point when performance obligations are satisfied. Unbilled receivables are reclassified to trade receivables at the point when invoices are issued to customers. Contract liabilities are recognised when customer payments precede the satisfaction of performance obligations and are reduced when corresponding revenue is recognised.

The Group does not consider a significant financing component to be present in any of its contracts. Only a small amount of revenue is recognised more than a year after payment is received.

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2.6 ALTERNATIVE PERFORMANCE MEASURES

In order to present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately in note 4. Separately disclosed items are items which by their size and/or nature, in the opinion of the Directors, should be excluded from the adjusted EBITDA to provide readers with a clear and consistent view of the business performance of the Group and its operating units.

The Group believes that EBITDA before separately disclosed items (termed "adjusted EBITDA") is the most significant indicator of operating performance and allows a better understanding of the underlying profitability of the Group. The Group defines adjusted EBITDA as operating profit/(loss) before transaction, acquisition and other income and expense items that are material by virtue of their size and/or nature, depreciation, amortisation, gains/losses on sale of assets and share based payments.

The Directors define separately disclosed items as those expense and income items which fall into one or both of the following categories:

1. A transaction that results from a corporate activity that has neither a close relationship to our businesses' operations nor any associated operational cash flows (for example, costs incurred in connection with a refinancing activity)
2. A transaction that is so material in size and/or nature that it would obscure an understanding of underlying outcomes and trends in revenues, costs or other components of performance (for example, restructuring activities and reversals of any provisions for the costs of restructuring)

Adjusted EBITDA, which is a non-GAAP measure, excludes the costs of restructuring activities and integration projects where they represent fundamental changes in individual operations around the Group and reflect the refinement of our operational structure. The costs associated with successful, active or aborted acquisitions and share based payment charges are excluded from adjusted EBITDA to provide useful information regarding the underlying performance of the Group's operations. Other costs that in the Directors' opinions, should be excluded from adjusted EBITDA mainly related to consultancy fees incurred on strategic projects and non-recurring tax expenses.

An alternative performance measure is used as the primary measure of business performance within the Group and align with the results shown in management accounts, with the key uses being:

- Management and Board reviews of performance against expectations and over time, including assessments of sector performance
- In support of business decisions by the Board and by management, encompassing both strategic and operational levels of decision-making
- As an input into assessments of compliance with quarterly leverage test as defined in the Senior Facilities Agreement; and
- Widely recognised measure of performance and valuation by shareholders, lenders and stakeholders

The Group's policies on separately disclosed items will be consistently applied over time, but they are not defined by IFRS and, therefore, likely to differ from separately disclosed measures used by other companies.

2.7 SHARE BASED PAYMENTS

The Group provides benefits to employees and Directors in the form of cash-settled share-based payment transactions, whereby employees and Directors render services in exchange for share rights, which are settled in cash.

A liability is recognised for the fair value of cash-settled transactions. The fair value is determined by reference to the fair value of the share rights granted using an option-pricing model (Black-Scholes or Monte Carlo), excluding the impact of any non-market vesting conditions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in staff costs in the consolidated statement of profit or loss. The fair value is expensed over the period, from the date that rights are granted, until the vesting date with recognition of a corresponding liability.

2.8 DIVIDEND INCOME

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

2.9 TAXATION

Income tax expense represents the sum of current tax charge and unwinding of deferred tax.

CURRENT TAX

Current tax charge is based on taxable profit or loss for the period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. A key difference between the accounting result and the taxable result for the Group, is that interest deductions are restricted in the US and the UK for tax purposes. The Group's liability for current tax is calculated using tax rates that have been enacted or subsequently enacted at the statement of financial position date in the relevant jurisdiction where the profits are earned.

DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised, or there is a deferred tax liability in the same jurisdiction against which they can be offset. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in the relevant jurisdiction where the deferred tax is being recognised. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

CURRENT AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in the consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 FOREIGN CURRENCY TRANSLATION

In preparing the Group's financial statements, transactions in currencies other than the Group's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the consolidated statement of profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests as appropriate.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the consolidated statement of profit or loss.

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2.11 BUSINESS COMBINATIONS

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised within operating expenses in the consolidated statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.

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

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of contingent consideration qualifying as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Changes in the fair value of contingent consideration that do not qualify as measurement period adjustments are remeasured at fair value on subsequent reporting dates. The resulting gain or loss is recognised in the consolidated statement of profit or loss.
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

2.12 GOODWILL AND OTHER INTANGIBLE ASSETS

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

Goodwill which has been allocated to a cash-generating unit or groups of cash-generating units is tested for impairment annually, or more frequently when there is an indication that the goodwill may be impaired. If the recoverable amount of the goodwill and other assets is less than their carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

OTHER INTANGIBLE ASSETS

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if applicable. The estimated useful life and amortisation method are reviewed at the end of each reporting period, if necessary, any changes in estimates are accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date, together with any related deferred tax liability. Acquired intangible assets are subsequently measured at fair value less accumulated amortisation and accumulated impairment losses.

The internal costs directly attributable to the development of software and infrastructure projects are capitalised as other intangible assets if the future economic benefits to the Group are reasonably certain. The capitalised costs are amortized on a straight-line basis over the expected useful economic life of the asset.

Amortisation is charged on a straight-line basis to the consolidated statement of profit or loss over the expected useful economic lives as follows:

Customer relationships	5 - 20 years
Technology	5 - 10 years
Trade names	9-10 years
Software	1 - 4 years

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the net carrying amount of the asset, are recognised in the consolidated statement of profit or loss when the asset is derecognised.

Cloud computing arrangements

In a cloud computing arrangement, the Group is granted a right to access software and other technology capabilities through a third-party provider using a web-based solution.

License agreements to use cloud software are treated as a service contracts and expensed in the income statement over the life of the service agreement, unless the Group has both the contractual right to take possession of the software anytime without significant penalty, and the ability to run the software independently of the host vendor. In such cases, the software is capitalised within other intangible assets. Costs to configure or customise a cloud software license are expensed alongside the related service contract in the consolidated statement of profit or loss, unless they create a separately identifiable resource controlled by the Group, in which case they are capitalised.

2.13 PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment are stated at historical cost. When recognised as part of an acquisition, they are initially measured at fair value. These amounts are then reduced by accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment is the purchase cost, together with any directly attributable costs. Costs include professional fees and for qualifying assets, borrowing costs capitalised if the recognition criteria are met.

Depreciation is provided on all tangible fixed assets other than land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	Lower of useful economic life (as determined in accordance with the policies below for lease accounting) and contractual lease term.
Buildings	2 – 5%
Plant and equipment	6 – 33%

Assets under construction are classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use. Depreciation of these assets is determined by the asset category and commences when the assets are completed and ready for their intended use.

An item of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of an item of property, plant, and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, net of the cost of disposal, and is recognized in the consolidated statement of profit or loss.

2.14 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Other intangible assets, not yet available for use, are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than it's carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss.

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2.15 LEASE ACCOUNTING

The Group holds leases primarily on land, buildings and motor vehicles used in the ordinary course of business. The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases (except for low-value and short term lease arrangements less than one year) conveying the right to control the use of an identified asset for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The leases held by the Group are split into two categories: property and non-property. The Group leases various properties, principally offices and laboratories, which have varying terms and renewal rights that are typical to the territory in which they are located. Non-property includes all other leases, such as motor vehicles, printers and other small office equipment.

All leases where the Group is the lessee (except for low-value and short term lease arrangements) are recognised in the statement of financial position. A lease liability is recognised as the present value of the future lease payments, and a corresponding right-of-use asset is recognised.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and,
- any initial direct costs incurred by the lessee.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The cost of a right-of-use asset also includes an estimate of costs to be incurred in restoring the underlying asset to the condition required by the terms and conditions of the lease (dilapidation).

The Group depreciates the right-of-use asset over the shorter of the useful life and the lease term, given as the commencement date to the end of the lease term. The lease term determined by the Group comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable; and
- variable lease payments that depend on a fixed rate, as at the commencement date.

The Group has several lease contracts that include extension and termination options. The Group evaluates whether it is reasonably certain that the Group will exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its likelihood to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The lease payments are discounted using the incremental borrowing rate at the commencement of the lease contract or modification. Generally, it is not possible to determine the interest rate implicit in the land and building leases. The incremental borrowing rate is estimated taking account of the economic environment of the lease, the currency of the lease and the lease term.

After the commencement date the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

The right-of-use asset and lease liability balances are calculated in the underlying functional currency and then translated to USD.

2.16 JOINT VENTURES AND INTEREST IN ASSOCIATES

A joint venture is a type of joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities requires consent of the parties sharing control.

An associate is an entity over which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those decisions.

The Group's investments in joint ventures and associates are accounted for using the equity method. Under the equity method, the investment in a joint venture or associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture or associate since the acquisition date. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is not tested for impairment individually. The consolidated statement of profit or loss reflects the Group's share of the results of operations of its joint ventures and associates. The Group's share of the other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of a joint venture or associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealized gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the interest in the joint venture or associate. The Group's share of profit or loss of a joint venture or associate is shown on the face of the consolidated statement of profit or loss, where material.

2.17 FINANCIAL INSTRUMENTS – DERIVATIVES

The Group does not hold or issue derivative financial instruments for trading purposes. The Group enters into derivative financial instruments to manage its exposure to interest rate risk. The Group does not apply hedge accounting.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value at each statement of financial position date.

The gain or loss on re-measurement to fair value is recognised immediately in the consolidated statement of profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2.18 TRADE AND OTHER RECEIVABLES

Trade receivables recognised by the Group are carried at original invoice amount. Unbilled receivables and contract assets are carried at transaction price. For trade receivables, unbilled receivables and contract assets an allowance is made for any non-collectable or impaired amounts. The Group uses the IFRS 9 expected credit loss ("ECL") model to measure loss allowances at an amount equal to their lifetime expected credit loss.

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.20 TRADE AND OTHER PAYABLES

Trade payables, other accrued liabilities and customer deposits are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method. Accrued bonuses and wages are recognised initially at the undiscounted amount expected to be paid and subsequently measured at amortised cost using the effective interest method.

2.21 SHORT TERM EMPLOYEE BENEFITS

The Group accrues for all short-term accumulating compensated balances such as holiday entitlement earned but not taken at the statement of financial position date within Other Payables.

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2.22 PROVISIONS

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event; it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The best estimate of the consideration required to settle the present obligation at the end of the reporting period is measured by considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the effect of the time value of money is material.

A restructuring provision is recognised when the Group has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring which are those amounts that are both necessarily entailed by the restructuring and not associated with the on-going activities of the Group.

A dilapidations provision is recognised when the Group makes alterations to a leasehold property or enters into a new lease, and estimates the cost of making good dilapidations at the end of the lease term. The provision is set up immediately for the discounted cost of making good the dilapidations, with a corresponding fixed asset being recognised and depreciated over the remaining term of the lease. The discount is unwound annually, increasing the value of the dilapidation provision, and charged on a monthly basis. Dilapidation provisions recognised on acquisitions are considered as part of the Purchase Price Allocation exercise.

Legal and Environmental provisions are recognised by the Group when there exists a constructive obligation resulting from legal proceedings. The Group recognises Legal and Environmental provisions when it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated, considering the risks and uncertainties surrounding the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2.23 CONTINGENT AND DEFERRED CONSIDERATION

Contingent consideration arises when settlement of all or any part of the cost of a business combination is deferred and becomes payable only when the acquiree meets certain financial performance criteria at a date pre-determined on the date of acquisition. It is stated at fair value at the date of acquisition which is determined by discounting the amount due to present value at that date. It is measured at fair value through profit and loss subsequent to acquisition. At each statement of financial position date, contingent consideration is measured at its remaining fair value.

Any changes to the fair value of the contingent consideration are recognised in the consolidated statement of profit or loss with the exception of contingent consideration arising as a result of business combinations where the change in fair value occurs during the 'measurement period' (further details are given in note 2.11).

Deferred consideration is a portion of an agreed-upon purchase price that will be paid at a future date. The amount is discounted to present value where the effects of discounting are material.

2.24 BORROWINGS

Interest bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the consolidated statement of profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Interest costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

2.25 FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

CLASSIFICATION AS DEBT OR EQUITY

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Preference shares for which a holder has an option to redeem are classified as a financial liability. The accumulated accrued interest is recognised as Finance costs. Convertible notes and Preference shares for which the Company (issuer), rather than the holder, has an option to redeem have characteristics of equity and accumulated accrued interest is recognised within the Consolidated Statement of Changes in Equity.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Debt issuance costs

Finance costs of debt, including premiums payable on settlement and direct issue costs, are charged to the consolidated statement of profit or loss on an accruals basis over the term of the instrument, using the effective interest method, where it is materially different to the straight line method.

Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (A2 redeemable shares) are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

- Financial liabilities at amortised cost

Other financial liabilities (loans and borrowings) are subsequently measured at amortized cost using the effective interest method, with interest expense recognised on an effective interest rate basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

2.26 EMPLOYEE BENEFIT PLANS

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes treated as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

The Group operates several defined benefit plans in the UK, Sweden and Germany all of which require contributions to be made to separately administered funds or insurance schemes. The cost of providing benefits under the defined benefit plans is determined using actuarial valuations that are carried out at the end of each reporting period.

Remeasurements, comprising of changes in assumptions and return on plan assets (excluding interest income), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the consolidated statement of profit or loss in subsequent periods.

Past service costs are recognised in the consolidated statement of profit or loss in the period of scheme amendment. Net interest is calculated by applying a discount rate to the defined benefit liability or asset. Defined benefit costs are split into three categories:

- Current service cost and past service cost (including gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The current and past service costs are presented within operating expenses in the consolidated statement of profit or loss.
Net interest expense or income is recognised within finance costs or finance income respectively.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit schemes. Any surplus resulting from the calculation of the retirement benefit obligation is limited to the present value of economic benefits available in the form of refunds from the schemes or reductions in the future contributions to the schemes.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

In the application of the Group's accounting policies, described in note 2, the Directors are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future periods if the revision affects both current and future periods.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION (CONTINUED)

3.1 CRITICAL ACCOUNTING JUDGEMENTS

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Separately disclosed items

In order to present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately on the face of the consolidated statement of profit or loss. Separately disclosed Items are items which by their size and/or nature, in the opinion of the Directors, should be excluded from the adjusted EBITDA to provide readers with a clear and consistent view of the business performance of the Group and its operating business units.

Further detail is provided in note 4.

Legal provisions and contingent liabilities

The Group is subject to litigation, an investigation and other claims in the ordinary course of its business. Judgement is required in assessing the likelihood of cash outflows arising as a result of such matters and the timing of any potential outflows. Management bases its judgement on the circumstances relating to each specific claim, investigation or instance of litigation, internal and external legal advice, prevailing commercial terms and legal precedent where appropriate. The process of making judgements in respect of these matters around the timing of potential outflows of cash and the likelihood of payment are complex. The Group's litigation, investigations and other claims are reviewed, at a minimum, on a quarterly basis by executive management. Further detail is provided in notes 20 and 29.

DEFERRED TAX ON ACQUISITION

The Group recognises deferred tax on acquired intangibles assets (other than goodwill). The deferred tax is calculated using the local tax rate for the relevant location of the intangible asset.

The consolidated opening balance sheet of Element Material Technology Group Limited in 2022 included US $96.6 million of deferred tax asset recognised in the US on certain acquired intangibles, including goodwill. These intangibles have been calculated under US tax legislation on historic acquisitions of businesses made in the US. Management concluded that these US legacy intangibles are unrelated to the goodwill recognised on the acquisition of the Element Materials Technology Group Limited by the Group. As a result, the deferred tax asset of US $96.6 million remained recognised on the opening balance sheet of Element Materials Technology Group Limited in July 2022. The remaining deferred tax balance at 31 December 2024 was US $73.6 million.

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3.2 KEY SOURCES OF ESTIMATION

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

IMPAIRMENT OF GOODWILL

Goodwill is tested annually for impairment or more frequently when there is an indication that the goodwill allocated to a group of CGUs may be impaired. Determining whether goodwill is impaired requires an estimation of the recoverable amount which is the higher of fair value and value in use. In current year the recoverable amount for each group of CGUs is based fair value less costs of disposal.

The fair value of the groups of CGUs used for goodwill impairment includes an estimate of the forecast EBITDA, the estimated fair value of future bolt-on acquisitions, as well as assumptions around revenue multiples based on the Guideline Company valuation method, and EBITDA multiples based on the Guideline Company and Guideline Transaction valuation methods.

Note 12 provides details of the carrying amount of goodwill at the year-end, and the the impact of changes in key assumptions on the recoverable amount of goodwill.

VALUATION OF ACQUIRED INTANGIBLE ASSETS

Acquired other intangible assets represent US $1,111.5 million in the consolidated statement of financial position at 31 December 2024. The Group recognised US $112.3 million of intangible assets as a result of acquisitions made in 2024 (Note 5). Acquired other intangible assets arise out of business combinations. Business combinations are accounted for under the acquisition method of accounting, which requires the Group to identify and attribute values to the intangible assets acquired based on their estimated fair value as well as to estimate their useful lives. These determinations involve significant estimates and assumptions regarding cash flow projections, economic risk and weighted average cost of capital.

DILAPIDATION PROVISION

Provisions for dilapidation liabilities are made when there is a present obligation and where it is probable that expenditure on restoration work will be required and a reliable estimate can be made of the cost.

In estimating the dilapidation liability, Management uses their best estimate regarding cost of restoring operating sites to their original condition in accordance with the terms of the lease contracts where relevant. The inputs to the provision calculation include assumptions around the restoration cost per square foot of the leased property. Management's estimate is generally the midpoint of a possible range and hence the final outcome could be higher or lower than the current provision. These estimates are reviewed annually, and the amount expected to be paid on termination or expiry of the leased property is recognised as a dilapidation provision as at period end.

There are significant uncertainties with regards to the final amounts of any future payments. These uncertainties can also result in the reversal of previously established provisions once final settlement is reached with the third party. The timing of the cash outflows is expected to be over the next 1-15 years as leases expire.

4 ADJUSTED EBITDA AND SEPARATELY DISCLOSED ITEMS

The Directors believe that EBITDA before separately disclosed items (termed "adjusted EBITDA") is the most significant indicator of operating performance and allows a better understanding of the underlying profitability of the Group. The Group defines adjusted EBITDA as operating profit/(loss) before transaction, acquisition and other income and expense items that are material by virtue of their size and/or nature, depreciation, amortisation, gains/losses on sale of assets and share based payments. Adjusted EBITDA for the period is calculated below:

Reconciliation of consolidated statement of profit or loss to non-statutory measures (in US $ million)	**Note**	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Operating profit/(loss)		**(269.8)**	**(620.6)**
Add:			
Depreciation and Amortisation	13, 14, 15	**238.6**	**244.3**
Share of EBITDA of associates and joint ventures	16	**2.4**	**3.5**
Separately disclosed items			
Impairment of Goodwill	12	322.2	497.5
Impairment of Right of use assets	15	6.8	7.0
Impairment of Other Intangibles, Investments & Assets under construction	13, 16	7.5	—
Acquisitions and new business set up costs		6.0	14.6
Integration costs		12.0	50.9
Strategic projects, restructuring and reorganisation of the Group		36.6	17.4
Costs related to acquisition of Element Materials Technology Group Limited		2.2	4.4
Systems transformation		19.5	16.1
Share based payments		—	0.9
Legal matters and professional fees		8.1	8.0
Cyber security and response to cyber incidents		3.5	—
(Profit) / Loss on disposal of property, plant and equipment		2.6	(0.4)
(Profit) / Loss on sale of subsidiary	5	(125.3)	26.9
Fair value (profit) / loss on contingent consideration re-measurement	22	(4.6)	9.8
		297.1	**653.1**
Adjusted EBITDA (Alternative performance measure as defined in note 2.6)		**268.3**	**280.3**
Adjusted EBITDA margin		**18.8 %**	**20.3 %**

ACQUISITIONS AND NEW BUSINESS SET UP COSTS

The Group successfully completed the acquisition of ISS Inspection Services (note 5) in the year for which the Group incurred directly attributable due diligence fees, internal staff time dedicated to the project, and third party legal and professional fees. The costs related to the acquisition of ISS were US $3.7 million (note 5). In 2023 the costs related to the acquisitions completed during the period (NCT, CTK and Filton) were US $1.7 million.

In addition to acquisition costs, the Group incurred set up costs relating to new strategic business areas some of which were aborted before becoming operational. Such costs are treated as separately disclosed until the business becomes operational, from which point onwards costs are not treated as separately disclosed. The Directors consider a business to be operational when the locations or services are substantially accredited with the necessary technical or regulatory approvals.
The Directors do not consider costs associated with the setting up of a new facility or entering a new service line to be in the ordinary course of business and therefore these costs are presented as separately disclosed items.

The Group incurred a total of US $1.9 million (2023: US $11.3 million) set up costs in the period of which $0.8 million (2023: US $1.7 million) related to aborted projects. In 2023, also included in this category were costs in respect of the development of new technology and automated solutions of US $5.2 million. No such costs were incurred in 2024. These costs are deemed as acquisition and new business set up costs as the technology and automated solutions being developed are customer products rather than internal back office systems.

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4 ADJUSTED EBITDA AND SEPARATELY DISCLOSED ITEMS (continued)

INTEGRATION COSTS

The Group incurred US $0.4 million integration costs relating to the current year acquisition (2023: US $2.7 million). During 2024, US $11.6 million was incurred relating to acquisitions completed in previous years (2023: US $48.2 million).

STRATEGIC PROJECTS, RESTRUCTURING AND REORGANISATION OF THE GROUP

The Group incurred US $36.6 million (2023: US $17.4 million) restructuring and reorganisation costs in the period due to extensive right-sizing and delayering activities in both the operations and central support functions. The costs include severance payments in relation to permanent reduction in headcount, internal staff time of those dedicated to the projects, associated legal and professional fees incurred during the consultation process, site closure costs and relocation expenses. Also included are the reorganisation costs relating to the divestment/closure of non-core businesses US $1.6 million (2023: US $0.3 million).

COSTS RELATED TO ACQUISITION OF ELEMENT MATERIALS TECHNOLOGY GROUP LIMITED

Element Materials Technology Group Limited was acquired in July 2022. Post-acquisition costs incurred relate to ongoing insurance premiums, professional fees, legal fees relating to new equity, majority investor reporting set-up fees and costs incurred in relation to ownership and capital structure of the business which totalled US $2.2 million in 2024 (2023: US $4.4 million).

SYSTEM TRANSFORMATION

The Group embarked on a transformational IT infrastructure project in 2021 to implement one standardised ERP solution across the global organisation. The associated implementation costs and migration costs of existing data and platforms do not meet the criteria for capitalization (note 2.12 – Cloud computing arrangements) and have been recognised in the consolidated statement of profit or loss as incurred. In addition, the original selection for the Corporate Performance management system was abandoned and replaced with a new provider. Costs incurred in the period totalled US $19.5 million (2023: US $16.1 million) and relate to external consultancy costs, professional fees, project management costs and internal staff time of those dedicated to the projects.

LEGAL MATTERS AND PROFESSIONAL FEES

The Group incurred US $8.1 million (2023: US $8.2 million) of expenses which are considered material by virtue of their nature and the subject matter which the Group considers is not in the ordinary course of business. These costs include external legal costs and internal staff time incurred in relation to providing support for risk mitigation and input into a multi-party regulatory matter, and other activities linked to this matter, which is one-off in nature. The Group also incurred professional fees of US $2.6 million (2023: US $6.2 million) for its involvement in other legal cases and costs of settlements which are not considered to be in the normal course of business. At 31 December 2024, US $2.9 million of insurance receivable was recognised, relating to legal claims covered by insurance proceeds not yet received (2023: US $4.2 million).

In 2024 the Group received net insurance proceeds of US $2.1 million (2023: US $3.5 million) which are included in this category as they relate to a settlement of a significant fire damage claim, which is not in the normal course of business. The Group also received a settlement of US $3.2 million in relation to an arbitration of claims during 2024 (2023: nil) and recognised a reduction in the provision for a legal claim, following a favourable settlement compared with the original estimate, of US $2.6 million (2023:nil).

Also included are US $0.8 million of one-off professional fees in relation to the data cleansing exercise on the UK pension scheme in preparation for the buy-out process, (2023: US $1.3 million incurred in relation to the buy-in process).

CYBER SECURITY AND RESPONSE TO CYBER INCIDENTS

During the year the Group incurred US $3.5 million costs (primarily staff costs and professional fees) in response to cyber incidents and fees incurred to obtain compliance certificates for cyber security (2023: nil).

5 BUSINESS COMBINATIONS & DIVESTMENTS

ACQUISITIONS IN 2024

ISS INSPECTION SERVICES

On 30 September 2024, the Group acquired 100% of the voting share capital of ISS Inspection Services (ISS). ISS provides services inclusive of field non-destructive testing ("NDT") & Inspection and Special Processes (e.g., precision cleaning, passivation, adhesive bonding, and coatings) for the aerospace, defence, nuclear, and oil & gas end-markets at its four U.S. locations, as well as at customers' sites in the U.S. and internationally. The acquisition of ISS offers multiple material revenue synergy opportunities, such as leveraging Element's relationships and NDT services with existing customers; expanding Special Processes capability to other sites; and using their flexible pool of trained NDT resources to drive revenues at other Element sites. ISS's capabilities strategically complement those of Element, offering exposure to valuable areas like after-market, maintenance, repair & overhaul, field non-destructive testing, and specialized processes within existing aerospace and nuclear end markets.

The net assets recognised in the 31 December 2024 financial statements were based on a provisional assessment of their fair value. The provisional fair values of the identifiable assets and liabilities of ISS as at the date of acquisition were:

In US $ million	**Fair value recognised on acquisition**
Intangible assets	109.5
Deferred Tax Asset	10.4
Property, plant and equipment	5.0
Right of Use Assets	2.8
Trade and other receivables	22.2
Cash and cash equivalents	3.0
Trade and other payables	(6.3)
Other non-current liabilities	(3.2)
Deferred tax Liability	(27.8)
Net assets acquired	**115.5**
Goodwill	125.0
Purchase consideration	**240.5**
Cash consideration	240.5
Deferred consideration	—

Acquisition expenses of US $3.7 million were incurred in respect of this acquisition and expensed to the consolidated statement of profit or loss (other operating expenses). From the date of acquisition to 31 December 2024, ISS contributed US $17.9 million to revenue and US $4.2 million to profit for the period. If the acquisition had been made at the beginning of the financial year, the business would have contributed US $72.5 million to revenue and US $13.8 million of profit before tax.

Goodwill of US $125.0 million represents intangible assets which do not qualify for recognition, including testing capabilities, technical know-how, assembled workforce, and market share and also arises from the recognition of deferred tax liabilities related to intangible assets for which amortisation does not qualify for tax deductions.

Cash flow on acquisition in US $ million:

Transaction costs included in operating activities	3.7
Cash consideration paid, net of cash acquired	237.5

SALE OF SUBSIDIARIES IN 2024

On 31 October 2024 the Group completed divestment of the NQA (National Quality Assurance) inspection and certification business (UK and USA), the management systems certification division of BM Trada (UK), Unitek (USA), the technical services division of Trialon (USA), and the 50% stake in SNQA JV in China.

This divestment will enable the Group to focus the growth efforts and investment in Element's core business lines in targeted end markets. Element retained BM Trada's product certification services division.

The disposed businesses do not represent a separate major line of business or geographical area of operations and therefore are not classified as a discontinued operation under IFRS 5.

Total cash consideration was US$ 510.8 million and disposed net assets were:

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	in US$ million
Goodwill	277.9
Other Intangibles	112.3
Right of use assets	1.3
Property, Plant and Equipment	2.4
Investment in JV	3.3
Cash and cash equivalents	7.4
Trade and other receivables	17.7
Lease liabilities	(1.3)
Deferred tax liability	(24.0)
Trade and other payables	(26.0)
Total net assets disposed	371.0
Transaction costs	14.5
Cash Proceeds Received	511.1
Amount payable	(0.3)
Gain on sale of subsidiaries	125.3

The disposal of the Inspection and Certification business resulted in a cash tax payable of US $47 million.

ACQUISITIONS IN 2023
There have been no changes to fair values disclosed as provisional in the prior financial year.

NCT
On 31 May 2023, the Group acquired 100% of the voting share capital of NCT Co. Ltd. (NCT). NCT specializes in battery testing for small to large products in the consumer goods, medical device, telecommunication and automotive sectors. NCT offers various testing and certification services for the connected technologies market, with a key focus on the battery sector. The acquisition of NCT significantly strengthens Element's position in growing connected technologies end-markets in Korea, outside of cellular, with a diverse customer base and strategic location positioning to big players in the market.

The fair values of the identifiable assets and liabilities of NCT as at the date of acquisition were:

In US $ million	**Fair value recognised on acquisition**
Intangible assets	1.1
Property, plant and equipment	15.1
Trade and other receivables	1.0
Cash and cash equivalents	0.3
Long term debt	(8.1)
Trade and other payables	(1.8)
Deferred tax	(1.1)
Net assets acquired	**6.5**
Goodwill	10.0
Purchase consideration	**16.5**
Cash consideration	7.0
Contingent consideration	6.0
Deferred consideration	3.5

Acquisition expenses of US $0.9 million were incurred in respect of this acquisition and expensed to the consolidated statement of profit or loss (other operating expenses). From the date of acquisition to 31 December 2023, NCT Co. Limited contributed US $4.9 million to revenue and US $2.1 million to profit for the period. If the acquisition had been made at the beginning of the financial year, the business would have contributed US $7.4 million to revenue and US $2.6 million of Profit before tax.

Goodwill of US $10.0 million represents intangible assets which do not qualify for recognition, including testing capabilities and industry certifications / accreditations, assembled workforce, and significant market share. Goodwill includes contingent consideration related to completion of the NCT acquisition. Goodwill also arises on the recognition of deferred tax liabilities in respect of intangible assets for which amortisation does not qualify for tax deductions.

Cash flow on acquisition in US $ million:

Transaction costs included in operating activities	0.9
Cash consideration paid, net of cash acquired	6.7

CTK

On 31 July 2023, the Group acquired 100% of the voting share capital of TK CTK Co. Ltd. (CTK). CTK is the 6th largest Radio Research Agency (RRA) accredited connected technologies business in Korea with a wide range of capabilities and scale. CTK generates sales by providing testing and certification services for the connected technologies (Electrical Safety and EMC/Wireless) and Environmental/Food analysis. Acquisition of CTK significantly strengthens Element's position in growing connected technologies end markets in Korea, outside of cellular, through a diverse customer base across commercial & industrial IOT, electrical safety and environmental testing.

Total consideration was US $42.5 million, consisting of only cash consideration. Acquisition expenses of US $0.3m million were incurred in respect of this acquisition and expensed to the consolidated statement of profit or loss.

The fair values of the identifiable assets and liabilities of CTK as at the date of acquisition were:

In US $ million	**Fair value recognised on acquisition**
Intangible assets	3.3
Property, plant and equipment	25.4
Right of use assets	0.3
Trade and other receivables	3.3
Cash and cash equivalents	2.8
Long term debt	(7.7)
Trade and other payables	(1.3)
Deferred tax	(1.7)
Net assets acquired	**24.5**
Goodwill	18.0
Purchase consideration	**42.5**
Cash consideration	42.0
Deferred consideration	0.5

From the date of acquisition to 31 December 2023, CTK contributed US $7.0 million to revenue and US $2.0 million to profit before tax. If the acquisition had been made at the beginning of the financial year, the business would have contributed US $15.4 million to revenue and US $3.4 million of Profit before tax.

Goodwill, being the excess of the consideration over the net assets acquired, represents benefits which do not qualify for recognition as intangible assets, including the ability of a business to generate higher returns than individual assets, skilled workforces and acquisition synergies that are specific to the Group. In addition, goodwill arises on the recognition of deferred tax liabilities in respect of intangible assets for which amortisation does not qualify for tax deductions. There is no tax-deductible goodwill on this acquisition.

Cash flow on acquisition in US $ million:

Transaction costs included in operating activities	0.3
Cash consideration paid, net of cash acquired	39.2

FILTON

On 19 October 2023, the Group acquired 100% of the voting share capital of Filton Systems Engineering Ltd (Filton). Filton, is an independent engineering solutions and design company. The Company specializes in designing fuel, air, hydraulic, inerting and engine systems, delivering solutions from concept to manufacture, and provides a single source for system mechanical design, simulation, analysis, prototyping, technical writing and testing. Acquisition of Filton will bring expanded scope and scale to Element's Digital Engineering and Hydrogen capabilities.

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The fair values of the identifiable assets and liabilities of Filton as at the date of acquisition were:

In US $ million	Fair value recognised on acquisition
Intangible assets	2.6
Property, plant and equipment	0.8
Trade and other receivables	1.6
Inventories	0.6
Cash and cash equivalents	0.4
Trade and other payables	(1.5)
Deferred tax	(0.8)
Net assets acquired	**3.7**
Goodwill	15.9
Purchase consideration	**19.5**
Cash consideration	13.1
Contingent consideration	4.2
Deferred consideration	2.2

Goodwill of US $15.9 million represents intangible assets which do not qualify for recognition, including testing capabilities and industry certifications / accreditations, assembled workforce, and significant market share. Goodwill also arises on the recognition of deferred tax liabilities in respect of intangible assets for which amortisation does not qualify for tax deductions.

Acquisition expenses of US $0.5 million were incurred in respect of this acquisition and expensed to the consolidated statement of profit or loss (other operating expenses).

From the date of acquisition to 31 December 2023, Filton Systems Engineering Ltd contributed US $1.4 million to revenue and US $0.4 million to loss for the period. If the acquisition had been made at the beginning of the financial year, the business would have contributed US $8.0 million to revenue and profit before tax US $0.9 million of Profit before tax.

Cash flow on acquisition in US $ million:

Transaction costs included in operating activities	0.5
Cash consideration paid, net of cash acquired	12.7

SALE OF SUBSIDIARIES IN 2023

In 2023 the Group sold 100% of the share capital of its subsidiaries in Australia and Italy. Total cash consideration received was US $6.1 million and disposed net assets were:

	in US $ million
Goodwill	27.8
Other Intangibles	5.6
Cash and cash equivalents	0.9
Other assets	2.6
DTL	(0.8)
Other liabilities	(3.1)
Total net assets disposed	33.0
Cash Proceeds	6.1
Loss on sale of subsidiaries	26.9

6 REVENUE ANALYSIS

The following is an analysis of the Group's revenue for the period ended 31 December 2024 from continuing operations:

in US $ million	Year ended 31 December 2024	Year ended 31 December 2023
Revenue from services rendered	**1,429.1**	**1,379.2**
Geographical analysis		
United States and Canada	850.4	800.6
United Kingdom	210.5	221.4
Rest of Europe	151.9	135.8
Rest of the world	216.3	221.4
Total	**1,429.1**	**1,379.2**

Contract balances

in US $ million		31 December 2024	31 December 2023
Contract liabilities	- current	45.8	43.1
	- non current	5.1	3.2
Total contract liabilities		51.0	46.3
Contract assets	- current	19.9	16.8
	- non current	1.6	1.6
Total contract assets		21.5	18.4

Contract liabilities include advances received in relation to annual certification services. Current and non-current contract liabilities are included in current and non-current other payables respectively on the consolidated statement of financial position. Contract assets relate to revenue earned from ongoing testing services. The non-current portion of contract assets is included in other non-current assets on the Consolidated Statement of Financial Position.

PERFORMANCE OBLIGATION

Payment of invoiced revenue is generally due within 30 to 135 days of satisfaction of performance obligations. Set out below is the amount of revenue recognised that was deferred at the end of the prior year:

	31 December 2024	31 December 2023
Revenue included within contract liabilities as at prior year end	23.4	12.1

Revenue from goods and services	31 December 2024	31 December 2023
Revenue from sale of goods	40.2	39.3
Revenue from provision of services	1,388.9	1,339.9
Total	**1,429.1**	**1,379.2**

7 AUDITOR REMUNERATION

The Group obtained the following services from the Group's auditor and its associates:

in US $million	Year ended 31 December 2024	Year ended 31 December 2023
Fees paid for audit services provided to the Group		
Fees for the audit of the Group's annual accounts	5.9	6.2
Audit of the accounts of subsidiaries	0.3	0.2
Fees payable to the auditor and its associates for other services		
Other assurance services	0.1	0.3
Tax compliance fees	0.9	1.2
Tax advisory fees	2.0	0.8
Transaction advisory and due diligence fees	3.6	1.8
Fees paid for non-audit services provided to the Group	**6.6**	**4.1**
Total	**12.8**	**10.5**

8 STAFF COSTS

Group employee expenses (in US $million)	Year ended 31 December 2024	Restated [1] Year ended 31 December 2023
Wages and salary expenses	686.4	679.2
Social security expenses	59.4	56.6
Pension cost – defined contribution plans	21.9	20.3
Pension cost – defined benefit plans	3.3	2.7
Share-based payments (note 20)	1.3	0.9
Total	**772.3**	**759.6**
Out of which separately disclosed items	35.1	57.4

[1] On review of Staff costs the Group identified separately disclosed staff costs that were incorrectly mapped to Other operating expenses. This has been corrected in the current year and the prior year restated as shown in note 2.2.

Year average group employee numbers	Year ended 31 December 2024	Restated [2] Year ended 31 December 2023
Aerospace and Defense Americas	1,893	1,721
Connected Technologies and Mobility Americas	921	905
Life Sciences Americas	1,062	1,100
US Space and Defense (previously NTS Technical Systems)	325	277
Aerospace and Defence EMEAA	1,904	1,905
Connected Technologies EMEAA	349	225
Lab Solutions (previously Life Sciences EMEAA)	129	122
Built Environment EMEAA	2,171	2,201
NTS I&C	393	450
Group Average	**9,147**	**8,906**

Year End group employee numbers		
Group Total as 31 December	8,516	9,105

[2] The prior year average group employee numbers have been restated from 7,962 to 8,906 to include omitted locations principally related to acquisitions. Similarly, the year end group employee number has been restated from 8,750 to 9,105.

Directors' remuneration (in US $million)	Year ended 31 December 2024	Year ended 31 December 2023
Fees paid to non-Executive Directors	0.4	0.3
Aggregate emoluments paid to Executive Directors	2.4	1.5
	2.8	**1.8**
Highest paid Director remuneration	1.6	0.8

There are no retirement benefits accruing to Directors under pension schemes as at 31 December 2024 (2023: nil). The employment benefits other than salary of directors were:

US $million	Year ended 31 December 2024	Year ended 31 December 2023
Short term employment benefits	0.2	0.1

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9 FINANCE INCOME

US $million	Year ended 31 December 2024	Year ended 31 December 2023
Interest income	39.5	35.1
Foreign exchange gain	10.9	—
Gain on liabilities at fair value through profit or loss		4.4
Total	**50.4**	**39.5**

The gain on liabilities at fair value through profit or loss represents a movement in the fair value of the redeemable A2 shares presented as a liability (see note 21) and relates only to 2023. The interest income relates largely to interest rate swaps (2024: US $37.1 million, 2023: US $33.2 million).

10 FINANCE COSTS

US $million	Year ended 31 December 2024	Year ended 31 December 2023
Bank loan interest	355.0	364.1
Loss on derivative instruments at fair value through profit or loss	26.5	20.1
Interest expense on lease liabilities	16.8	13.8
Preference share interest	17.8	16.2
Foreign exchange loss	—	3.5
Other Finance costs	3.4	2.3
Total	**419.5**	**419.9**

In the period the Group recognised US $224.3 million cash outflow (2023: US $231.0 million) in relation to interest payment.

11 INCOME TAXES

Income tax recognised in the statement of profit or loss	2024 US $ million	2023 US $ million
Current tax		
Current tax charge for the year	56.0	12.8
Prior period tax charge / (credit)	0.7	(5.9)
Withholding tax written off	0.9	1.0
	57.6	**7.9**
Deferred tax		
Deferred tax credit recognised for the year	(2.8)	(41.3)
Prior period deferred tax charge / (credit)	(2.4)	(1.5)
Adjustments to deferred tax attributable to changes in tax rates	(0.5)	(3.1)
	(5.7)	**(45.9)**
Total tax charge/(credit) recognised in the year	**51.9**	**(37.9)**

11 INCOME TAXES (CONTINUED)

Income tax recognised in the statement of profit or loss (continued)

The income tax charge/(credit) for the period can be reconciled to the accounting loss as follows:	2024 US $ million	2023 US $ million
Loss before tax from continuing operations	(636.9)	(998.5)
Income tax credit calculated at 25%	(159.2)	(234.6)
Effects of restricted interest not recognised as a DTA	53.4	76.4
Effects of other expenses that are not deductible for tax purposes	93.5	138.8
Transfers to/from unrecognised deferred tax assets	21.7	(2.7)
Effects of different tax rates on subsidiaries operating in other jurisdictions	6.1	(5.8)
Effect of changes in tax rate on deferred tax balances	(0.5)	(3.1)
Overseas withholding tax	1.0	1.0
Effect of non-taxable income	(11.1)	(1.0)
Prior year adjustment - current tax	0.7	(5.9)
Prior year adjustment - deferred tax	(2.4)	(1.5)
Tax book difference on sale of Ivory	48.8	—
Other	(0.1)	0.5
	51.9	**(37.9)**

Income tax recognised directly in Equity

Deferred tax

Defined benefit pensions obligation	—	2.7
	—	**2.7**

in US $ million	2024	2023
Current tax assets		
Income tax receivable	6.9	13.2
Current tax liabilities		
Income tax payable	(47.6)	(7.3)
Non-current tax liabilities		
Income tax payable	—	(1.4)

The following is the analysis of net deferred tax liabilities presented in the consolidated statement of financial position:

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in US $ million	At 1 January 2024	Acquisitions / Disposals	Current year (charge)/ credit	Prior year (charge)/ credit	Rate change	Foreign exchange	At 31 December 2024
Net operating loss	35.7		(14.9)	0.9	0.3	(0.4)	21.6
Accrued expenses	5.5	—	0.8	(0.2)		—	6.1
Prepaid expenses	(3.2)	—	1.5	0.3		—	(1.4)
Property, plant and equipment	(63.9)	(1.2)	9.3	(1.4)	(0.2)	(0.2)	(57.6)
Intangible assets	(211.0)	3.2	12.6	0.9	0.4	5.0	(188.9)
Research and development	(0.9)	—	0.2	(0.1)	—	—	(0.8)
Provisions / accruals	5.2		(0.4)	0.5			5.3
Retirement benefit obligations	2.6	—	(1.2)	—	—	(0.1)	1.3
Restricted interest	58.5	4.7	(8.4)	1.3	—	—	56.1
Other	(4.0)	—	3.3	0.2		0.2	(0.3)
Total	**(175.4)**	**6.7**	**2.8**	**2.4**	**0.5**	**4.5**	**(158.5)**

11 INCOME TAXES (CONTINUED)

	At 1 January 2023	Acquisitions / Disposals	Current year (charge)/ credit	Prior year (charge)/ credit	Recognised in OCI	Rate change	Foreign exchange	At 31 December 2023
Net operating loss	41.8	(0.4)	(3.0)	(0.8)	—	(2.5)	0.6	35.7
Accrued expenses	3.9	—	1.1	0.7	—	(0.2)	—	5.5
Prepaid expenses	(3.3)	—	(1.0)	1.0	—	0.1	—	(3.2)
Property, plant and equipment	(85.6)	(2.1)	18.5	3.1	—	1.7	0.6	(63.9)
Intangible assets	(228.0)	0.2	16.4	1.1	—	4.0	(4.7)	(211.0)
Research and development	(1.2)	—	0.2	0.1	—	—	—	(0.9)
Provisions / accruals	3.0	(0.5)	0.2	2.9	—	(0.3)	(0.1)	5.2
Retirement benefit obligations	0.6	—	(1.0)	—	2.7	—	0.3	2.6
Restricted interest	56.8	—	8.4	(6.7)	—	—	—	58.5
Other	(5.7)	—	1.6	0.1	—	0.3	(0.2)	(4.0)
Total	**(217.7)**	**(2.8)**	**41.3**	**1.5**	**2.7**	**3.1**	**(3.5)**	**(175.4)**

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DEFERRED TAXES

Deferred tax assets are recognised to the extent that the realization of the related deferred tax benefit through future taxable profits or offset against deferred tax liabilities, is probable.

At the statement of financial position date, the Group did not recognise a deferred tax asset of US $48.8 million (2023: US $37.6 million) relating to tax losses, due to uncertainty over the availability of future taxable profits. None of these tax losses are subject to an expiry. The material components of the unrecognised deferred tax asset comprise US $23.4m (2023: US $17.0 million) relating to UK tax losses, US $7.5 million (2023: US $7.3 million) relating to Sweden tax losses, US $7.4m (2023: $5.4m) relating to Singapore tax losses, US $3.7m (2023: $2.0m) relating to Germany tax losses, US $3.0m (2023: $2.7m) relating to Canada tax losses and US $2.9 million (2023 US $2.1 million) relating to China tax losses.

The Group also has an unrecognised deferred tax asset of US$68.3 million (2023: US $54.7 million) relating to accrued interest in the US arising as a result of the s. 163j interest limitation provisions. In addition to this, the Group has an unrecognised deferred tax asset of US $58.9 million (2023: US $49.8 million) relating to accrued interest in the UK as a result of the Corporate Interest Restriction rules. There is uncertainty as to when there will be sufficient taxable profits to deduct these interest amounts against.

No deferred tax liability has been recognised in respect of unremitted earnings of subsidiaries. It is likely that the majority of the overseas earnings will qualify for the UK dividend exemption and the Group can control the distribution of dividends by its subsidiaries. In some jurisdictions local tax is payable on the remittance of a dividend. If dividends were remitted from subsidiaries in these countries the additional tax payable would be US $8.1m (2023: $7.9 m) with the gross timing difference being US $161.9 million (2023: US $159.3 million).

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates in. The legislation was effective for the Group's financial year beginning 1 January 2024. The Group is in the scope of the enacted legislation and has performed an assessment of the Group's exposure to Pillar Two income taxes. The assessment of the exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15% and therefore out of scope. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group has calculated an immaterial exposure to Pillar Two income taxes in those jurisdictions. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

12 GOODWILL

US $ million	2024	2023
Cost		
As at 1 January	**5,152.4**	**5,048.7**
Acquisitions of subsidiaries (note 5)	125.0	43.9
Disposal of subsidiaries (note 5)	(277.9)	(27.8)
Exchange movement	(75.2)	87.6
As at 31 December	**4,924.3**	**5,152.4**
Amortisation and impairment		
As at 1 January	**(1,043.2)**	**(548.8)**
Impairment	(322.2)	(497.5)
Exchange movement	(3.7)	3.1
As at 31 December	**(1,369.1)**	**(1,043.2)**
Net book value		
As at 31 December	**3,555.2**	**4,109.2**

For the purposes of impairment assessment, goodwill is allocated to groups of CGUs as follows:

Group of CGUs	2024 US $ million
Aerospace and Defense Americas	1,049.3
Connected Technologies and Mobility Americas	401.3
Life Sciences Americas	540.3
Aerospace and Defence EMEAA	599.8
Connected Technologies EMEAA	178.1
Built Environment EMEAA	647.0
Lab Solutions (previously Life Sciences EMEAA)	75.6
US Space and Defense (previously NTS Technical Systems)	63.8
Total	**3,555.2**

The Group tests goodwill annually for impairment, or more frequently if there are indications that it might be impaired. The Group performed an impairment assessment of goodwill and other intangible asset balances for each group of CGUs in accordance with the requirements of IAS 36 "Impairment of Assets" by comparing the carrying values against the recoverable amount, being the higher of fair value and "value-in use" in perpetuity. In 2024 the Group finalised a reorganisation of the Group and merged Digital Engineering EMEAA (a separate CGU in 2023) with Aerospace and Defence EMEAA.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

In current year the recoverable amount for each group of CGUs is based fair value less costs of disposal.

Element bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of Element's groups of CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.
Impairment is determined for goodwill by assessing the recoverable amount of each group of CGUs to which the goodwill relates. When the recoverable amount of the group of CGUs is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Key judgements and assumptions used in determining the recoverable amount.

CGU GROUPING
The Group determined the eight business units (operating under two regional management structures) as the appropriate level at which the impairment assessment should be performed because these are the smallest identifiable groups of assets that generate cash flows that are largely independent.

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12 GOODWILL (CONTINUED)

Fair value less cost to sell ("FVLCTS")

A methodology utilizing Revenue (the Guideline Company valuation method) and EBITDA multiples (the Guideline Company and the Guideline Transaction valuation methods) was used to calculate each group of CGUs' fair value less cost to sell. The concluded fair value is based on the average between the Guideline Transaction and Guideline Company method.

Due to the acquisition strategy of the Group, the Guideline Company and the Guideline Transaction multiples include a premium for the impact of future M&A activity in each of the CGUs. The concluded fair value assumes a level of bolt-on M&A activities representing less than 10% of annual EBITDA.

The key assumptions within the fair value calculations are the valuation multiples and the forecast EBITDA.

	Guideline company*		Guideline Transaction
	Revenue multiple	**EBITDA multiple**	**EBITDA multiple**
Aerospace and Defense Americas	3.5x	16.5x	19.2x
Mobility Americas	4.0x	15.1x	19.2x
Life Sciences Americas	4.7x	16.1x	20.0x
Aerospace and Defence EMEAA	4.6x	16.4x	19.2x
Connected Technologies EMEAA	4.4x	15.6x	19.2x
Built Environment EMEAA	3.2x	14.8x	19.2x
Lab Solutions	3.2x	12.9x	17.7x
US Space and Defense	3.2x	14.9x	18.0x

*The guideline company method uses a weighted average of revenue and EBITDA multiples over 3 years.

The fair value measurements were categorised as Level 3 on the fair value hierarchy based on the inputs in the valuation technique used.

CLIMATE-RELATED MATTERS

The Group regularly monitors climate-related risks, including physical risks and transition risks, and considered these risks when measuring the recoverable amount. While the Group does not believe its operations are currently significantly exposed to physical risk, the Group's forecast may be impacted in several different ways by transition risk, such as climate-related legislation, climate-related regulations and changes in demand for the Group's services. The Group has concluded that no single climate-related assumption is a key assumption for the 2024 test of goodwill, and the overall net impact is expected to be immaterial.

IMPAIRMENT CHARGE

The Group recorded an impairment charge of US $322.2 million (2023: US $497.5 million) primarily due to the slower than expected recovery in pharmaceutical R&D end market impacting both Americas and EMEAA BUs (Life Sciences and Lab Solutions).

This impairment charge had been recorded under Impairment of goodwill in the consolidated statement of profit or loss.

The recoverable amount and impairment loss on goodwill of the groups of CGUs were as follows:

	Basis for Recoverable amount	Recoverable amount of CGU US $million	Impairment of goodwill US $million
Mobility Americas	FVLCTS	703.5	3.4
Life Sciences Americas	FVLCTS	779.8	291.4
Lab Solutions	FVLCTS	98.2	22.6
US Space and Defense	FVLCTS	183.2	4.8
Total			**322.2**

The estimated recoverable amount exceeded its carrying amount for Aerospace and Defense Americas BU by US $293.7 million, Aerospace and Defense EMEAA BU by US $180.4 million, Connected Technology EMEAA BU by US $36.7 million, and Built Environment EMEAA BU by US $5.6 million.

12 GOODWILL (CONTINUED)

Management has identified EBITDA multiple and revenue multiple as the two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount for those groups of CGUs that aren't already impaired.

	Change required for carrying amount to equal the recoverable amount	
Group of CGUs	**EBITDA multiple**	**Revenue multiple**
Aerospace and Defense Americas	-20.2%	-62.5%
Aerospace and Defence EMEAA	-26.6%	-56.8%
Connected Technology EMEAA	-17.2%	-46.8%
Built Environment EMEAA	-0.8%	-2.8%

Management considered reasonably possible changes in key assumptions, that would result in further impairment, presented in the tables below. The sensitivity analysis presented is prepared on the basis that the reasonably possible change in each key assumption would not have a consequential impact on other assumptions used in the impairment review. The associated impact on the impairment is presented below.

In US $million	**Changes in key assumptions – Fair Value**			
	Revenue multiple		**EBITDA multiple**	
Group of CGUs	**-10.0%**	**10.0%**	**-10.0%**	**10.0%**
Aerospace and Defense Americas	—	—	—	—
Connected Technologies and Mobility Americas	20.7	(3.4)	47.6	(3.4)
Life Sciences Americas	28.5	(28.3)	49.1	(49.1)
Aerospace and Defence EMEAA	—	—	—	—
Connected Technologies EMEAA	—	—	—	—
Built Environment EMEAA	14.8	—	59.4	—
Lab Solutions	3.6	(3.6)	5.3	(5.2)
US Space and Defense	7.3	(4.8)	10.1	(4.8)
Increase / (decrease) in impairment	**74.9**	**(40.1)**	**171.5**	**(62.5)**

In the event of an unexpected negative impact on the broader economic environment, management also considered a reasonably possible change in projected adjusted EBITDA of minus 20 percentage points across the Group, which would result in additional US $278.1 million impairment.

13 OTHER INTANGIBLE ASSETS

US $million	Customer relationships	Trade names	Technology	Software	Intangible Assets under construction	Total
Cost						
As at 1 January 2023	**1,091.7**	**189.4**	**15.5**	**22.5**	**—**	**1,319.0**
Acquisitions (note 5)	6.9	—	—	—	—	6.9
Additions	—	—	—	0.4	9.2	9.5
Transfers	—	—	(0.8)	0.2	—	(0.6)
Disposal	(4.7)	(1.6)	—	(0.3)	—	(6.7)
Exchange movements	15.2	4.1	0.4	0.7	—	20.4
As at 31 December 2023	**1,109.1**	**191.8**	**15.1**	**23.4**	**9.2**	**1,348.6**
Acquisitions (note 5)	109.5	—	—	—	—	109.5
Additions	—	—	—	6.7	19.8	26.4
Disposals	(119.6)	(14.1)	(0.1)	(3.3)	—	(137.1)
Exchange movements	(17.7)	(3.5)	(0.2)	(0.2)	—	(21.7)
As at 31 December 2024	**1,081.2**	**174.3**	**14.8**	**26.6**	**28.9**	**1,325.7**
Accumulated Amortisation and Impairment						
As at 1 January 2023	**27.2**	**9.7**	**2.4**	**6.1**	**—**	45.4
Charge for the year	63.3	21.1	6.3	8.2	—	98.9
Disposal	(0.4)	(0.3)	—	(0.1)	—	(0.9)
Exchange movements	0.4	0.2	—	0.2	—	0.9
As at 31 December 2023	**90.5**	**30.8**	**8.7**	**14.4**	**—**	**144.4**
Charge for the year	64.0	20.7	4.1	5.4	—	94.1
Disposal	(18.1)	(3.3)	(0.1)	(2.5)	—	(24.0)
Impairment	0.4	0.1	—	—	—	0.5
Exchange movements	(0.4)	(0.1)	—	(0.3)	—	(0.8)
As at 31 December 2024	**136.3**	**48.2**	**12.7**	**17.0**	**—**	**214.2**
Net book value						
As at 31 December 2023	**1,018.6**	**161.0**	**6.4**	**9.1**	**9.2**	**1,204.3**
As at 31 December 2024	**944.8**	**126.0**	**2.1**	**9.6**	**28.9**	**1,111.5**

Amortisation policy for each asset class is disclosed in note 2.12 and the impairment of assets policy is disclosed in note 2.14.

The US $28.9 million held as intangible assets under construction pertains to the Group's pilot, AI-powered product, RegNav. RegNav is designed to assist medical device companies in navigating the complex regulatory approval process, thereby accelerating their time to market.

The Group has impaired US $0.5 million of customer relationships and other intangible assets allocated to testing sites that were closed during the year.

Disposal amount in the current year includes net US 112.3 million of intangibles related to divested businesses (note 5).

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14 PROPERTY, PLANT AND EQUIPMENT

US $million	Land & Buildings	Leasehold improvements	Plant & Equipment	Assets under construction	Total
Cost					
As at 1 January 2023	**148.0**	**65.4**	**397.6**	**48.5**	**659.5**
Acquisitions (note 5)	26.5	—	14.8	—	41.3
Additions	9.8	14.9	31.3	85.4	141.4
Transfers	0.7	4.2	23.3	(29.8)	(1.6)
Disposals	(1.6)	(1.8)	(18.1)	(8.8)	(30.3)
Exchange movements	0.9	1.2	3.4	0.7	6.2
As at 31 December 2023	**184.3**	**83.9**	**452.3**	**96.0**	**816.5**
Acquisitions (note 5)	—	0.4	4.6	—	5.000
Additions	0.4	20.9	25.0	85.9	132.2
Transfers	(5.9)	5.0	88.8	(87.9)	—
Disposals	(8.3)	(6.8)	(69.7)	(2.5)	(87.3)
Exchange movements	(1.0)	(1.7)	(4.2)	(2.8)	(9.7)
As at 31 December 2024	**169.5**	**101.7**	**496.8**	**88.7**	**856.7**
Accumulated Depreciation and Impairment					
As at 1 January 2023	**1.8**	**4.0**	**30.1**	**0**	**35.9**
Charge for the year	8.3	9.6	87.5	—	105.4
Disposals	(0.2)	(1.3)	(12.7)	—	(14.2)
Exchange movements	—	(0.1)	(0.3)	—	(0.4)
As at 31 December 2023	**9.9**	**12.2**	**104.6**	**—**	**126.7**
Charge for the year	7.5	8.0	88.3	—	103.8
Disposals	(0.1)	(6.2)	(56.9)	—	(63.2)
Impairment	—	—	—	6.5	6.5
Exchange movements	0.1	0.2	1.0	—	1.3
As at 31 December 2024	**17.4**	**14.2**	**137.0**	**6.5**	**175.1**
Net book value					
As at 31 December 2023	**174.4**	**71.7**	**347.7**	**96.0**	**689.8**
As at 31 December 2024	**152.1**	**87.5**	**359.8**	**82.2**	**681.6**

The depreciation policy for each asset class is disclosed in note 2.13 and the impairment of assets policy is disclosed in note 2.14.

As disclosed within note 2.24, interest costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. In the year, US $3.6 million (2023: nil) of general borrowings were capitalised in relation to two qualifying assets. The capitalisation rate used in 2024 was 10%.

15 LEASE ARRANGEMENTS

Right of use assets	Property US $million	Non-property US $million	Total US $million
Cost			
As at 1 January 2023	**179.7**	**4.3**	**184.0**
Acquisitions (note 5)	0.1	0.2	0.3
Additions	28.0	4.9	32.9
Disposals	(3.9)	(1.1)	(5.0)
Remeasurement	10.5	0.1	10.6
Exchange movements	5.7	0.2	5.9
As at 31 December 2023	**220.1**	**8.6**	**228.7**
Acquisitions (note 5)	1.9	0.9	2.8
Additions	13.1	3.0	16.1
Disposals	(5.0)	(1.6)	(6.6)
Disposals of subsidiaries (note 5)	(1.7)	(0.9)	(2.6)
Remeasurement	14.4	0.3	14.7
Other	17.3	2.3	19.6
Exchange movements	(5.2)	(0.4)	(5.6)
As at 31 December 2024	**254.9**	**12.2**	**267.1**
Accumulated depreciation			
As at 1 January 2023	**17.0**	**1.2**	**18.2**
Charge for the year	37.2	2.8	40.0
Disposals	(3.3)	(1.1)	(4.4)
Impairment	7.0	—	7.0
Exchange movements	0.5	0.1	0.6
As at 31 December 2023	**58.4**	**3.0**	**61.4**
Charge for the year	36.7	4.0	40.7
Disposals	(5.0)	(1.6)	(6.6)
Disposals of subsidiaries (note 5)	(0.8)	(0.5)	(1.3)
Other	(2.1)	0.7	(1.4)
Impairment	6.8	—	6.8
Exchange movements	(1.4)	—	(1.4)
As at 31 December 2024	**92.6**	**5.6**	**98.2**
Net book value			
As at 31 December 2023	**161.7**	**5.6**	**167.3**
As at 31 December 2024	**162.3**	**6.6**	**168.9**

Lease liabilities	Total US $million
As at 1 January 2023	**160.3**
Acquisitions (note 5)	0.3
Additions	32.3
Interest	13.8
Payment	(45.2)
Remeasurement	11.8
Exchange movements	3.4
As at 31 December 2023	**176.7**
Acquisitions (note 5)	2.8
Additions	11.5
Interest	16.6
Payment	(51.3)
Remeasurement	14.4
Disposals of subsidiaries (note 5)	(1.3)
Other	22.2
Exchange movements	(4.6)
As at 31 December 2024	**187.0**

	2024				2023			
Lease Liabilities	Within 1 year US $million	2-5 years US $million	5+ years US $million	Total US $million	Within 1 year US $million	2-5 years US $million	5+ years US $million	Total US $million
Property	31.1	80.3	68.6	180.0	37.1	75.7	58.2	171.0
Non-property	3.0	4.0	—	7.0	2.6	3.1	—	5.7
At 31 December	**34.1**	**84.3**	**68.6**	**187.0**	**39.7**	**78.8**	**58.2**	**176.7**

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15 LEASE ARRANGEMENTS (CONTINUED)

Interest expense on the lease liabilities recognised within finance costs was US $16.6 million (2023: US $13.8 million). Total lease payments of US $51.3million (2023: US $45.2million) is set first against the interest expense with the remaining US $34.7 million set against the principal. As at 31 December 2024, there were no leases which the Group was committed to with future cash flows which have not been accounted for except certain leases with lease terms of 12 months or less and leases of office equipment with low value. The total expense recognised for such leases was US $2.9 million (2023: US $1.5 million). The Group holds no variable leases.

A total impairment to the right of use asset net book value of US $6.8 million (2023: US 7.0 million) was recognised in the year. This related entirely to five properties that Element had ceased operations in during the year and vacated resulting in no further revenue generation. Hence the right of use asset was impaired to nil for all five properties

Disposal amount in the current year right of use asset includes net book value of US $1.3 million related to divested businesses (note 5). There is an opposite US $1.3 million reduction in remeasurement amount in the lease liabilities

There are additions and impairments of leases relating to prior year included in current year movements. This change is shown in the Other movement within right of use asset and liability where the increase in both mostly offset each other. Although this relates to prior years, management do not consider it material enough to record a prior year adjustment

The Group subleases vacant space available within its leased properties. The operating lease income recognised was US $1.4 million (2023: US $1.3 million).

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	US $million
As at 1 January 2023	**5.4**
Share of profit of associate and joint ventures	2.5
Dividends received	(2.3)
As at 31 December 2023	**5.6**
Share of profit of associates and joint ventures	2.0
Dividends received	(2.9)
Additions	1.1
Disposal (note 5)	(3.3)
Impairment	(0.5)
As at 31 December 2024	**1.9**

The Group has an interest in Plastometrex Limited which is accounted for using the equity method. In March 2024 the Group acquired a further US $1.1 million of ordinary shares in Plastometrex Limited increasing the Group's ownership percentage to 28.9% (2023: 28.8%).

During the year the Group disposed of its interest in Shanghai NQA Certification Co. Ltd joint venture as a part of the sale of subsidiary (note 5).

The Group's total share of other comprehensive income of the associates and joint ventures is nil (2023: nil).

17 TRADE AND OTHER RECEIVABLES

US $million	**31 December 2024**	**31 December 2023**
Trade receivables	270.3	282.5
Prepayments	59.2	57.3
Unbilled revenue	44.5	47.9
Other receivables	14.3	12.2
Total	**388.3**	**399.9**

The Group measures the loss allowance for trade receivables, contract assets and unbilled revenue at an amount equal to lifetime ECL. The expected credit losses on trade receivables, contract assets and unbilled revenue are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In determining the recoverability of trade receivables, contract assets and unbilled revenue, the Group considers any change in the credit quality of the trade receivables, contract assets and unbilled revenue from the date credit was initially granted up to the reporting date. Management consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

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The ageing of trade receivables not impaired	31 December 2024	31 December 2023
Not past due	160.6	187.2
Past due 0-30 days	56.6	51.3
Past due 31-60 days	18.3	19.0
Past due 61-90 days	10.8	8.9
Past due 90 days	29.0	21.1
Less: expected credit losses	(5.0)	(5.0)
Total	**270.3**	**282.5**

Movements in the allowance for doubtful debts	US $million
As at 1 January 2023	**4.6**
Reversal of allowance for doubtful debts during the year	(1.3)
Increase in allowance for doubtful debts during the year	2.3
Receivables written off during the year as uncollectable	(0.6)
As at 31 December 2023	**5.0**
Reversal of allowance for doubtful debts during the year	(3.3)
Increase in allowance for doubtful debts during the year	5.7
Receivables written off during the year as uncollectable	(2.4)
As at 31 December 2024	**5.0**

18 CASH AND CASH EQUIVALENTS

US $million	31 December 2024	31 December 2023
Cash at banks and on hand	109.8	171.9
Cash equivalents (short term deposits)	14.0	0.9
Total cash and cash equivalents	**123.8**	**172.8**

19 OTHER PAYABLES

Current

US $million	31 December 2024	31 December 2023
Accrued bonuses, wages and personnel costs	70.1	66.9
Other accrued liabilities	88.0	93.1
Contract liabilities	28.9	43.0
Customer deposits	3.9	9.1
Total	**190.9**	**212.1**

The fair value of the Group's trade and other payables approximates their carrying amount. Within other accrued liabilities there is US $25.2 million (2023: US $23.9 million) relating to employee leave accrual, US $5.3 million (2023: US $21.5 million) relating to accruals of separately disclosed items (mainly professional fees) and US $9.0 million (2023: US $14.2 million) relating to goods received but not invoiced.

Non-current

US $million	31 December 2024	31 December 2023
Other liabilities	14.3	17.4
Total	**14.3**	**17.4**

Within other liabilities US $6.0 million (2023: US $5.9 million) relates to employee indemnity and US $5.1 million (2023: US $3.2 million) relates to non current contract liabilities (note 6).

Share-based payment reserve of US $4.0 million (2023: US $ 2.8 million) has been reclassified from 'Provisions' to 'Other Payables' for improved relevance.

The Company has issued 3,441,360 B1 and 1,743,300 B2 Ordinary shares ("B shares") to certain employees and Directors. Pursuant to the terms set out in the Articles of Association the pay-out for these B shares is based on a calculation dependent on the enterprise exit value of the Group and are subject to meeting certain hurdle rates. The holders of B shares have an option to request the pay out after 5, 6 or 7 years of vesting service period. The shares are treated as cash-settled share-based payments. The liability is measured on inception and at the end of each reporting period until settled, at the fair value, by applying an option pricing model. The expense recognised for employees' services during the period is US $1.3 million (2023: US $0.9 million).

20 PROVISIONS

US $million	Dilapidation provisions	Legal provisions	Environmental provision	Restructuring provisions	Total
As at 1 January 2023	**41.2**	**10.9**	**13.0**	**5.3**	**70.4**
Additions	0.5	6.9	—	1.6	9.0
Utilized during the year	(1.8)	(7.9)	—	(0.8)	(10.5)
Exchange movements	1.0	—	—	0.1	1.1
As at 31 December 2023	**40.9**	**9.9**	**13.0**	**6.2**	**70.0**
Included in:					
Current liabilities	5.1	2.6	—	5.4	13.1
Non-current liabilities	35.8	7.3	13.0	0.8	56.9
As at 31 December 2023	**40.9**	**9.9**	**13.0**	**6.2**	**70.0**
As at 31 December 2023	40.9	9.9	13.0	6.2	70.0
Additions	7.4	1.4	—	—	8.8
Utilized during the year	(2.7)	(4.7)	(1.5)	(3.2)	(12.1)
Exchange movements	(0.7)	—	—		(0.7)
As at 31 December 2024	**44.9**	**6.6**	**11.5**	**3.0**	**66.0**
Included in:					
Current liabilities	4.8	6.6	1.2	2.1	14.7
Non-current liabilities	40.1	—	10.3	0.9	51.3
As at 31 December 2024	**44.9**	**6.6**	**11.5**	**3.0**	**66.0**

Dilapidation provision

The dilapidation provisions represent management's best estimate of restoration costs with respect to leased properties for which a present obligation exists and a reliable estimate can be made. The timing of the cash outflows is expected to be over the next 1-15 years as leases expire.

Legal provision

The Group is involved in various claims and lawsuits in the ordinary course of its business. The outcome of such litigation and the timing of any potential liability is uncertain, as it is often subject to legal proceedings. Based on information currently available, the Directors consider that the cost to the Group of an unfavourable outcome arising from such litigation is unlikely to have a materially adverse effect on the financial position of the Group in the foreseeable future. In making provisions for claims, management has used its judgment to assess the circumstances relating to each specific event, internal and external legal advice, prevailing commercial terms and legal precedents. The legal claims included in the provision as at 31 December 2023 and 2024 are partially mitigated by insurance (2024: US $2.9 million, 2023: US $4.2 million) recognised as trade and other receivables on the consolidated statement of financial position.

Environmental provision

The provision represents estimated costs of clean up, land redevelopment and restoration of specific testing sites in the US. The timing of the cash total cash outflows is expected to be over the next 2-15 years. In 2024, US $1.5 million expenditure was incurred and released from the existing provision.

Restructuring provisions

Restructuring provisions relate to various fundamental restructuring activities, including site consolidations, closure of non-core business units, re-engineering of underperforming businesses and the delayering of management structure. Management has used its best judgment to estimate the cost and the timing of the cash outflows and estimated that the majority is likely to be utilised within one year of the statement of financial position date.

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21 LOANS, BORROWINGS AND REDEEMABLE SHARES

	2024			2023		
US $million	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
First Lien Term Loan	14.3	1,766.7	1,781.0	14.3	1,807.4	1,821.7
PIK notes	—	—	—	—	961.2	961.2
Second Lien Term Loan	—	—	—	—	369.7	369.7
Capex/acquisition and revolving credit facilities	—	10.0	10.0	—	265.6	265.6
South Korea Term Loan	8.2	2.5	10.7	5.7	6.8	12.5
Deferred financing costs	(10.2)	(42.2)	(52.4)	(10.1)	(84.5)	(94.6)
Interest bearing loans and borrowings	**12.3**	**1,737.0**	**1,749.3**	**9.9**	**3,326.2**	**3,336.1**
Preference shares	—	195.8	195.8	—	178.0	178.0
A2 shares	—	3.6	3.6	—	3.6	3.6
Redeemable shares	**—**	**199.4**	**199.4**	**—**	**181.6**	**181.6**

The principal terms of the Group's Loans and borrowings at the year-end were as follows:

FIRST LIEN TERM LOAN

The First Lien Term loans consist of the following facilities:

- US $975 million principal amount was drawn on 6 July 2022. The loan has an annual repayment of 1% of the original drawn down value, payable from 31 March 2023. The remaining balance is repayable in full on maturity (6 July 2029). The loan carries variable interest at SOFR plus 3.75% margin (reduced from 4.25% on 24 September 2024 following a repricing with lenders in September 2024). The outstanding principal as at 31 December 2024 is US $955.5 million.

- A further US $450.0 million was raised on 26 September 2022. The loan has an annual repayment of 1% of the original drawn down value, payable from 31 March 2023. The remaining balance is repayable in full on maturity (6 July 2029). The loan carries variable interest at SOFR plus 3.75% margin (reduced from 4.25% following a repricing with lenders in September 2024). The outstanding principal as at 31 December 2024 is US $441.0 million.

- EUR 370.0 million (US $384.5 million) principal amount was drawn on 6 July 2022 and is repayable in full on maturity (6 July 2029). The loan carries variable interest at EURIBOR plus 3.75% margin (reduced from 4.25% following a repricing with lenders in September 2024). The outstanding principal as at 31 December 2024 is EUR 370.0 million (US $384.5 million).

PIK NOTES

The Group issued US $615.0 million unsecured redeemable PIK notes on 6 July 2022 at an issue price of US $1 per note which were redeemable on 6 July 2031 at par value plus all rolled-up interest. The interest was variable and charged at SOFR plus a margin of 8.5 per cent annum.

The Group issued US $185.0 million unsecured redeemable PIK notes on 26 September 2022 at an issue price of US $1 per note which were redeemable on 06 July 2031 at par value plus all rolled-up interest. The interest was variable and charged at SOFR plus a margin of 8.5 per cent annum.

The full amount of PIK notes was repaid in 2024 and as at 31 December 2024 the outstanding balance is nil.

SECOND LIEN TERM LOAN

The full amount of the Second Lien Term Loan was repaid on 28 March 2024 following the issuance of convertible notes (note 25). As at 31 December 2024, the total amount outstanding on the Second Lien Term Loan is nil.

21 LOANS, BORROWINGS AND REDEEMABLE SHARES (CONTINUED)

CAPEX/ACQUISITION AND REVOLVING CREDIT FACILITIES

A series of drawdowns and payments were made on the capex/acquisition and revolving credit facilities during 2024, which in part remain unpaid as at 31 December 2024. The interest paid on the capex/acquisition facility is variable and is charged at SOFR/SONIA/ EURIBOR (as applicable) plus 3.5% margin. Interest paid on the revolving credit facility is variable and is charged at SOFR/SONIA/ EURIBOR (as applicable) plus 3.5% margin. The capex/acquisition facility and the revolving credit facility have a maturity date of 6 January 2029.

The following drawdowns and payments occurred during 2024:

Capex/acquisition:

- US $63.0 million was drawn on 30 December 2022. This was fully repaid on 28 March 2024.
- US $54.0 million was drawn on 30 December 2022. This was fully repaid on 08 November 2024.
- US $25.0 million was drawn on 23 March 2023. This was fully repaid on 30 April 2024.
- US $10.0 million was drawn on 15 May 2023. This was fully repaid on 15 April 2024.
- US$43.0 million was drawn on 21 July 2023. This was fully repaid on 25 March 2024.
- US$ $5.0 million was drawn on 25 September 2023. This was fully repaid on 28 March 2024.
- US $146.0 million was drawn on 25 September 2024. This was fully repaid on 08 November 2024.

Revolving credit facility:

- US $5.0 million was drawn on 26 May 2023. This was fully repaid on 26 January 2024.
- US $10.0 million was drawn on 27 June 2023. This was fully repaid on 28 March 2024.
- US $10.0 million was drawn on 30 June 2023. This was fully repaid on 28 March 2024.
- US $10.0 million was drawn on 21 July 2023.This was fully repaid on 23 January 2024.
- US $5.0 million was drawn on 21 November 2023. This was fully repaid on 22 January 2024.
- GBP £10.0 million (US $12.2 million) was drawn on 18 October 2023. This was fully repaid on 18 January 2024.
- GBP £10.0 million (US $12.2 million) was drawn on 27 October 2023. This was fully repaid on 29 January 2024.
- US $10.0 million was drawn on 23 April 2024. This was fully repaid on 08 November 2024..
- US $20.0 million was drawn on 25 April 2024. This was fully repaid on 08 November 2024..
- US $20.0 million was drawn on 30 May 2024. This was fully repaid on 08 November 2024.
- US $40.0 million was drawn on 27 June 2024. This was fully repaid on 08 November 2024.
- US $10.0 million was drawn on 29 July 2024. This was fully repaid on 08 November 2024.
- US $10.0 million was drawn on 28 August 2024. This was fully repaid on 08 November 2024.
- US $84.0 million was drawn on 25 September 2024. This was fully repaid on 08 November 2024.
- US$10m was drawn on 30 December 2024.

As at 31 December 2024, the outstanding amount drawn under the capex/acquisition facility is US $0 million and the outstanding amount drawn under the revolving credit facility is US $10.0 million. At 31 December 2024, the Group has a letter of credit facility which utilizes US $5.7 million of the RCF (2023: US $5.7 million).

The Group has a single financial covenant under the Revolving Credit Facility, being a First Lien Senior Secured Leverage Ratio of less than or equal to 9.1x. This leverage test is triggered when more than 40% of the revolving credit facility commitments are drawn. As of 31 December 2024, less than 40% of the RCF commitments had been drawn, meaning the Group was not subject to the covenant test. The classification of the facility has changed from current to non-current in the current year due to amendments to IAS 1, effective from January 2024.

SOUTH KOREA TERM LOAN

The South Korean term loan facilities consists of the following loans as at 31 December 2024:

NCT:

- The principal amount outstanding, of facility number 311-158-987989 is KRW 799 million (US $0.6 million). The outstanding loan amount is repayable by 30 June 2027. The loan carries an interest rate of 3.76%.
- The principal amount outstanding, of facility number 311-178-192350 is KRW 1.8 billion (US $1.2 million). The outstanding loan amount is repayable by 25 August 2025. The loan carries an interest rate of 3.15%.
- The principal amount outstanding, of facility number 311-219-416809 is KRW 2.9 billion (US $2.0 million). The outstanding loan amount is repayable by 22 June 2026. This loan carries an interest rate of 4.18%

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21 LOANS, BORROWINGS AND REDEEMABLE SHARES (CONTINUED)

CTK:

- The principal amount outstanding, of facility number 239-011257-32-00390 is KRW 3.0 billion (US $2.1 million). The outstanding loan amount is repayable by 28 February 2025. The loan carries a fixed interest rate of 3.74%.
- The principal amount outstanding, of facility number 239-011257-32-00391 is KRW 1.5 billion (US $1.0 million). The outstanding loan amount is repayable by 28 February 2025. The loan carries an interest rate of 3.73%.
- The principal amount outstanding, of facility number 239-011257-32-00398 is KRW 3.6 billion (US $2.5 million). The outstanding loan amount is repayable by 8 May 2025. This loan carries an interest rate of 3.79%.
- The principal amount outstanding, of facility number 218116-04-501303 is KRW 1.0 billion (US $0.7 million). The outstanding loan amount is repayable by 4 August 2025. The loan carries an interest rate of 3.85%.
- The principal amount outstanding, of facility number 218116-04-597047 is KRW 1.0 billion (US $0.7 million). The outstanding loan amount is repayable by 25 August 2025. This loan carries an interest rate of 3.95%.

PREFERENCE SHARES

There are US $4,098.8 million redeemable cumulative preference shares in issue as at 31 December 2024 which carry 10 per cent interest per annum that compounds each year on the issue anniversary date. These preference shares do not carry voting rights and are denominated in USD.

The preference shares are presented within debt or equity depending on specific features associated with the instrument. Preference shares for which a holder has an option to redeem are classified as a financial liability for which the value at 31 December 2024 is US 154.4 million (US $154.4 million at 31 December 2023). Accrued interest is recognised as interest expense. Total cumulative interest accrued to 31 December 2024 was US $41.4 million (US $23.6 million at 31 December 2023).

Preference shares for which the Company (issuer), rather than the holder, has an option to redeem have characteristics of equity and are disclosed in note 25.

Preference shares presented as Debt	2024 US $'000	2023 US $'000
Preference shares in issue at beginning of the year	154.4	154.3
Additional issues in the year	—	0.1
	154.4	154.4
Interest in the year	17.8	16.1
Accumulated interest	41.4	23.6
Total preference shares presented as Debt	**195.8**	**178.0**
Total preference shares presented as Equity (Note 25)	5,153.0	4,684.4
Total preference shares	**5,348.8**	**4,862.4**

A2 SHARES

The number of redeemable A2 shares in issuance was 2,132,825 at 31 December 2024 (31 December 2023: 2,132,825). The shares are only redeemable after 6 July 2028 and are valued using an option pricing model to determine fair value.

The key inputs and assumptions for the option pricing model are:

- Expected volatility (the Group applied re-levered equity volatility based on historical equity volatility of publicly traded peer companies),
- Expected term (the period until an exit event which is estimated to be 5 years from the initial investment by the majority shareholder), and
- Risk free interest rate (determined by reference to US Treasury yield curve for the period commensurate with the expected timing of exit).

A2 shares are denominated in USD. The fair value movement in 2024 was nil (2023: US $4.4 million) (note 9).

21 LOANS, BORROWINGS AND REDEEMABLE SHARES (CONTINUED)

Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities	First Lien Term Loan US $million	PIK Notes US $million	Second Lien Term Loan US $million	ACF and RCF US $million	South Korea Term Loan US $million	Deferred financing costs US $million	Interest bearing loans and borrowings US $million
At 1 January 2023	**1,817.9**	**841.4**	**347.9**	**137.0**	**—**	**(103.4)**	**3,040.8**
Acquisition (note 5)	—	—	—	—	15.8	—	15.8
Drawdowns	—	—	—	248.5	—	—	248.5
Repayments	(14.3)	—	—	(121.3)	(3.5)	—	(139.1)
Interest capitalised	—	119.8	—	—	—	—	119.8
Amortisation of deferred financing costs	—	—	—	—	—	10.1	10.1
Exchange movement	18.0	—	21.8	1.4	0.2	(1.2)	40.2
At 31 December 2023	**1,821.6**	**961.2**	**369.7**	**265.6**	**12.5**	**(94.5)**	**3,336.1**
Acquisition (note 5)	—	—	—	—		—	—
Drawdowns	—	—	—	350.0	—	—	350.0
Repayments	(14.3)	(1,053.0)	(366.5)	(605.6)	(0.3)	(3.6)	(2,043.3)
Interest capitalised	—	91.8	—	—	—	—	91.8
Amortisation of deferred financing costs	—	—	—	—	—	45.0	45.0
Exchange movement	(26.3)	—	(3.2)	—	(1.5)	0.7	(30.3)
At 31 December 2024	**1,781.0**	**—**	**—**	**10.0**	**10.7**	**(52.4)**	**1,749.3**

Analysis of borrowings by currency

US $million	GBP	EUR	USD	KRW	Total
Second Lien Term Loan (net of deferred financing costs)	358.5	—	—	—	358.5
First Lien Term Loan (net of deferred financing costs)	—	400.8	1,369.5	—	1,770.3
PIK notes (net of deferred financing costs)	—	—	936.2	—	936.2
Capex/acquisition and revolving credit facilities (net of deferred financing costs)	25.6	—	233.0	—	258.6
As at 31 December 2023	**384.1**	**400.8**	**2,538.7**	**12.5**	**3,336.1**
First Lien Term Loan (net of deferred financing costs)	—	376.5	1,357.8	—	1,734.3
South Korea Term Loan (net of deferred financing costs)	—	—	—	10.7	10.7
Capex/acquisition and revolving credit facilities (net of deferred financing costs)	—	—	4.3	—	4.3
As at 31 December 2024	**—**	**376.5**	**1,362.1**	**10.7**	**1,749.3**

Analysis of undrawn borrowings under the Senior Facilities Agreement (SFA)

US $million	31 December 2024	31 December 2023
Capex/acquisition	200.0	—
Revolving credit facility	184.3	129.9
Total	**384.3**	**129.9**

The available undrawn facilities are multi-currency. At 31 December 2024, the Group has a letter of credit facility which utilizes US $5.7 million of the RCF (refer to note 29).

The weighted average interest rates paid during the period were as follows:	2024	2023
PIK Notes	13.8%	13.6%
Bank loans	9.1%	9.4%
Preference shares	10.0%	10.0%

22 DEFERRED AND CONTINGENT CONSIDERATION

US $million	Contingent consideration	Deferred consideration
As at 1 January 2023	**18.5**	**4.6**
Acquisitions	10.2	6.4
Payment of deferred and contingent consideration	(4.7)	(6.4)
Fair value re-measurement	9.8	—
As at 31 December 2023	33.8	4.6
Included in:		
Current liabilities	15.8	2.4
Non-current liabilities	18.0	2.2
Total as at 31 December 2023	**33.8**	**4.6**

Acquisitions	—	—
Payment of deferred and contingent consideration	(20.1)	(2.4)
Fair value re-measurement	(3.4)	—
Exchange movements	—	0.4
Acquisition of additional shares in Plastometrex	—	0.2
As at 31 December 2024	10.3	2.8
Included in:		
Current liabilities	—	2.7
Non-current liabilities	10.3	0.1
Total as at 31 December 2024	**10.3**	**2.8**

The fair value of the contingent consideration determined at 31 December 2024 is the present value of expected future cash flows based on the latest forecasts of future performance. Changes to the original present value of contingent consideration amounts occur based on the subsequent performance of the acquired entities. This includes scenarios where the entities either exceed, or fall short of, their expected performance targets. The resulting changes in contingent consideration amounts are recognised as separately disclosed items in other operating expenses within the consolidated statement of profit or loss.

Deferred and contingent consideration as at 31 December 2024 relates to the following past transactions:
Deferred consideration relates to the 2023 acquisition of Filton (US $2.6 million) and subscription for further shares in Plastometrex in 2024 (US $0.2 million).

The acquisition of Element Materials Technology Group Limited in 2022 included contingent consideration dependent on outcomes of certain legal matters and operating results of an advisory service business in the Built Environment BU. The fair value was established on the basis of a DCF of possible outcome scenarios. The estimated value was reassessed and adjusted to US $10.3 million as at 31 December 2024.

Deferred and contingent consideration as at 31 December 2023 relates to the following past transactions:
NCT was acquired in May 2023 (note 5). NCT purchase consideration included deferred consideration of US $2.4 million, US $3.6 million of consideration contingent on sale land (paid in February 2024), and finally, a portion of contingent consideration based on meeting adjusted EBITDA targets. The fair value of the performance contingent consideration as at the acquisition date was US $2.4 million. The estimated contingent consideration based on 12-month EBITDA targets to March 2024 was re-measured at year-end. An additional US$9.8 million was recognised due to post-acquisition improvements in EBITDA performance. The contingent consideration range available to the sellers is a minimum of US $2.4 million with the maximum amount depending on future adjusted EBITDA. In 2024 all consideration payable to NCT was settled for US $18 million.

CTK was acquired in July 2023 and the purchase price included contingent consideration based on future EBITDA targets being met. The fair value of the contingent consideration both as at acquisition and as at 31 December 2023 was US $nil.

Filton was acquired in October 2023. The Filton purchase consideration included deferred consideration of US $2.2 million and contingent consideration of US $4.2 million based on forecasted revenue targets. The contingent consideration was calculated based on forecasted revenue for the twelve months post acquisition. The fair value of the contingent consideration recognised as at acquisition and as at 31 December 2023 was US $4.2 million. The contingent consideration range range available to the sellers is between a minimum of $nil and a maximum of US $4.2million depending on the level of revenue achieved in the 12 months following the acquisition.

The acquisition of Element Materials Technology Group Limited also included contingent consideration dependent on outcomes of certain legal matters and operating results of an advisory service business in the Built Environment BU. The fair value was established on the basis of a DCF of possible outcome scenarios. The estimated value of US$13.8 million as at the acquisition date of 6 July 2022 was reassessed as at the year end and remained unchanged at US $13.8 million on 31 December 2023.

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23 FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's finance function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. The Group's business and financial results are affected by fluctuations in global financial markets, including changes in currency exchange rates and interest rates. The Group manages these risks through a combination of normal operating and financing activities and derivative financial instruments. The Group uses interest rate cap contracts to manage its exposure to interest rate changes. The Group does not use derivative financial instruments for trading or speculative purposes. Financial risk management including the use of financial instruments and the related currency, liquidity, credit and interest rate risks is dealt with by the Group finance function on behalf of the Group.

FAIR VALUE MEASUREMENTS

In accordance with IFRS 7 Financial Instruments: Disclosures, financial instruments are classified in the form of a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

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

Financial assets/(Financial liabilities)	Fair value hierarchy	Fair value 31 December 2024	Fair value 31 December 2023
Contingent consideration arising from a business combination	Level 3	(10.3)	(33.8)
Derivatives not designated as hedges - interest rate swap contract	Level 2	8.2	34.7

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year. Between 1 January 2024 and 31 December 2024, there were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3 fair value measurements.

At 31 December 2024 and 31 December 2023, there is one type of level 3 fair value measurement which relates to contingent consideration liabilities resulting from acquisition activity. The fair value of the contingent consideration liabilities is based on an assessment of the probability of possible outcomes discounted to net present value. Subsequent changes to the fair value of the contingent consideration liabilities are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration liabilities are recorded through the consolidated statement of profit or loss.

Derivatives classified as level 2 fair value measurement represent interest rate swaps valued at mark to market.
Group management, which consists of senior managers from operating sectors, reviews and manages the key risks that could prevent the Group from meeting its business objectives and reports findings and actions directly to the Chief Executive Officer and the Board. This process covers all risk areas, including strategic, operational and financial risks. The key financial management risks identified by management are as follows:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.
Trade receivable exposures are managed locally in the operating units where they arise. Credit terms vary by country and are set as deemed appropriate for the customer. The Group actively monitors concentration of credit risk whereby no customer represents greater than 10% of total trade receivables throughout the period. The Group's exposure and the credit ratings of its counterparties are regularly monitored and the aggregate value of credit risk within the business is spread amongst a number of approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. The carrying amount of the financial assets recorded in the financial statements, which is net of expected credit losses, represents the Group's exposure to credit risk.

The Group uses the IFRS 9 ECL model to measure loss allowances at an amount equal to their lifetime expected credit loss.

In order to minimize credit risk, the Group has categorized exposures according to their degree of risk of default. The credit rating information is based on a range of qualitative and quantitative factors that are deemed to be indicative of risk of default and range from 1 (lowest risk of default) to 5 (greatest risk of default). Loss allowances for trade receivables from related parties held by the Group are deemed immaterial.

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23 FINANCIAL INSTRUMENTS (CONTINUED)

	31 December 2024			31 December 2023		
Group rating	Gross exposure US $million	Loss allowance US $million	Net exposure US $million	Gross exposure US $million	Loss allowance US $million	Net exposure US $million
1	160.6	—	160.6	187.2	—	187.2
2	56.6	—	56.6	51.3	—	51.3
3	18.3	—	18.3	19.0	—	19.0
4	10.8	—	10.8	8.9	—	8.9
5	29.0	(5.0)	23.9	21.1	(5.0)	16.2
Total	**275.3**	**(5.0)**	**270.2**	**287.6**	**(5.0)**	**282.6**

Liquidity risk

Liquidity risk is the risk that suitable sources of funding may not be available for the Group's business activities. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and regularly monitoring forecast and actual cash flows including consideration of appropriate sensitivities.

The Group monitors cash balances daily and projects cash on a rolling thirteen-week basis. The Group's financial risk management activities in this area seek to achieve a balance between certainty of funding with committed facilities and a flexible cost-effective structure.

At 31 December 2024, the Group had credit facilities of US $400 million, of which US $10.0 million is drawn down and US $5.7 million is utilized in relation to a letter of credit facility, leaving US $384.3 million undrawn. The Group held cash of US $123.8 million at the end of the period.

In addition to cash and undrawn facilities available, liquidity risk is managed through on-going review of the Group's financial projections by the Group finance function. Recommendations may then be made to the Board to mitigate cash outflows through restriction or deferral of discretionary expenditure.

The table below analyses the Group's financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining years, at the statement of financial position date, to the contractual maturity date. The amounts disclosed in the table represent the contractual undiscounted cash flows. Balances due within 12 months equal their carrying value as the impact of discounting is not considered to be significant.

US $million	Less than one year	Between one and two years	Between two and three years	Between three and five years	More than five years	Total
First Lien Term Loan	14.3	14.3	14.3	28.5	1,750.5	1,821.7
Capex/acquisition and revolving credit facility	265.6	—	—	—	—	265.6
Second Lien Term Loan	—	—	—	—	369.7	369.7
PIK Notes	—	—	—	—	961.2	961.2
South Korean Term Loans	5.7	6.8	—	—	—	12.5
Trade payables	47.7	—	—	—	—	47.7
Other payables	212.1	5.5	3.2	—	5.9	226.7
Lease liabilities	43.5	38.9	32.1	47.1	47.4	209.0
As at 31 December 2023	**588.8**	**65.5**	**49.6**	**75.6**	**3,134.6**	**3,914.0**
First Lien Term Loan	14.3	14.3	14.3	28.5	1,709.6	1,781.0
Capex/acquisition and revolving credit facility	10.0	—	—	—	—	10.0
South Korean Term Loans	8.2	2.5	—	—	—	10.7
Trade payables	31.0	—	—	—	—	31.0
Other payables	190.9	2.0	1.0	1.1	10.3	205.2
Lease liabilities	49.6	41.3	32.5	51.0	93.9	268.2
As at 31 December 2024	**304.0**	**60.1**	**47.8**	**80.5**	**1,813.7**	**2,306.1**

MARKET RISK

The risk of changes in foreign currency exchange rates and changes in interest rates are the only two market risks that are relevant to the financial instruments. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

23 FINANCIAL INSTRUMENTS (CONTINUED)

INTEREST RATE RISK

In addition to the available cash and cash from operations, the Group uses short and long-term debt to finance business activities. The Group is exposed to interest rate risks on its bank loans (note 21). Variable interest rates on bank borrowings in 2024 ranged between 3.35% and 5.41%. The Group is exposed to interest rate risk on its debt obligations. Management closely monitors market changes in interest rates and any potential impact the changes have on the Group's ability to service its debt.

INTEREST RATE SENSITIVITY

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax would be affected through the impact on floating rate borrowings, as follows:

		2024	2023
	Increase/ Decrease in basis points	Effect on profit before tax (US $million)	Effect on profit before tax (US $million)
US Dollar	50	7.0	8.3
GBP	50	—	2.0
Euro	50	1.9	2.1
South Korean Won	+50	0.1	0.1
US Dollar	-50	(7.0)	(8.3)
GBP	-50	—	(2.0)
Euro	-50	(1.9)	(2.1)
South Korean Won	-50	(0.1)	(0.1)

The assumed reasonably possible movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. These risks include the translation of local currency balances and results of the Group's worldwide operations into United States Dollars. In addition, there are gains and losses related to intercompany and third-party transactions denominated in currencies other than a location's functional currency.

The Group operates in over 30 countries, although the principal currency exposures relate to Pound and Euro. The Group's objective is to minimize the volatility of its exposures to these risks through a combination of normal operating and financing activities. Currency risk is managed centrally by the Group.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in Euro and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of loans and borrowings denominated in GBP and Euros. The Group's exposure to foreign currency changes for all other currencies is not material.

		2024	2023
	Change in rate	Effect on profit before tax US $million	Effect on profit before tax US $million
GBP	+5%	—	(16.6)
Euro	+5%	(17.9)	(18.7)
GBP	-5%	—	18.3
Euro	-5%	19.8	20.7

CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balances. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings disclosed in note 21 after deducting cash and cash equivalents) and equity of the Group (as disclosed in the Statement of Changes in Equity).

The Group is not subject to any externally imposed capital requirements. The risk relating to the Group's capital structure is reviewed on a regular basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital.

24 RETIREMENT BENEFIT OBLIGATIONS

The Group has defined contribution pension schemes in most of the locations in which it operates. Defined benefit schemes are operated in the UK, Sweden and Germany, which require contributions to be made to separately administered funds or insurance companies.

DEFINED CONTRIBUTION PENSION SCHEMES

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the consolidated statement of profit or loss when employees have rendered service entitling them to the contributions. The Group recognised costs of US $21.9 million (2023: US $20.3 million) (note 8) for contributions to defined contribution plans in 2024.

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DEFINED BENEFIT PENSION SCHEMES

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value.

The UK scheme, TTL Chiltern Group Pension Scheme, is administered by trustees, in a fund independent from those of the participating companies and invested directly on the advice of the independent professional investment managers.

The Scheme provides pension and death benefits to its members, with pension benefits based on a member's final salary at retirement and length of service. Since 1 October 2015, the Scheme has been closed to future accrual. It is a registered scheme under UK legislation and was previously contracted out of the State Second Pension, making it subject to UK scheme funding requirements. Established on 2 March 1978 under trust, the Scheme is governed by its Rules dated 22 July 2011, along with subsequent amending deeds. The Trustees oversee the Scheme's operation and governance, including decisions on funding and investment strategy. Under Clause 66 of the Rules, the Group has an unconditional right to a refund of surplus if the Scheme winds up with excess assets. The Scheme is exposed to various risks that could impact the value of its Defined Benefit Obligation (DBO), including asset volatility, inflation, interest rates, and life expectancy.

On the chosen IAS 19 assumptions, the average duration of the liabilities to the beneficiaries at 31 December 2024 is approximately 12 years (2023: 19 years).

On 6 October 2023, the Trustees purchased a bulk annuity buy-in policy from Just Retirement Limited, a private life insurance company. This policy covers all scheme members, except for benefit corrections related to deferred member who were still employed when the Scheme was closed to future accrual in 2015 and any additional liabilities arising from GMP Equalisation.

The buy-in asset has moved in line with the Scheme's liabilities over the year. Any changes in DBO were largely offset by corresponding changes in the Scheme's asset value, ensuring the funding position remained balanced, with no deficit or requirement for large contributions. As a result, the Group's exposure to actuarial risks has been significantly reduced.

The Scheme undergoes a full actuarial valuation every three years, based on assumptions agreed between the Trustees and Group management. The purpose of this valuation is to establish a funding plan ensuring that the Scheme has sufficient assets to meet future benefit payments. The most recent valuation was conducted by an independent, professionally qualified actuary as of 31 December 2022.

The Sweden scheme is valued by PRI Pension, which conducted a full actuarial valuation as of 31 December 2024 using the Projected Unit Credit Method. The ITP 2 plan, a defined benefit scheme, applies to white-collar employees in Sweden born before 1979. The valuation incorporates key financial and demographic assumptions, including the duration of the obligation, interest rate, life expectancy calculated using Makeham formulas, and inflation.

Total pension cost for the period ended 31 December 2024

The pension expense relating to defined benefit schemes, recognised in the consolidated statement of profit or loss consists of:

in US $ million	Year ended 31 December 2024	Year ended 31 December 2023
Defined benefit schemes		
Current service costs	0.2	0.2
Past service cost	—	0.6
Pension cost included in operating expenses	**0.2**	**0.9**
Net pension interest cost	0.1	0.1
Pension cost included in finance costs	**0.1**	**0.1**

24 RETIREMENT BENEFIT OBLIGATIONS (continued)

The current service cost, past service cost and scheme administration costs are included in operating expenses in the consolidated statement of profit or loss. Net pension interest cost is included in finance costs.

Actuarial gains and losses recognised directly in the Consolidated statement of comprehensive income or loss:

in US $ million	Year ended 31 December 2024	Year ended 31 December 2023
Cumulative loss at beginning of the year	(13.2)	(1.3)
Recognised gain/ (loss) in the year	0.4	(11.9)
Cumulative loss at end of the year	**(12.8)**	**(13.2)**

Remeasurements of the net defined benefit liability shown in the Consolidated statement of comprehensive income or loss are as follows:

in US $ million	Year ended 31 December 2024	Year ended 31 December 2023
Net remeasurement – changes in assumptions	(5.0)	2.4
Return on assets – excluding interest income	4.6	9.6
Total remeasurement of the net defined benefit liability shown in the Group statement of other comprehensive income or loss	**(0.4)**	**11.9**

EMPLOYER CONTRIBUTIONS

For the period ended 31 December 2024, the Group made contributions of US $1.3 million (2023: US $12.9 million) to the defined benefit schemes, with the entire amount to the UK scheme in relation to the liabilities not covered by the buy-in policy.

PENSION LIABILITY FOR DEFINED BENEFIT SCHEMES

The amounts recognised in the statement of financial position for defined benefit schemes were as follows:

in US $ million	Year ended 31 December 2024	Year ended 31 December 2023
Fair value of scheme assets	51.5	57.0
Present value of funded defined benefit obligations	(54.3)	(61.8)
Net liability in the statement of financial position	**(2.9)**	**(4.8)**

The fair value changes in the schemes are shown below:

in US $ million	Fair value of plan assets	Defined benefit obligation	Total
At 31 December 2022	**50.3**	**(55.1)**	**(4.8)**
Acquisitions	—	(0.2)	(0.2)
Current service cost	—	(0.2)	(0.2)
Past service cost	—	(0.6)	(0.6)
Net interest cost	2.7	(2.7)	(0.1)
Actuarial gains/(losses)	(9.6)	(2.4)	(11.9)
Contributions by the employer	12.9	—	12.9
Benefits paid	(2.9)	3.2	0.4
Tax	—	(0.3)	(0.3)
Effect of exchange rate changes on non US$ denominated schemes	3.6	(3.8)	(0.3)
At 31 December 2023	**57.0**	**(62.2)**	**(5.2)**
Current service cost	—	(0.2)	(0.2)
Past service cost	—	—	—
Net interest cost	2.5	(2.6)	(0.1)
Actuarial gains/(losses)	(4.6)	5.0	0.4
Contributions by the employer	1.3	—	1.3
Benefits paid	(3.0)	3.4	0.4
Tax	—	(0.2)	(0.2)
Effect of exchange rate changes on non US$ denominated schemes	(1.6)	2.4	0.8
At 31 December 2024	**51.5**	**(54.3)**	**(2.9)**

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24 RETIREMENT BENEFIT OBLIGATIONS (continued)

Below is the composition of scheme assets by category. The defined benefit schemes in Germany are not considered material to the Group's financial statements. As a result, detailed disclosures, including actuarial assumptions and sensitivity analysis, have been omitted.

	Year ended 31 December 2024		Year ended 31 December 2023	
in US $million	**UK scheme**	**Sweden**	**UK scheme**	**Sweden**
Equities	—	1.4	—	1.2
Bonds	—	3.7	—	3.8
LDI	—	—	—	0.0
Structured products	—	—	—	0.9
Cash	2.2	0.1	1.0	0.0
Insurance Contracts	43.4	—	49.9	—
At 31 December	**45.6**	**5.2**	**50.8**	**5.9**

The equities and bonds held within the Sweden scheme are all quoted in active markets.

The actual return on scheme assets was as follows:

	Year ended 31 December 2024		Year ended 31 December 2023	
in US $million	**UK scheme**	**Sweden scheme**	**UK scheme**	**Sweden scheme**
Actual return for the year	4.9	(0.2)	9.7	(0.1)

The pension surplus/(deficit) of each scheme at 31 December was as follows:

	Year ended 31 December 2024			Year ended 31 December 2023		
in US $million	**UK scheme**	**Sweden scheme**	**Germany schemes**	**UK scheme**	**Sweden scheme**	**Germany schemes**
Present value of funded defined benefit obligations	(44.6)	(8.8)	(0.3)	(51.1)	(9.9)	(0.3)
Present value of unfunded defined benefit obligations			(0.6)			(0.6)
Fair value of scheme assets	45.6	5.7	0.1	50.8	5.9	—
Net defined benefit asset/ (liability) at 31 December	**1.1**	**(3.1)**	**(0.9)**	**(0.3)**	**(3.9)**	**(0.9)**

Principal actuarial assumptions:

	Year ended 31 December 2024		Year ended 31 December 2023	
	UK	**Sweden**	**UK**	**Sweden**
Discount rate	5.6 %	3.5 %	4.7 %	3.2 %
Inflation rate	3.1 %	1.8 %	3.0 %	1.6 %
Rate of salary increases	2.6 %	2.0 %	2.4 %	1.8 %
Life expectancy for pensioners at the age of 65 (years):				
Male	21.6	21.9	21.9	21.9
Female	24.0	23.9	24.3	23.9

Changes in significant assumptions would have the following impact on the defined benefit obligations at 31 December 2024:

	Year ended 31 December 2024				Year ended 31 December 2023			
	UK scheme		**Sweden scheme**		**UK scheme**		**Sweden scheme**	
US $million	0.25% increase	0.25% decrease	0.5% increase	0.5% decrease	0.25% increase	0.25% decrease	0.5% increase	0.5% decrease
Discount rate	1.2	(1.2)	0.7	(0.8)	1.4	(1.4)	0.8	(0.9)
Inflation rate	(1.0)	1.0	(0.7)	0.6	(1.1)	1.1	(0.7)	0.7
Rate of salary increases	n/a	n/a	(0.2)	0.2	n/a	n/a	(0.3)	0.2

	Year ended 31 December 2024				Year ended 31 December 2023			
	UK scheme		**Sweden scheme**		**UK scheme**		**Sweden scheme**	
US $million	Increase by one year	Decrease by one year	Increase by one year	Decrease by one year	Increase by one year	Decrease by one year	Increase by one year	Decrease by one year
Assumed life expectancy at age of 65	(1.5)	1.5	(0.3)	0.3	(1.4)	1.4	(0.4)	0.4

25 SHARE CAPITAL AND RESERVES

SHARE CAPITAL

Type	2024 Nominal value US $	2024 Issued number	2024 Total US $	2023 Nominal value US $	2023 Issued number	2023 Total US $
A1 Ordinary shares	0.0001	50,975,773	5,098	0.0001	50,975,773	5,098
A2 Ordinary shares	0.0001	2,132,825	213	0.0001	2,132,825	213
B1 Ordinary shares	0.0001	3,441,360	344	0.0001	3,441,360	344
B2 Ordinary shares	0.0001	1,743,300	174	0.0001	1,743,300	174
Deferred shares	0.0001	1,000,000	100	0.0001	1,000,000	100
As at 31 December		**59,293,258**	**5,929**		**59,293,258**	**5,929**

	2024 US $'000	2023 US $'000
Authorized, issued and fully paid, at 31 December	**6**	**6**

No additional A1 ordinary shares were issued during 2024 (2023: 50,975,773).
No additional A2 ordinary shares were issued during 2024 (2023: 2,132,825).
No additional B1 ordinary shares were issued during 2024 (2023: 3,441,360).
No additional B2 ordinary shares were issued during 2024 (2023: 1,743,300).

No additional deferred shares were issued during 2024 (2023: 1,000,000).

Rights and conditions of each class of share:

- A1 ordinary shares have full voting entitlement
- A2 ordinary shares have full voting entitlement
- B1 ordinary shares have full voting entitlement
- B2 ordinary shares have full voting entitlement
- Deferred shares have no voting entitlement

Any exit proceeds available for distribution shall be distributed in accordance with the Articles of Association of the Company.

SHARE PREMIUM

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

PREFERENCE SHARES

There are US $4,098.8 million redeemable cumulative preference shares in issue as at 31 December 2024 which carry 10 per cent interest per annum that compounds each year on the issue anniversary date. These preference shares do not carry voting rights and are denominated in USD.

The preference shares are presented within debt or equity depending on specific features associated with the instrument. Preference shares for which a holder has an option to redeem are classified as a financial liability (note 21).

Preference shares for which the holders do not have an option to redeem have characteristics of equity and accumulated accrued interest is recognised within the Consolidated Statement of Changes in Equity.

Preference shares presented as Equity	2024 US $million	2023 US $million
Preference shares in issue at beginning of the year	4,098.8	3,857.6
Additional issues in the year	—	241.2
	4,098.8	4,098.8
Interest in the year	468.6	404.7
Accumulated interest	1,054.2	585.6
Total preference shares presented as Equity	**5,153.0**	**4,684.4**
Total preference shares presented as Debt (Note 21)	195.8	178.0
Total preference shares	**5,348.8**	**4,862.4**

25 SHARE CAPITAL AND RESERVES (CONTINUED)

CONVERTIBLE NOTES

The Company issued a total of US $1,650 million convertible perpetual notes (CPNs) during the year ended 31 December 2024 which carry 12.5 per cent interest per annum that compounds each year on the issue anniversary date. Holders of CPNs do not have an option to redeem and the CPNs have characteristics of equity and accumulated accrued interest is recognised within the Consolidated Statement of Changes in Equity.

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	Issued number	Total US $million	Accumulated interest US $million	Total as at 31 December 2024 US $million
Convertible notes	1,650,123,000	1,650.1	102.4	1,752.5
Total presented as equity		**1,650.1**	**102.4**	**1,752.5**

26 NON-CONTROLLING INTERESTS

The Group holds equity interests of less than 51% in the following companies where it exercises control and therefore consolidates them within the financial statements:

Name of company	% shareholding
Element Doha LLC	24.5%
Al Futtaim Elements Material Technology Dubai LLC	49.0%
Element (Saudi Arabia) Company Limited	50.0%
Warringtonfire Doha	49.0%
BM Trada RKCA Certifications Private Limited	50.0 %
FIRA-CMA Testing Services Limited	50.0 %
BM TRADA RKCA Lanka Certifications (Private) Limited	50.0 %
Tianjin C-Kai BM TRADA Certification Company Limited	40.0 %

During the period ended 31 December 2024 Element Doha LLC US approved and paid US $0.8 million (2023: US $0.4 million) of dividends to its non-controlling interest holder.

27 EVENTS AFTER THE REPORTING DATE

Between the end of the financial period and the date of this report, no items, transactions or events of a material nature have occurred, in the opinion of the Directors of the Company, that are likely to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

28 RELATED PARTY TRANSACTIONS

Transactions between the entities within the Group have been eliminated on consolidation and are not disclosed in this note.

Remuneration to key management personnel is disclosed in note 8. The key management personnel are the directors and non-executive directors of the Company. The remuneration of non-executive directors comprises fees for services, and benefits related to their directorships. Other than those disclosed in note 8, no loans, advances or guarantees have been provided on behalf of any Director.

The key management personnel held 584,998 (2023: 584,998) A2 shares, 44,647,002 (2023: 44,647,002) preference shares and 2,028,000 (2023: 2,028,000) B1 shares at 31 December 2024

In the ordinary course of its business, the Group enters into transactions with various companies that are controlled by the Group's ultimate parent. Total sales to such companies during the year were US $7.1 million (2023: US $6.8 million) and total purchases from such companies were US $2.5 million (2023: US $1.7 million). As at 31 December 2024 the Group had US $1.7 million outstanding receivable balance from related parties (2023: US $1.4 million), no expected credit losses were recognised in relation to this receivable balance due from related parties. The Group does not have any material payables with these related parties at the year end.

29 COMMITMENTS AND CONTINGENT LIABILITIES

The Group signed a Senior Facilities Agreement (SFA), with institutional lenders in order to secure credit facilities. The SFA names specific entities of the Group that may borrow under the various facilities of the agreement. In addition, all borrowings under the SFA are subject to security over material subsidiaries across the Group, subject to certain exclusions. Material subsidiaries of the Group, as defined by the SFA, are the guarantors to any borrowings. Security will only be enforceable on the occurrence of an Event of Default as defined by the SFA.

At 31 December 2024, the Group has a letter of credit facility which utilizes US $5.7 million (2023: US $5.7 million) of the RCF.

The Group is involved in claims and reviews in relation to historic services provided by businesses acquired as part of the Exova group acquisition in 2017. The Group has provided for its best estimate of amounts expected to be paid in relation to these matters that can be reliably measured (note 20).

In addition, an investigation is ongoing into historic advisory services provided by Exova (UK) Limited. No decisions are expected until the end of 2026, and the impact on the Group will not be known before such decisions are made at the end of the investigation.

For all claims, reviews and investigations where it is not possible, at this time, to reliably measure any further cash outflows, the Group has contingent liabilities, in relation to probable or possible outflows of cash. The timing of such outflows cannot be determined as the Group is not yet in receipt of all the relevant information.

Capital commitments of the Group as at 31 December 2024 are US $8.2 million (2023: US $21.4 million).

30 SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group's and Company's subsidiaries and joint ventures are listed below. All of these subsidiary undertakings are controlled by EM Topco Limited and were consolidated at 31 December 2024 in the Group accounts.

Name **Continuing businesses**	**Country of incorporation or registration**	**% held**	**Address**
Direct			
EM Midco1 Limited****	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Indirect			
Element Materials Technology Antwerpen N.V.	Belgium	100	Herentalsebaan 406, 2160 Wommelgem
WFRGent NV	Belgium	100	Ottergemsesteenweg-Zuid 711 Ghent, Flemish Region 9000
BM TRADA Certification Canada Inc	Canada	100	398-2416 Main Street, Vancouver BC V5T 3E2
Element Materials Technology Canada Inc.	Canada	100	2599 Speakman Drive,Mississauga, Canada, Ontario L5K 1B1
Exova Property Holdings Inc	Canada	100	2395 Speakman Drive,Mississauga ON L5K 1B3
National Technical Systems Canada Inc.	Canada	100	3700 – 1, Place Ville Marie,Montreal QC H3B 3P4
National Technical Systems SLMT Inc.	Canada	100	Suite 2300 – 550 Burrard Street, Vancouver BC V6C 2B5
Element Materials Technology ME Limited	Cayman Islands	100	PO Box 309, Ugland House, Grand Cayman, KY1-1104
Warringtonfire Limited	Cayman Islands	100	PO Box 309, Ugland House, Grand Cayman, KY1-1104
Element Materials Technology (Shanghai) Co., Ltd.	China	100	1st Floor, Building No. 7, No. 398 Songying Road, Qingpu District, Shanghai, China
Element Materials Technology (Shenzhen) Co., Ltd.	China	100	B818, Languang Technology Park, No. 7 Xinxi Road,High-tech Industrial Park, Nanshan, Shenzhen, 518000,China
Element Materials Technology (Suzhou) Co., Ltd.	China	100	No. 39 Qiming Road, Shengpu Town, Suzhou Industrial Park, Suzhou, Jiangsu Province, China
Element Metech Measurement Technology Services (Tianjin) Co., Ltd.	China	100	Room 1719, 17F, C1, TEDA MSD, No.79 First Avenue, TEDA, Tianjin, 300457
Element Materials Technology Pilsen s.r.o.	Czech Republic	100	Podnikatelska 1184/39, Plzen, 301 00
Element Metech s.r.o.	Czech Republic	100	Toužimská 767, Letňany, Praha 9, 19900
Element Metech A/S	Denmark	100	Flyvestation, Karup, DK-7470, Herningvej 30, Karup
Element Metech Oy	Finland	100	Kuormakuja, Nummela, 03100, Finland
Element Materials Technology France SAS	France	100	3 Avenue André Marie Ampère, Zone d'Activité Commerciale du Perget , 31770, Colomiers,France
Element Materials Technology Toulouse SAS	France	100	3 Avenue André Marie Ampère, Zone d'Activité Commerciale du Perget , 31770, Colomiers, France
Element Materials Technology Aalen GmbH	Germany	100	Carl-Zeiss-Straße 17, 73431 , Aalen, Germany
Element Materials Technology Berlin GmbH	Germany	100	Friedrich-Wohler-Str. 1, 12489, Berlin, Germany
Element Materials Technology Hamburg GmbH	Germany	100	Tempowerkring 11, 21079, Hamburg, Germany
Element Materials Technology Holding Germany GmbH	Germany	100	Tempowerkring 11, 21079,Hamburg, Germany
Element Materials Technology Straubing GmbH	Germany	100	Gustav-Hertz-Straße 35, 94315, Straubing, Germany
Element Metech GmbH	Germany	100	Hans-Bockler, Ring 9, D-22851, Norderstedt, Germany
Element Metech KDK GmbH	Germany	100	In den Ziegelwiesen 25, 69168 , Wiesloch, Germany
NTS Europe GmbH	Germany	100	Hofmannstr. 50, 81379,München, Bavaria, Germany
Warringtonfire Holdings GmbH	Germany	100	Industriepark, Hochst, 65926,Geb. C369, Frankfurt, Germany
Warringtonfire Frankfurt GmbH	Germany	100	Industriepark, Hochst, Geb. C369, am Main, 65926 Frankfurt, Germany
Warringtonfire Consulting ME Limited	Guernsey	100	PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, GY1 3PP, Guernsey
Certifire (Hong Kong) Limited	Hong Kong	100	Unit C, 18/F Infotech Centre, 21 Hung To Road, Kwun Tong, Kowloon, Hong Kong
Warringtonfire Certification and Inspection Hong Kong Limited	Hong Kong	100	Unit C, 18/F Infotech Centre, 21 Hung To Road, Kwun Tong,Kowloon, Hong Kong
Warringtonfire Hong Kong Limited	Hong Kong	100	Unit C, 18/F Infotech Centre, 21 Hung To Road, Kwun Tong, Kowloon, Hong Kong
Metallurgical Services Private Limited	India	100	Mehta House, Ashok Silk Mills Lane, Khatkopar (West), Mumbai, 40086, India
Element Materials Technology Ireland Limited	Ireland	100	Unit D8, North City Business Park, North Road, Finglas, Dublin 11, D11Y267, Ireland
Element Materials Technology Laboratory Solutions Ireland Limited	Ireland	100	Unit F12, Maynooth Business Campus, Maynooth, Co. Kildare, WR23R1H2, Ireland

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Name Continuing businesses	Country of incorporation or registration	% held	Address
Warringtonfire Consulting Ireland Limited	Ireland	100	Unit D8, North City Business Park, North Road, Finglas, Dublin 11, D11 Y267, Ireland
Element Materials Technology Milan S.r.l.	Italy	100	Via della Pierina 9/11, 26013, Crema
Element Kamisu Japan	Japan	100	Daizen Building 1F , 2876-16 Shitte , Kamisu-shi, Ibaraki-ken, Japan
Stockbridge 2022 Limited	Jersey	100	2nd Floor, International House, 41 The Parade, St Helier, JE2 3QQ, Jersey
Element Construction Testing (M) Sdn. Bhd.	Malaysia	100	MENARA IMC, LEVEL 14, SUITE NO. 14-06 & 14-07, NO. 8, JALAN SULTAN ISMAIL 50250 KUALA LUMPUR, W.P., KUALA LUMPUR
Exova (Malaysia) Sdn. Bhd.	Malaysia	100	Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur
Element Materials Technology Monterrey, S. DE R.L. DE C.V.	Mexico	100	Carretera Monterrey-Saltillo 3279 B, Privada de Santa Catarina, Santa Catarina, Nuevo Leon, C.P. 66367, Mexico
Element Materials Technology Holding Netherlands B.V.	Netherlands	100	Zekeringstraat 33, 1014 BV, Amsterdam, Netherlands
Element Materials Technology Rotterdam B.V.	Netherlands	100	Voorerf 18, 4824, GN , Breda, Netherlands
Herculean Testing Group B.V.	Netherlands	100	Herikerbergweg 238, Luna ArenA, 1101 CM Netherlands
Exova Metech AS	Norway	100	Bygning 3, Fabrikkvegen 11 , Raufoss, 2830, Norway
CTK Co., Ltd.	Republic of Korea	100	52-17, Sinjeong-ro 41beon-gil, , Giheung-gu, Yongin-si, Gyeong, Korea, Republic of
Element Holdings Korea Co., Ltd.	Republic of Korea	100	P141, 143, (Heungdok IT Valley) , Heungdeok 1-ro 13, Giheung-gu, Yongin, Gyeonggi-do, 16954, Korea, Republic of
Element Materials Technology Suwon. Ltd.	Republic of Korea	100	13, Heungdeok 1-ro, Giheung-gu, Yongin-si, Gyeonggi-do, Korea, Republic of
G-All Testing Korea Co., Ltd.	Republic of Korea	100	45 (Unit 402), Beolmal-ro , Bundang-gu, Seongnam-si, Gyeonggi, Korea, Republic of
NCT Co., Ltd.	Republic of Korea	100	211-71, , Geumgok-ro, Hwaseong-si,, Gyeonggi-do,, Republic of Korea, Korea, Republic of
ELEMENT CONSTRUCTION TESTING (S) PTE. LTD.	Singapore	100	58 Sungei Kadut Loop, Prospaq Industrial Building, Singapore, 729501, Singapore
ELEMENT GEOLAB (S) PTE. LTD.	Singapore	100	15 Kaki Bukit Road 4, #01-42, Bartley Biz Centre, Singapore, 417808, Singapore
ELEMENT GEOTECHNICAL TESTING (S) PTE. LTD.	Singapore	100	15 Kaki Bukit Road 4, #01-42, Bartley Biz Centre, Singapore, 417808, Singapore
Element Materials Technology Singapore Pte. Ltd.	Singapore	100	106 Tuas South Avenue 2, West Point Bizhub, 637158, Singapore
ELEMENT TESTING SERVICES (S) PTE. LTD.	Singapore	100	249 Jalan Boon Lay, 619523 , Singapore
Warringtonfire Singapore Pte. Ltd.	Singapore	100	9 Raffles Place, #26-01 Republic Plaza, Singapore, 048619, Singapore
Element Materials Technology Seville S.L.U.	Spain	100	Wilburg y Orville Wright 1, Aeropolis, Seville, 41309, La Rinconada, Spain
Element Materials Technology South Africa Proprietary Limited	South Africa	90	Unit D2 and D5, 9 Quantum Road, Firgrove Business PA, Somerset West, Western Cape, 7130, South Africa
CSM NDT Certification AB	Sweden	100	Artilleriplan 4 691, 50, Karlskoga
Element Materials Technology AB	Sweden	100	Box 1340, 581 13, Linkoping
Element Materials Technology Sweden Holdings AB	Sweden	100	Box 1340, 581 13, Linkoping
Element Metech AB	Sweden	100	Box 1340, 581 13, Linkoping
Agile Five Ltd***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Accusense Systems Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Aerotech Inspection & NDT Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
BM TRADA Certification Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
BM TRADA Group Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA

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Name Continuing businesses	Country of incorporation or registration	% held	Address
BM TRADA Overseas Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Catalyst Environmental Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
CCB Evolution Limited**	United Kingdom	100	Chiltern House Stocking Lane, Hughenden Valley, High Wycombe, Buckinghamshire, HP14 4ND
Certifire Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Chiltern International Fire Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Crawford Scientific Holdings Limited***	United Kingdom	100	2nd Floor A, 1 New Park Square, Airborne Place, Edinburgh Park, Edinburgh, EH12 9GR, United Kingdom
Element Digital Engineering Limited	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology (Mexico) Ltd.***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Aberdeen Ltd***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Aerospace UK Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Analytical Services Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Cambridge UK Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology China Holding Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Digital Limited	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Environmental UK Limited	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology G.C. Ltd**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Group Holdings CC1 Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Group Holdings CC2 Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Group Holdings Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Group Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Hitchin Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Holding UK Ltd***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Laboratory Instrumentation UK Limited	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Laboratory Solutions UK Limited	United Kingdom	100	2nd Floor A, 1 New Park Square, Airborne Place, Edinburgh Park, Edinburgh, EH12 9GR
Element Materials Technology Life Sciences EMEAA Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Oil & Gas UK Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Shared Services Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Sheffield Ltd***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Warwick Ltd	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Wednesbury Limited	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
EM Bidco Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
EM Midco2 Limited	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA

Name Continuing businesses	Country of incorporation or registration	% held	Address
EMC Projects Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
EMT 2 Holdings Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
EMT Finance 1 Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
EMT Finance 2 Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
EMT FX EUR Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
EMT FX GBP Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
EMT FX USD Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
EMT Holdings Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Envirodat Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Environmental Evaluation Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Exova (UK) Limited	United Kingdom	100	Atria One, 144 Morrison Street, Edinburgh , EH3 8EX
Exova 2014 Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Exova Group (UK) Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Exova Group Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Exova Treasury Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Filton Systems Engineering Ltd***	United Kingdom	100	13 Apex Court Woodlands Lane,Bradley Stoke, Bristol, England, BS32 4JT
FIRA International Limited	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Firas Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Friiscan Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Greenrock Bidco Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Greenrock Midco Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Greenrock Topco Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Insight N.D.T. Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Jones Environmental Forensics Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
LCP Bidco Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Materials Engineering Research Laboratory Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
MERL Technology Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
MTS Pendar Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
N.D.T. (Holdings) Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
N.D.T. Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
TRaC EMC & Safety Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
TRaC Environmental and Analysis Ltd**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
TRaC Global Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
TRaC Telecoms & Radio Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA

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Name Continuing businesses	Country of incorporation or registration	% held	Address
TRADA Certification Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
TRADA Technology Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
U.K. First Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Apt Laboratories Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Fire & Building Products UK Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Fire Research Centre (London) Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Fire Research Centre Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Fire Research Consultants Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Fire Research Group Limited***	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Certification Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warringtonfire Consulting Limited	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warringtonfire Testing and Certification Limited	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Western Technical Services Limited**	United Kingdom	100	3rd Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA
Agrius Group, LLC	United States	100	251 Little Falls Drive, Wilmington, Delaware, 19808, United States
Analytical Lab Group, LLC	United States	100	251 Little Falls Drive, Wilmington, Delaware, 19808, United States
BM Trada Certification North America, Inc.	United States	100	Princeton South Corporate Centre, Suite 160, 100 Charles, Ewing Blvd, Ewing, New Jersey
Cascade Methods, LLC	United States	100	1127 Broadway St NE, Suite 310, Salem , Oregon, 97301
Chemvent, LLC	United States	100	2479 Woodview Lane, Ann Arbor MI 48108
Construction & Turnaround Specialist, Inc.	United States	100	251 Little Falls Drive, Wilmington, Delaware, 19808
CRL-B, LLC	United States	100	3410 Belle Chase Way, Suite 600, East Lansing MI 48911
CS USA Corporation	United States	100	601 SW Second Ave Ste 2100, Portland OR 97204
Element Materials Technology Aerospace US LLC	United States	100	251 Little Falls Drive, Wilmington, Delaware, 19808
Element Materials Technology Ann Arbor LLC	United States	100	3410 Belle Chase Way, Suite 600, East Lansing MI 48911
Element Materials Technology Atlanta - Gainesville LLC	United States	100	289 South Culver Street, Lawrenceville GA 30046
Element Materials Technology Bend LLC	United States	100	601 SW Second Ave Ste 2100,Portland OR 97204
Element Materials Technology Boston - Action Inc.	United States	100	84 STATE STREET, BOSTON,Massachusetts 02109
Element Materials Technology Boulder LLC	United States	100	80 Health Park Drive #20,Louisville, , Colorado 80027
Element Materials Technology Broken Arrow, LLC	United States	100	3100 N Hemlock Circle, Broken, Arrow OK 74012
Element Materials Technology Chicago LLC	United States	100	9301 Innovation Drive, Suite 175, Daleville IN 47334
Element Materials Technology Cincinnati Inc.	United States	100	4400 Easton Commons Way Suite 125, Columbus OH 43219
Element Materials Technology Cleveland - Middleburg Heights Inc.	United States	100	4400 Easton Commons Way, Suite 125, Columbus OH 43219
Element Materials Technology Cleveland Inc.	United States	100	160 Mine Lake CT Suite 200,Raleigh NC 27615
Element Materials Technology Dallas Inc.	United States	100	19111 Dallas Parkway Suite 320, Dallas TX 22033
Element Materials Technology Detroit LLC	United States	100	40600 Ann Arbour Road E Suite 201, Plymouth MI 48170
Element Materials Technology Food US LLC	United States	100	251 Little Falls Drive, Wilmington, Delaware, 19808
Element Materials Technology Fort Wayne LLC	United States	100	9301 Innovation Drive, Suite 175,Daleville IN 47334
Element Materials Technology Group US Holdings Inc.	United States	100	251 Little Falls Drive,Wilmington, New Castle DE 19808
Element Materials Technology Hartford Inc.	United States	100	251 Little Falls Drive,Wilmington, New Castle DE 19808
Element Materials Technology Holding USA Inc.	United States	100	251 Little Falls Drive,Wilmington, New Castle DE 19808
Element Materials Technology Houston LLC	United States	100	160 Mine Lake CT Suite 200, Raleigh NC 27615
Element Materials Technology Huntington Beach LLC	United States	100	160 Mine Lake CT Suite 200, Raleigh NC 27615

Name Continuing businesses	Country of incorporation or registration	% held	Address
Element Materials Technology Iowa City Inc.	United States	100	400 E Court Avenue, Des Moines,IA 50309
Element Materials Technology Jupiter LLC	United States	100	1200 South Pine Island Road, Plantation FL 33324
Element Materials Technology Lafayette, LLC	United States	100	3867 Plaza Tower Dr, Baton,Rouge LA 70816
Element Materials Technology Life Sciences LLC	United States	100	251 Little Falls Drive,Wilmington, Delaware, 19808
Element Materials Technology Los Angeles LLC	United States	100	330 N Brand Blvd., Glendale CA 91203-2336
Element Materials Technology Midland Inc.	United States	100	1940 N Stark Road, Midland MI 48641, United States
Element Materials Technology Milpitas Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
Element Materials Technology Minneapolis - Eagan Inc.	United States	100	251 Little Falls Drive,Wilmington, Delaware, 19808
Element Materials Technology Minneapolis Inc.	United States	100	1010 Dale Street N, Saint Paul MN 55117, United States
Element Materials Technology Minneapolis LLC	United States	100	1010 Dale Street N, Saint Paul,MN 55117, United States
Element Materials Technology New Berlin Inc.	United States	100	301 S Bedford Street, Suite 1, Madison WI 53703, United States
Element Materials Technology Oakland - Concord Inc.	United States	100	2341 Stanwell Drive, Concord,CA 94520, United States
Element Materials Technology Pharma US LLC	United States	100	251 Little Falls Drive, Wilmington, New Castle DE,19808, United States
Element Materials Technology Portland - Evergreen Inc.	United States	100	780 Commercial Street SE, Suite 100, Salem OR 97301, United States
Element Materials Technology Portland Inc.	United States	100	780 Commercial Street SE Suite 100, Salem OR 79301
Element Materials Technology Santa Clara Inc.	United States	100	3100 Central Expressway, Santa Clara CA 95051
Element Materials Technology St. Paul Inc.	United States	100	160 Mine Lake CT Suite 200, Raleigh NC 27615
Element Materials Technology Transportation US LLC	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
Element Materials Technology Washington DC LLC	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
Element Materials Technology Wilmington Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
Element Materials Technology Wixom Inc.	United States	100	306 West Main Street Suite 512, Frankfort KY 40601
EM Midco 2 US LLC	United States	100	251 Little Falls Drive, Wilmington DE 19808
EMT Finance Inc.	United States	100	1209 Orange Street, Wilmington DE 19801
ETCR, Inc.	United States	100	2710 Gateway Oaks Drive, Sacremento CA 95833
Exova (US) Holdings Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
Exova, Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
Front Range Methods, LLC	United States	100	780 Commercial Street SE, Suite 100, Salem OR 97301
Greenrock Finance, Inc.	United States	100	1209 Orange Street, Wilmington, DE 19801, United States
Herculean US Holdings, Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
ISS Specialty Services Industries Holdco, Inc.	United States	100	9987 Carver Road, Suite 400, Blue Ash, Ohio 45242
ISS Specialty Services Industries, Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
Linbob, LLC	United States	100	67 Burnside Ave East, Hartford CT 06108-3408
McCloy Engineering, LLC	United States	100	4400 Easton Commons Way, Suite 125, Columbus OH 43219
Morel Ventures, LLC	United States	100	4400 Easton Commons Way, Suite 125, Columbus OH 43219
MRA Acquisition Corp.	United States	100	251 Little Falls Drive,Wilmington, New Castle DE 19808
National Inspection and Consultants, LLC	United States	100	1201 Hays Street, Tallahassee, Florida 32301
National Technical Systems, LLC	United States	100	9987 Carver Road, Suite 400,Blue Ash, Ohio 45242
NEST Parent, Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
NTS Engineering Services, Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
NTS Holding Corporation, Inc.	United States	100	2125 East Katella Ave., Suite 250, Anaheim CA 92806
NTS Labs, LLC	United States	100	9987 Carver Road, Suite 400, Blue Ash, Ohio 45242
NTS Technical Systems, LLC	United States	100	330 N Brand Blvd, Ste 700, Glendale CA CA 91203
PCAS-Nanosyn, LLC	United States	100	251 Little Falls Drive, Wilmington, New Castle DE19808
PCTEST Holdings Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
Preferred Testing Labs Inc.	United States	100	2710 Gateway Oaks Dr , Ste 150N, Sacremento CA 95833
Primetime Testing Laboratory, Inc.	United States	100	3410 Belle Chase Way Ste 600, Langsing MI 48911
Pro Inspection, Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
PTI Industries, Inc.	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808
RTC-K, LLC	United States	100	40600 Ann Arbor Road East, Suite 201, Plymouth MI 48170
Trialon Corporation	United States	100	1477 Walli Stausse Blvd., Burton MI 48509
Trialon Holding Company	United States	100	251 Little Falls Drive, Wilmington, New Castle DE 19808

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Name Continuing businesses	Country of incorporation or registration	% held	Address
Tianjin C-Kai BM TRADA Certification Company Limited~	China	40	Room 708, Suite F Hai Tai Plaza, No.8 Hua Tian Road, Tianjin, Hua Yuan Industrial Zone, China
FIRA-CMA Testing Services Limited~	Hong Kong	50	Room 1401-3 Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, Shatin, Hong Kong
BM TRADA RKCA Certifications Private Limited~	India	50	515 Tulsiani Chambers, Nariman Point, Mumbai, 400021
Element Doha LLC*	Qatar	25	Street 46, Gate 16, Salwa Industrial Area, P.O. Box 23650 , Doha, Qatar
Warringtonfire Doha*	Qatar	49	P.O. Box 24863, Doha, Qatar
Element Saudi Arabia Company Limited*	Saudi Arabia	50	Dammam, 2nd Industrial City, Road 76-27, Saudi Arabia
BM TRADA RKCA Lanka Certifications (Private) Limited~	Sri Lanka	50	No. 1041-2/1 Maradana Road, Borella, Columbo 8, Sri Lanka
Al Futtaim Element Materials Technology Dubai L.L.C.*	United Arab Emirates	49	Dubai Investments Park, P.O. Box 34924, Dubai Emirates

* These companies are treated as subsidiaries in the results of the Group as effective control over their operations exists, as described in the shareholder and management services agreements with the related parties.

** For the period ending 31 December 2024, this subsidiary of the Group was entitled to exemption from audit under s480 of the Companies Act 2006 relating to dormant subsidiary companies.

***For the year ended 31 December 2024, this subsidiary of the Group was exempt from the requirement for audit of individual financial statements in accordance with section 479A of the Companies Act 2006. EM Midco2 Limited which provided the relevant parent company guarantee required under section 479C of the Companies Act 2006 has indirect holdings in this subsidiary undertaking.

****For the year ended 31 December 2024, this subsidiary of the Group was exempt from the requirement for audit of individual financial statements in accordance with section 479A of the Companies Act 2006. EM Topco Limited which provided the relevant parent company guarantee required under section 479C of the Companies Act 2006 has direct holdings in this subsidiary undertaking.

~ These are companies where the Group exercises joint control.

EM Midco 1 Limited's shareholding is held directly whilst all others are held through wholly owned subsidiaries.

COMPANY STATEMENT OF FINANCIAL POSITION

in US $ million	Note	31 December 2024	31 December 2023
Non-current assets			
Investments in subsidiaries	5	2,968.9	3,198.2
Amount receivable from Group companies	6	1,176.6	—
		4,145.5	**3,198.2**
Current assets			
Amount receivable from Group companies	6	2.6	3.9
		2.6	**3.9**
Net current assets		**2.6**	**3.9**
Non-current liabilities			
Other payables	7	(4.1)	(2.8)
Redeemable shares	7	(199.4)	(181.6)
		(203.5)	**(184.4)**
Net assets		**3,944.6**	**3,017.7**
Equity			
Share capital		—	—
Share premium	8	56.5	56.5
Preference shares	8	5,153.0	4,684.4
Convertible Notes	8	1,752.5	—
Accumulated losses		(3,017.4)	(1,723.2)
Total shareholders' equity		**3,944.6**	**3,017.7**

The Company's loss after tax for the period ended 31 December 2024 was US $(723.2) million (2023: US $(12.4) million).

The financial statements of EM Topco Limited (Company registration number (13855635) were approved by the Board of Directors and authorized for issue on 30 April 2025. They were signed on its behalf by:

Paul Woolf

Paul Woolf
Director

30 April 2025

COMPANY STATEMENT OF CHANGES IN EQUITY

in US $million	Share capital	Share premium	Convertible notes	Preference shares	Accumulated loss	Total
As at 1 January 2023	**—**	**55.7**	**—**	**4,038.5**	**(1,306.1)**	**2,788.1**
Total Comprehensive Income/(Loss)	—	—	—	—	(12.4)	(12.4)
Issue of shares / notes	—	0.8	—	241.2	—	242.0
Accumulated accrued dividend	—	—	—	404.7	(404.7)	—
As at 31 December 2023	**—**	**56.5**	**—**	**4,684.4**	**(1,723.2)**	**3,017.7**
Total Comprehensive Income/(Loss)	—	—	—	—	(723.2)	(723.2)
Issue of shares / notes	—	—	1,650.1	—	—	1,650.1
Accumulated accrued dividend	—	—	102.4	468.6	(571.0)	—
As at 31 December 2024	**—**	**56.5**	**1,752.5**	**5,153.0**	**(3,017.4)**	**3,944.6**

The notes on the following pages form part of these financial statements.

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1 ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

These financial statements have been prepared on a going concern basis and under the historical cost convention in accordance with the Companies Act 2006 and FRS 101 "Reduced Disclosure Framework". As permitted by section 408 of the Companies Act 2006, no separate statement of profit or loss is presented for the Company.
As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a statement of cash flow (p8.h), disclosures in relation to financial instruments and fair value measurement (p8.d&e), standards not yet effective (p8.i), business combinations (p8.b), impairment (p8.I), leases (p.8.eB), revenue from contracts with customers (p.8.eA) and related party transactions (p.8.j&k). Where required, equivalent disclosures are given in the Group accounts of EM Topco Limited.

GOING CONCERN

EM Topco Limited ("the Company") is the ultimate holding company of the Group. The Company's future viability is ultimately dependent on the performance of the wider trading group and group management's decisions on the flow of capital. The Directors have carried out a review, including consideration of appropriate forecasts and sensitivities, which indicates that the company will have adequate resources to continue to trade for the foreseeable future.

A full description of the Group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, are set out in the Strategic Report, including the Financial Review, in note 2.3 and in note 23 to the consolidated financial statements.

The financial statements of the Company have been prepared on a going concern basis. The directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. The Company has a net asset position of US $3,944.6 million. The Directors considered the going concern status of EM Topco Limited and on the basis that this company is a holding company for the Group's operating entities, going concern assumptions and sensitivities, discussed in note 2.3 to the consolidated financial statements, are applicable from a standalone company perspective. On that basis, the Directors are satisfied that the Company is a going concern for the period from the date of signing these accounts to 31st December 2026.

1.2 FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

CLASSIFICATION AS DEBT OR EQUITY

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Please refer to the group accounting policies, specifically, see section 2.11 of the accounting policies note in the consolidated financial statements for details around the classification of borrowing and equity. Also, refer to the consolidated financial statements note 21 loans, borrowings and redeemable shares for further details around the split of financial liabilities and equity instruments.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.
No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

1.3 INVESTMENTS

Investments are stated at cost less provision for impairment. The Company evaluates its investment in subsidiary for impairment annually and records an impairment loss when the carrying amount exceeds the recoverable amount.
An impairment loss recognized in prior periods is reversed if there has been a significant favourable change in the estimates used to determine the recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the investment is increased to its recoverable amount. The carrying amount of investment after reversal does not exceed the initial carrying amount before any impairment loss was recognized.

1.4 DIVIDENDS

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.
Final dividend distributions are recognised in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

1.5 SHARE BASED PAYMENTS

The Group provides benefits to employees and directors of companies within the Element Group in the form of cash-settled share-based payment transactions, whereby employees and directors render services in exchange for share rights, which are settled in cash.

A liability is recognised for the fair value of cash-settled transactions (note 8). The fair value is determined by reference to the fair value of the share rights granted using an option-pricing model (Black-Scholes or Monte Carlo), excluding the impact of any non-market vesting conditions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in staff costs in the consolidated statement of profit or loss. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

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1 ACCOUNTING POLICIES (CONTINUED)

1.6 CRITICAL ACCOUNTING JUDGEMENTS

In the application of the Company's accounting policies, the Directors are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities, that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future periods if the revision affects both current and future periods.

1.7 KEY SOURCES OF ESTIMATION

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. No critical judgments, other than those involving estimations, have been made in the process of applying the Company's accounting policies.

IMPAIRMENT OF INVESTMENTS

The Investments in subsidiaries financial statement line item is tested annually for impairment, or more frequently when required, when there is an indication that the investment values allocated to the individual investments made by the Group may be impaired. Determining whether an investment is to be impaired requires an estimation of the recoverable amount which is the higher of fair value and value in use.

The fair value of the Group used for goodwill impairment includes the estimated fair value of future bolt-on acquisitions, as well as assumptions around revenue multiples based on the Guideline Company valuation method, and EBITDA multiples based on the average between the Guideline Company and Guideline Transaction valuation methods. Refer to Note 12 of the Group Consolidated Financial Statements for further detail.

2 DIRECTORS' AND EMPLOYEES' REMUNERATION

No emoluments were paid directly by the Company. Information on the directors' remuneration can be found in the Directors' remuneration section in note 8 of the Consolidated Financial Statements. The Company has no employees.

3 RELATED PARTIES

The Company has taken advantage of the exemptions contained within paragraphs 8 (j) and (k) of FRS 101, and has not disclosed transactions entered into with wholly owned group companies or key management personnel. There were no other related party transactions in the period.

4 AUDITOR'S REMUNERATION

Fees payable to Ernst & Young LLP for the audit of the Company's financial statements were borne by other companies within the Group and disclosed in Note 7 of the consolidated financial statements. Fees payable in the prior year were also borne by other companies within the Group. Non-audit services of US $0.9 million (2023: nil) were provided to the Company during the year.

5 INVESTMENTS IN SUBSIDIARIES

in US $million	31 December 2024	31 December 2023
Investments	3,198.2	2,956.1
Additions	577.2	242.1
Impairment	(806.5)	—
At 31 December	**2,968.9**	**3,198.2**

The investment relates to direct holdings in EM Midco 1 Limited. Details of the subsidiaries directly and indirectly held by the Company are included in note 30 in the consolidated financial statements.

On 31 December, 2024, the Company assessed the recoverable amount of its investment at US $4,144.3 million, based on fair value less costs of disposal. This amount was lower than the combined total of the investment's carrying value (US $3,775.4 million), loan balances receivable from other Group companies (US $1,072.9 million), and associated accrued interest (US $102.4 million). As a result, the Company recorded an impairment charge of US $806.5 million driven by slower than expected recovery in pharmaceutical R&D end markets impacting both Americas and EMEAA.

Management considered reasonably possible changes in key assumptions presented in the tables below. The sensitivity analysis presented is prepared on the basis that the reasonably possible change in each key assumption would not have a consequential impact on other assumptions used in the impairment review. The associated impact on the impairment is presented below.

	Changes in key assumptions – Fair Value			
In US $million	**Revenue multiple**		**EBITDA multiple**	
Investment in Group companies	-10.00%	10.00%	-10.00%	10.00%
Increase / (decrease) in impairment	173.8	(173.8)	425.8	(425.8)

Taking into account past experience of unexpected negative impact of economic environment on the Group's performance, management also considered a reasonably possible change in projected adjusted EBITDA of minus 20 percentage points across the Group, which would result in additional US $668.9 million impairment.

6 AMOUNTS RECEIVABLE FROM GROUP COMPANIES

in US $million	31 December 2024	31 December 2023
Amounts receivable from other Group companies (current)	2.6	3.9
Amounts receivable from other Group companies (non-current)	1,176.6	—
At 31 December	**1,179.2**	**3.9**

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The receivable amount relates to intercompany loans that EM Topco Limited holds with other Element Group entities. Upon the inception of intercompany loans within the Group, a standard 10 year loan term is apportioned to all intercompany loan agreements. However, within the terms of the loan agreements there a stipulations which state that upon the discretion of the lender, balances are repayable on demand at any time. The Company does not plan to request repayment of the loan within a year from the statement of financial position date. Therefore, intercompany loan amounts are classified as non-current.

7 REDEEMABLE SHARES AND SHARE BASED PAYMENTS

in US $million	31 December 2024	31 December 2023
Preference shares	(195.8)	(178.0)
A2 shares	(3.6)	(3.6)
Total	**(199.4)**	**(181.6)**

PREFERENCE SHARES

There are US $4,098.8 million redeemable cumulative preference shares in issue as at 31 December 2024 which carry 10 per cent interest per annum, that compounds each year on the issue anniversary date. The preference shares do not carry voting rights and are denominated in USD.

The preference shares are presented within debt or equity depending on specific features associated with the instrument. Preference shares for which a holder has an option to redeem are classified as a financial liability (note 21) for which the value at 31 December 2024 is US 154.4 million (US $154.4 million at 31 December 2023). Accrued interest is recognised as interest expense. Total cumulative interest accrued to 31 December 2024 was US 41.4 million (US $23.6 million at 31 December 2023).

Preference shares for which the Company (issuer), rather than the holder, has an option to redeem have characteristics of equity and are disclosed in note 8.

Preference shares presented as Debt	2024 US $'000	2023 US $'000
Preference shares in issue at beginning of the year	154.4	154.3
Additional issues in the year	—	0.1
	154.4	154.4
Interest in the year	17.8	16.1
Accumulated interest	41.4	23.6
Total preference shares presented as Debt	**195.8**	**178.0**
Total preference shares presented as Equity (Note 8)	5,153.0	4,684.4
Total preference shares	**5,348.8**	**4,862.4**

A2 SHARES
The number of redeemable A2 shares in issuance was 2,132,825 at 31 December 2024 (31 December 2023: 2,132,825). The shares are only redeemable after 6 July 2028 and are valued using an option pricing model to determine fair value.

The key inputs and assumptions for the option pricing model are:
- Expected volatility (the Group applied re-levered equity volatility based on historical equity volatility of publicly traded peer companies),
- Expected term (the period until an exit event which is estimated to be 5 years from the initial investment by the majority shareholder), and
- Risk free interest rate (determined by reference to US Treasury yield curve for the period commensurate with the expected timing of exit).

The fair value movement in 2024 was nil & the balance remains at US $3.6 million (2023: US $3.6 million).

7 REDEEMABLE SHARES AND SHARE BASED PAYMENTS (CONTINUED)

SHARE BASED PAYMENTS
The Company has 3,441,360 B1 and 1,743,300 B2 Ordinary shares ("B shares") in issue as at 31 December 2024. Pursuant to the terms set out in the Articles of Association the pay-out for these B shares is based on a calculation dependent on the enterprise exit value of the Group and are subject to meeting certain hurdle rates. The holders of B shares have an option to request the pay out after 5, 6 or 7 years of vesting service period.

The shares are treated as cash-settled share-based payments. The liability is measured, initially and at the end of each reporting period until settled, at the fair value by applying an option pricing model.

in US $million	31 December 2024	31 December 2023
Other payables	(4.1)	(2.8)
Total	**(4.1)**	**(2.8)**

The expense recognised for employees' services during the period is US $(1.3) million (2023: US$(0.9)million).

8 SHARE CAPITAL

Type	2024 Nominal value US $	2024 Issued number	2024 Total US $	2023 Nominal value US $	2023 Issued number	2023 Total US $
A1 Ordinary shares	0.0001	50,975,773	5,098	0.0001	50,975,773	5,098
A2 Ordinary shares	0.0001	2,132,825	213	0.0001	2,132,825	213
B1 Ordinary shares	0.0001	3,441,360	344	0.0001	3,441,360	344
B2 Ordinary shares	0.0001	1,743,300	174	0.0001	1,743,300	174
Deferred shares	0.0001	1,000,000	100	0.0001	1,000,000	100
As at 31 December		**59,293,258**	**5,929**		**59,293,258**	**5,929**

	2024 US $'000	2023 US $'000
Authorized, issued and fully paid, at 31 December	6	6

No additional A1 ordinary shares were issued during 2024 (2023: 50,975,773).
No additional A2 ordinary shares were issued during 2024 (2023: 2,132,825).
No additional B1 ordinary shares were issued during 2024 (2023: 3,441,360).
No additional B2 ordinary shares were issued during 2024 (2023: 1,743,300).

No additional deferred shares were issued during 2024 (2023: 1,000,000).

Rights and conditions of each class of share:
- A1 ordinary shares have full voting entitlement
- A2 ordinary shares have full voting entitlement
- B1 ordinary shares have full voting entitlement
- B2 ordinary shares have full voting entitlement
- Deferred shares have no voting entitlement

Any exit proceeds available for distribution shall be distributed in accordance with the Articles of Association of the Company.

SHARE PREMIUM
The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

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PREFERENCE SHARES

There are US $4,098.8 million redeemable cumulative preference shares in issue as at 31 December 2024 which carry 10 per cent interest per annum that compounds each year on the issue anniversary date. These preference shares do not carry voting rights and are denominated in USD.

The preference shares are presented within debt or equity depending on specific features associated with the instrument. Preference shares for which a holder has an option to redeem are classified as a financial liability.

Preference shares for which the holders do not have an option to redeem have characteristics of equity and accumulated accrued interest is recognised within the Consolidated Statement of Changes in Equity. Please see the table below for further details:

Preference shares presented as Equity	**2024 US $million**	**2023 US $million**
Preference shares in issue at beginning of the year	4,098.8	3,857.6
Additional issues in the year	—	241.2
	4,098.8	4,098.8
Interest in the year	468.6	404.7
Accumulated interest	1,054.2	585.6
Total preference shares presented as Equity	**5,153.0**	**4,684.4**
Total preference shares presented as Debt (Note 7)	195.8	178.0
Total preference shares	**5,348.8**	**4,862.4**

CONVERTIBLE NOTES

The Company issued a total of US $1,650 million convertible perpetual notes (CPNs) during the year ended 31 December 2024 which carry 12.5 per cent interest per annum that compounds each year on the issue anniversary date. Holders of CPNs do not have an option to redeem and the CPNs have characteristics of equity and accumulated accrued interest is recognised within the Consolidated Statement of Changes in Equity.

	Issued number	**Total US $million**	**Accumulated interest US $million**	**Total as at 31 December 2024 US $million**
Convertible notes	1,650,123,000	1,650.1		
Presented as Convertible notes	1,650,123,000	1,650.1	102.4	1,752.5
Total presented as equity		**1,650.1**	**102.4**	**1,752.5**

9 EVENTS AFTER THE REPORTING DATE

Between the end of the financial period and the date of this report, no items, transactions or events of a material nature have occurred, in the opinion of the Directors of the Company, that are likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

10 ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

The immediate parent undertaking is Esta Investments Pte. Ltd, which is incorporated in Singapore. The ultimate controlling party of EM Topco Limited is Temasek Holdings (Private) Limited, Temasek Holdings (Private) Limited is the largest group for which the results of the Company and its subsidiaries is consolidated for the purposes of Temasek Holdings (Private) Limited financial statements. Temasek Holdings (Private) Limited is a company incorporated in Singapore.

Directors and Advisers

DIRECTORS
Allan Leighton
Jo Wetz
Paul Woolf (appointed 24 September 2024)
Uwe Krueger (resigned 13 February 2025)
Ruth Prior (resigned 27 August 2024)
Nagi Adel Hamiyeh

REGISTERED OFFICE
The Scalpel 18th Floor,
52 Lime Street,
London, England,
United Kingdom,
EC3M 7AF

COMPANY REGISTRATION NUMBER
13855635

AUDITOR
Ernst and Young LLP
1 More London Place
London
SE1 2AF
United Kingdom

SOLICITORS TO THE GROUP
Allen & Overy LLP
One Bishop Square
London
EC1 6AD

PRINCIPAL BANKERS
ING Bank N.V., London Branch
8-10 Moorgate, London EC2R 6DA
United Kingdom