SDI GROUP

Annual Report 2026

A compounder of independent, agile and complementary businesses

SDI Group's buy and build strategy unites specialised technology businesses, fostering their growth and autonomy. By empowering our companies, we deliver sustainable, long-term value and innovation for shareholders and stakeholders.

Laboratory Equipment

Monmouth Scientific
monmouthscientific.co.uk

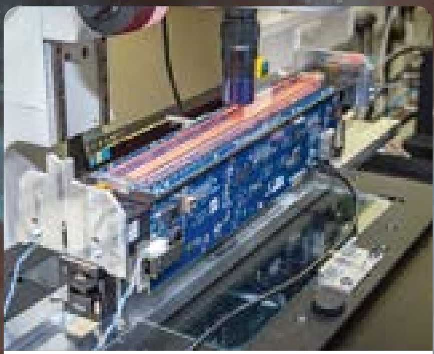
Safelab Systems
safelab.co.uk

Synoptics
synoptics.co.uk

LTE Scientific
lte-scientific.co.uk

Severn Thermal Solutions
severnts.co.uk

Read more on **pages 8 to 13**



Industrial & Scientific Sensors

MPB Industries
mpbflowmeters.com

Sentek
sentek.co.uk

Peak Sensors
peaksensors.com

Chell Instruments
chell.co.uk

Astles Control Systems
astles.co.uk

PRP Optoelectronics
prpopto.com

Read more on **pages 14 to 17**

Industrial & Scientific Products

Fraser Anti-Static Techniques
fraser-antistatic.com

Atik Cameras
atik-cameras.com

Applied Thermal Control
app-therm.com

Graticules Optics
graticulesoptics.com

Scientific Vacuum Systems
svs.co.uk

InspecVision
inspecvision.com

Collins Walker
collins-walker.co.uk

Read more on **pages 18 to 21**

Highlights

Financial Summary

- Revenues increased to £74.5m (FY25: £66.2m), with a full year's contribution from InspecVision and Collins Walker, together with post-acquisition revenues from Severn Thermal Solutions ('Severn') and PRP Optoelectronics ('PRP')
- Organic revenue growth of 5.5% (5.3% on a constant currency basis), and 7.1% growth from acquisitions
- Gross margins (on materials only) increased to 66.0% (FY25: 64.9%)
- Adjusted operating profit* up 16.1% to £11.6m (FY25: £10.0m), with reported operating profit up 18.0% to £8.2m (FY25: £6.9m)
- Adjusted profit before tax* increased 16.8% to £9.9m (FY25: £8.5m), with reported profit before tax up 19.7% to £6.5m (FY25: £5.5m)
- Adjusted diluted EPS* improved to 7.17p (FY25: 6.18p) and reported diluted EPS increased to 4.59p (FY25: 3.81p)
- Cash generated from operations of £10.2m (FY25: £12.9m). Net debt (debt less cash, excluding lease liabilities and deferred consideration) of £24.0m (FY25: £13.8m), despite £13.4m of acquisition-related spend (on a cash-free basis)

Strategic and Operational Highlights

- Delivered strong growth across all divisions, with a 12.6% increase in Group revenues, driven by robust demand across end markets, and a 6.7% increase in second-half organic growth on a constant currency basis
- Further investments across the Group into new product development, commercial and operational capabilities
- Internal collaboration focus delivering tangible cross-Group synergies and knowledge transfer across the portfolio
- Acquisition of Severn and PRP, demonstrating continued delivery of earnings-enhancing acquisitions
- Strong track record of revenue and adjusted operating profit* growth – CAGR of 24.1% and 36.0%, respectively, since 2015
- Renewed the Group's £25m revolving credit facility, plus a £15m accordion, ensuring full support for active acquisition pipeline

AIM quoted SDI Group plc ('SDI') specialises in the acquisition and development of companies that design and manufacture products for use in the lab equipment, industrial and scientific sensors and industrial and scientific products markets. SDI's portfolio of businesses serves a broad spectrum of specialised markets, ranging from advanced industrial technologies (aerospace and defence, manufacturing, semiconductors and precision measurement) to scientific and medical applications (life sciences, healthcare and astronomy). SDI aims to continue its growth through driving the organic growth of its portfolio companies and by the acquisition of complementary technology businesses with established reputations in global markets.

SDI's growth strategy is twofold: 1) through the enhancement of its portfolio companies (organic growth); and 2) through the identification and acquisition of complementary, niche technology businesses with established reputations in global markets (inorganic growth).

* Before share-based payments, acquisition costs, reorganisation costs and amortisation of acquired intangible assets.

** On materials only, excluding labour costs.

Contents

A strategic framework to ensure sustainable long-term growth

Our Purpose

We acquire, partner with and nurture exceptional businesses, leveraging Group synergies to accelerate growth, optimise performance and deliver outstanding customer value.

Our Values and Culture

Investing in leadership and sharing expertise to foster collective growth.

Focusing on sustainable, compounding growth and prudent capital allocation.

Upholding ethical standards, transparency and respect for all stakeholders.

Our Strategic Framework

1 Acquisition-Led Growth

Sustainable Inorganic Growth

Growth is primarily driven by acquiring new, complementary businesses that meet strict criteria.

Where possible creating a 'double bump' impact with synergistic benefits.

2 Decentralised Operations

Framework for Scale

Companies retain significant operational autonomy, brand identity, management teams and entrepreneurial culture. SDI remains a lean management team, focusing on capital allocation, growth strategy and governance.

3 Organic Growth

Sustainable Cash Generation

Introducing operational excellence and fostering growth and synergies across the Group.

SDI provides oversight, financial discipline and strategic support.

4 Shareholder Engagement

Consistent and Reliable

Enhancing transparency and trust, we are committed to delivering our strategy and demonstrating the value proposition to our shareholders.

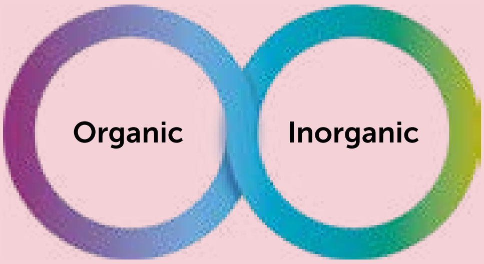
> For more information please refer to the Employee Spotlight Q&A with Lewis Irish on **page 9**

Supported by our Strategy

For more information please refer to the Chief Executive Officer's report on **pages 24 to 27**

Our Growth Cycle

Organic
- Capability and capacity
- Commercial growth and go to market
- Cost leadership
- Product and competitiveness



Inorganic
- Strict criteria
- Quality, sustainability and growth potential
- Commercial robustness
- Value add to the Group

Our Strengths

For more information please refer to Why Invest on **page 4**

Acquisitions
- 21 acquisitions since 2014

Revenue CAGR
- 24.1% since 2015

Adjusted EBIT* CAGR
- 36.0% since 2015

Who We Create Value For

For more information please refer to the Section 172(1) report on **pages 34 to 36**

Our Shareholders
As the owners of the business, delivering long-term returns on their investment is the ultimate measure of our success.

Our People
Our employees are the foundation of our success. Their expertise and commitment are critical to operational excellence.

Customers and Suppliers
Building strong, long-term relations with customers and suppliers is essential for stability and growth.

Acquisition Targets
Identifying high quality, niche technology businesses is fundamental to our growth strategy and long-term value.

How We Create Value

For more information please refer to the Section 172(1) report on **pages 34 to 36**

Compounded Growth
Long-term sustainable value creation through compounding inorganic and organic growth.

Capital Allocation
Adhering to strict financial criteria for investment and acquisitions. Prioritising reinvestment of cash flow into further growth.

Organic Growth
Introducing operational excellence and promoting synergies and fostering the Group's entrepreneurial culture.

Lean and Supportive Structure
Empowering local management, performance measurement and strategic support and facilitating best practice.

* Before share-based payments, acquisition costs, reorganisation costs and amortisation of acquired intangible assets.

Why Invest in SDI?

Consistent Record of Delivery:
CAGR revenues and adjusted operating profit* growth of 24.1% and 36.0% respectively since 2015.

Successful Track Record of M&A:
21 earnings-enhancing acquisitions successfully completed since 2014.

Buy and Build Model:
Continuing to expand our presence within the scientific, industrial products and technology markets.

Long-Term Value Creation:
Committed to delivering our strategy for sustainable growth and creating value for our stakeholders.

Global Diversification:
Growing portfolio of diverse and established businesses, trading in multiple sectors and geographies.

Targeted Growth:
Strategic positioning within high growth sector niches in sustainable markets.

Continuous Growth Loop:
Delivering compounded value through a reinforcing cycle of organic growth initiatives and strategic acquisitions.

Decentralised Innovation:
Fostering independent and agile operating businesses, enabling freedom to innovate and invest for organic growth.

Consistent Performance

Revenue	Adjusted Operating Profit*	Cash Generated by Operations	Adjusted Diluted EPS*
£74.5m	£11.6m	£10.2m	7.2p

Read more on **page 33**

* Before share-based payments, acquisition costs, reorganisation costs and amortisation of acquired intangible assets.

Becoming part of the SDI Group

SDI Group provides the ideal ecosystem for your next chapter. With our permanent capital, shared expertise and dedicated platform, we will accelerate your mission and compound your long-term success.

Independence
The business will retain its independence, brands and culture.

Growth
The Group invests and fosters growth opportunities.

Strong Finance
Strong financial support and access to resources within the Group.

Expertise
Knowledge sharing within the Group.

Main Acquisition Criteria

- Scientific/technical instruments/manufacturing sector
- Strong exporters within their niche sector
- Profitable and cash generative
- Consistent track record of growth
- Strong local management team
- Available at a fair price

Post-Acquisition

- Implement strong financial controls
- The business is run independently
- Focus on the medium- to long-term strategy
- Create an environment for the businesses to grow and develop with investment if required

SDI Group Value

- Proactive monitoring, support and knowledge transfer
- Investment for growth
- Retain individual identity, branding and culture
- Facilitate independence and autonomy

Q&A with InspecVision

InspecVision
inspecvision.com

Jan Antonis and Colette Johnston
InspecVision

Q Looking back to the transaction 18 months ago, what were your primary anxieties about selling to a listed plc, and how did the reality of the acquisition process compare to those expectations?

One of my biggest concerns was whether InspecVision would lose the independence and culture that had helped make it successful. Having built the business together over many years, Colette and I were determined that our employees and customers would continue to experience the same values and commitment they always had.

The acquisition was a significant step for us, and we spent a lot of time considering whether we had found the right long-term home for the business. The transaction itself involved a great deal of work on both sides, but it was handled professionally throughout and ultimately progressed smoothly.

The transition hasn't been without its challenges. Moving from an owner-managed business to being part of an AIM-listed group inevitably brings greater structure, reporting and accountability, and there has been a period of adjustment. What reassured us was that SDI never tried to change who we are as a business. While we are adapting to new ways of reporting and operating within a listed environment, we retain the ability to make decisions locally and continue building the business in our own way.

Q Many independent founders worry about their business being 'smothered' post-acquisition. How would you describe the first 12 months of transition, and how much operational autonomy did you actually retain?

We have retained a high degree of autonomy. The first year has been a period of learning and adapting to new reporting requirements, but operationally we have continued to make decisions locally and focus on what we do best.

Q When you were independent, what did you spend most of your Sundays or late nights worrying about, and how has that mental load shifted since joining the Group?

I think anyone who has run their own business will have a collection of stories about difficult customers, cash flow pressures and people challenges. Having built the business together, Colette and I naturally spent a lot of time discussing those issues, often on the drive home from work.

What weighed most heavily on us was the responsibility of helping InspecVision fulfil its potential while supporting our employees and customers through challenges such as COVID-19 and periods of economic uncertainty. As owners, it can be difficult to completely switch off.

Being part of SDI hasn't removed that sense of responsibility, but it has introduced a more structured environment with greater accountability, planning and reporting. That has been an adjustment, but it has also embedded some good disciplines that support long-term growth.

Q Preserving the unique identity of acquired businesses is a key part of SDI's philosophy. 18 months in, does the business still feel like the one you built, and how have your employees reacted to the change in ownership?

Yes, very much so. One of my biggest concerns before the acquisition was whether InspecVision would retain the culture and innovative spirit that had made it successful. 18 months on, it still feels very much like the business I set out to build.

My passion has always been developing new technologies and finding better ways to solve our customers' challenges, and that remains unchanged. We continue to focus on innovation, product development and supporting our customers, just as we did before the acquisition.

Our employees naturally had questions at the outset, but they have seen that the core values, people and way of working remain the same.

Q If you were speaking to another founder or management team currently considering selling their business to the Group, what would be your honest reflection on the journey so far?

My honest reflection would be that the experience has been positive. When you have spent years building a business, there is always a concern about whether it will still feel like your business after an acquisition.

18 months on, InspecVision still feels very much like InspecVision. We continue to focus on developing innovative technology, solving problems for our customers and looking for new opportunities to grow. There have been new challenges and a period of adjustment, but the things that motivated me to build the business in the first place remain unchanged.

Q Looking past the integration process, what has been the single most exciting commercial or technical milestone the business has achieved in the last 18 months since joining the Group?

As an engineer, the most exciting milestones are always the ones that involve pushing the technology forward.

For me, that has been the continued development of our Guidance and Verification System. I still enjoy learning as much today as I did when I started the business, and this project has given me the opportunity to explore new technologies, develop new programming skills and create something that I believe has real potential.

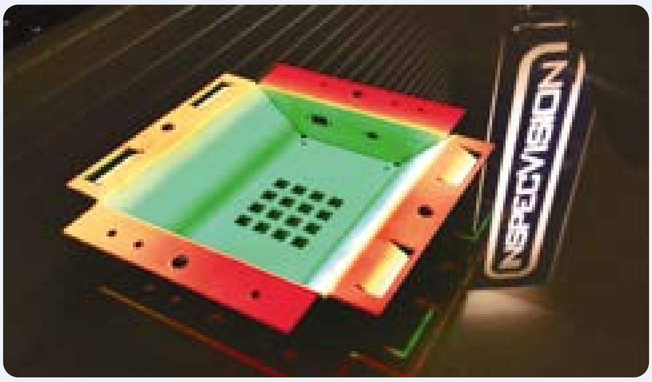
Another highlight was supplying what we believe to be the largest 3D scanning system of its kind currently available to a customer in the Americas. Achievements like that are a reminder of how far the technology has come and why I still enjoy the challenge of solving difficult engineering problems.

"We are especially pleased with how well the InspecVision team has settled in and culturally integrated with our wider ethos. Bringing them into the Group in 2024 was a key strategic step that has significantly broadened our technological capabilities.

Since joining us, InspecVision has grown from strength to strength, expanding their footprint in the high value metrology market while continuing to innovate. Their achievement in winning the prestigious King's Award for Enterprise, early in this financial year, stands as a testament to their market-leading expertise and international growth.

InspecVision perfectly aligns with our core acquisition criteria: a growing, profitable, niche technology business with robust international exposure and an exceptional, entrepreneurial leadership team. Crucially, aligning with our decentralised buy and build model, InspecVision has remained fully autonomous. This has enabled them to preserve the agility, brand identity and entrepreneurial culture that made them successful, but now with the strategic backing of the Group."

James Dimitriou
Group Head of Corporate Development – SDI Group



Our Specialist Company Portfolio

The companies within SDI Group are at the forefront of scientific and technological innovation, addressing key challenges within their own niche markets.

Laboratory Equipment

Monmouth Scientific
> monmouthscientific.co.uk

Safelab Systems
> safelab.co.uk

Synoptics
> synoptics.co.uk

LTE Scientific
> lte-scientific.co.uk

Severn Thermal Solutions
> severnts.co.uk

Segment Revenue

£27.0m

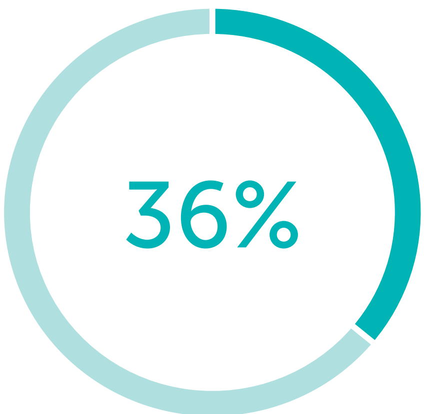
FY25: £24.0m

Segment Adj. EBIT*

£3.5m

FY25: £2.7m

Contribution to Revenue



Monmouth Scientific

Monmouth Scientific is one of the UK's leading designers, manufacturers and suppliers of clean air solutions. Located in Bridgwater, Somerset, the company specialises in fume cupboard, biological safety, laminar flow and cleanroom installations across a multitude of sectors.

Safelab

Safelab Systems ('Safelab') is the biggest fume cupboard supplier in the UK and produces high specification fume cupboards and similar cabinets for commercial and research laboratories and has a special focus on the education sector. Cabinets range from basic recirculating, filtered cabinets to fully featured ducted cabinets, often specified in newly built or refurbished laboratory facilities.

* Before share-based payments, acquisition costs, reorganisation costs and amortisation of acquired intangible assets.

Employee Spotlight

Q&A with Lewis

Lewis Irish
Sales Director at Monmouth Scientific

Q How long have you worked at the company, and what brought you here?

I've been back at Monmouth Scientific for almost two years now, although I'd actually spent nine years here previously. When the opportunity came up to return, it just felt like the right move. I already knew the business and the people, and I'd always enjoyed working here. What I like most is the variety; we work with a really broad range of products and customers, so no two days are ever the same.

Q What does your job entail?

As Sales Director, I spend most of my time supporting the sales team, generating new business, looking after some of our larger customers and helping drive the company's growth. Every day is different, which is one of the things I enjoy most.

Q What do you love about your job?

Definitely the variety. One day I'll be talking to a university, the next it could be a pharmaceutical company, a manufacturing business or even an organisation sending products into space. Every customer has different challenges, so you're constantly learning and finding the best solution for them. That's what keeps me motivated.

Q How has being part of SDI Group supported the growth and development of your career?

Being part of SDI has given me the chance to work with people across the wider Group and see how other businesses operate. It's great being able to share ideas and learn from each other while still focusing on growing Monmouth Scientific.

Q Looking ahead, what excites you most about the future?

I'm looking forward to seeing Monmouth Scientific continue to grow. We've got a strong range of products, a great team and lots of opportunities ahead. Being part of SDI also means we're well placed to keep developing and taking advantage of new opportunities as they come along.

Q How has your role evolved since you started?

Since coming back, my role has become much more focused. I'm able to spend more time developing the sales strategy, supporting the team and building relationships with key customers, which is where I can add the most value.

Q How has being part of SDI Group supported the growth and development of your business?

It's given us the support of a larger organisation while still allowing us to operate as Monmouth Scientific. We can draw on experience from across the Group, share ideas with other businesses and have the backing to continue investing in our future.

Q Could you share a particular challenge that your company faced, and how being under the SDI umbrella helped you overcome it?

Our customers' requirements are always changing, so staying ahead of those expectations is an ongoing challenge. Having the support and experience of the wider SDI Group means we've got people we can turn to, share ideas with and learn from, which helps us respond quickly and continue delivering the right solutions.

Q How would you characterise the relationship between the management team at your company and the SDI senior management?

I'd say it's very open and approachable. There's plenty of communication, and it feels like everyone's working towards the same goals. We have the freedom to run the business while knowing there's always support there if we need it.

Our Specialist Company Portfolio continued

▲ LTE Scientific autoclave

▲ Severn Thermal Solutions furnace

Synoptics

Synoptics, based in Cambridge, is the headquarters and manufacturing site for Syngene, Synbiosis, Fistreem and Gallenkamp.

Syngene

Syngene develops and manufactures systems and software for automated gel-based DNA and protein fluorescence/chemiluminescence imaging including the popular global G:Box and NuGenius brands.

Synbiosis

Synbiosis provides automated and manual systems for microbiological testing in food, water, pharmaceutical and clinical applications. Its ProtoCOL 3 system is used by all the major pharmaceutical companies for vaccine and antibiotic development and its high end system, AutoCOL, is the world's first fully automated colony counter.

Fistreem and Gallenkamp

Fistreem designs and manufactures water purification products and vacuum ovens. The firm's Cyclon Water Still and Gallenkamp vacuum ovens are recognised as world leading brands and are popular in many life science laboratories.

LTE Scientific

Headquartered in Greenfield, Greater Manchester, LTE Scientific ('LTE') is a leading UK manufacturer of equipment for the life science and medical sectors, renowned for delivering high quality solutions in sterilisation, decontamination and thermal processing technology. LTE specialises in the design and manufacture of advanced autoclave sterilisers, trusted by laboratories, research institutions, hospitals and healthcare facilities worldwide for consistent, high performance steam sterilisation.

Alongside its flagship autoclaves, LTE manufactures a comprehensive portfolio of precision-engineered equipment, including environmental rooms and chambers, endoscope drying and storage cabinets, laboratory ovens, incubators and laboratory drying cabinets. Each product is developed with an emphasis on longevity, efficiency and full regulatory compliance.

Severn Thermal Solutions

Established in 2006, Severn Thermal Solutions ('Severn') designs, manufactures and sells high and low temperature systems (furnaces, environmental chambers and ovens), which are used for materials testing and materials processing applications in multiple sectors, including nuclear, aerospace, power generation, automotive, semiconductors, microelectronics and research. Its systems are capable of achieving temperatures of over 3,000°C or close to absolute zero. Severn provides both standard and bespoke products across these sectors, and its products are now sold in over 25 countries worldwide. Severn is based in Dursley, UK.

Case Study

Innovation in action

The successful development of a new high temperature vacuum materials testing capability marks a significant advancement in the qualification of materials for some of the world's most demanding engineering environments.

Developed over approximately one year through a collaboration between the United Kingdom Atomic Energy Authority's ('UKAEA') Fusion Futures Industry Capability Programme and UKAEA's Applied Materials Technology Group, the systems enable materials testing at temperatures exceeding 3,000°C under vacuum conditions.

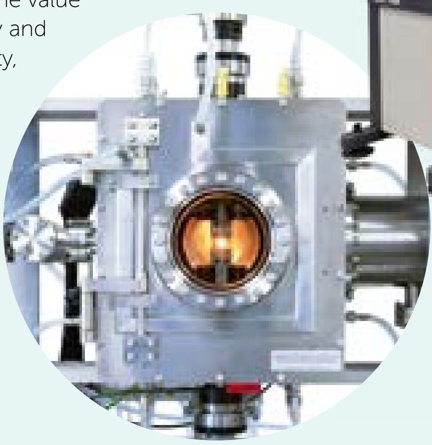
The breakthrough addresses a longstanding challenge in materials qualification, providing researchers and engineers with the ability to evaluate material performance in environments that closely replicate those expected within future fusion power plants and other extreme applications.

Materials testing and qualification under representative hostile conditions is essential for advancing fusion energy technologies and extending the performance boundaries of next-generation materials. The new capability will initially support the testing of tungsten-based materials for fusion applications, where materials are required to withstand exceptional thermal and mechanical loads.

Beyond fusion, the technology has the potential to support a broad range of industries that depend on high performance materials operating in extreme environments. These include fission energy, space exploration, defence, aerospace and additive manufacturing, where robust material qualification remains a critical enabler of innovation.

By overcoming significant technical barriers and closing a critical technology gap in high temperature materials testing, the project opens new opportunities for research, development and commercialisation across multiple advanced manufacturing and engineering sectors.

The achievement demonstrates the value of collaboration between industry and the UK's fusion research community, delivering innovative capabilities that support both the development of future energy technologies and wider industrial growth.



Severn Thermal Solutions
severnts.co.uk

"Materials testing and qualification in representative hostile environments, for example extreme temperatures under vacuum, are essential for building fusion power plants and advancing the known limits of materials."

UKAEA

Case Study

Supporting cancer biomarker research with reliable western blot imaging

Synoptics
> synoptics.co.uk

How Owlstone Medical uses the G:Box to image western blots in the discovery and validation of cancer biomarkers.

About Owlstone Medical

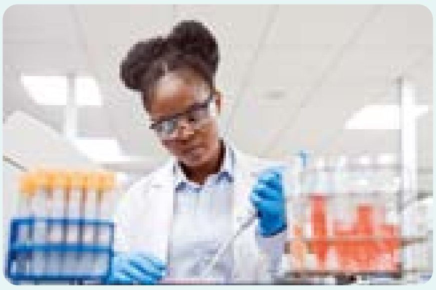
Owlstone Medical is a biotechnology company specialising in biomarker discovery and validation for non-invasive diagnostics. Through its Breath Biopsy® platform, the company advances research into diseases including cancer and supports researchers worldwide with innovative products and services for biomarker investigation. As part of its cancer research programmes, Owlstone evaluates protein biomarkers using established molecular biology techniques.

Application

The G:Box imaging system is used by Owlstone Medical to capture and document western blot images in support of cancer biomarker research.

> "The G:Box supports western blot imaging as part of our cancer biomarker research."

SYNOPTICS



Research Focus

Cancer Biomarker Discovery

Owlstone Medical investigates protein biomarkers associated with cancer, helping identify potential targets for future diagnostic applications.

Biomarker Valuation

Candidate biomarkers are assessed through protein expression studies to determine their suitability for further investigation and sensor development.

G:Box Imaging

Capturing Research Data

The G:Box imaging system is used to capture and document western blot images, providing a reliable record of protein expression data throughout the validation process.

Key Benefits

Reliable Imaging
Clear high quality images for accurate analysis

Easy to Use
Intuitive operation for efficient workflows

Consistent Results
Reproducible imaging to support data confidence

Supports Research
Enables validation of protein biomarkers

Employee Spotlight

Q&A with Clare

Clare Grimsey
Senior Sales Manager at Synoptics

Q How long have you worked at the company, and what brought you here?

I joined Synoptics in January 2019. I was familiar with it as a company due to working with Dr Martin Biggs at another company; Synoptics used to OEM its NuGenius for that company. It was a really good product, I got to know the Synoptics team and liked the way they worked and the products they manufactured and knew I could make a difference.

Q What does your job entail?

I am currently a Senior Sales Manager, managing a small team that sells our brands, Syngene, Synbiosis, Fistreem, and Gallenkamp, around the world. Day to day, I look after the processes that allow the sales team to fulfil its roles, support distributors as issues arise, and handle key account management for customers like Fisher Scientific and their parent company, ThermoFisher.

I also look at strategic partnerships for selling our products as well as adding products into our range to give customers a fuller solution when looking at our products.

Q How has being part of SDI Group supported the growth and development of your career?

SDI Group and Synoptics have allowed me to grow into a Senior Sales role by giving me more management knowledge and experience, starting with managing the Fistreem/Gallenkamp range when it was brought into Synoptics. SDI have particularly supported my external professional development, allowing me time to complete a Level 3 Diploma in Leadership and Management and, more recently, to attend the Help to Grow programme at UEA in Cambridge.

Q Looking ahead, what excites you most about the future, both for your own business and for SDI Group as a whole?

Continuing the growth of my position but also the interaction of others within the Group. We have some really nice collaborations happening, which means we are learning new things and new ways to promote our products and sharing experiences, both good and bad.

Q In what ways has being part of SDI Group supported the growth and development of your business?

Previously we worked completely independently; since the change in SDI management, we have some synergy across the companies and different ideas to try out for our products. There has been a definite shift in the last few years, which I personally think is really beneficial to us as a Group.

Q How would you characterise the relationship between the management team at your company and the SDI senior management?

We have recently had a new MD join, which is really exciting. Our relationship with SDI senior management has been good but we could always do better from our side and I believe this change brings the chance to do this and I am really excited to find out what the future holds.

> "SDI allowed me to take time to do external development such as a Level 3 diploma in Leadership and Management and more recently attending the Help to Grow programme at UEA in Cambridge."

Our Specialist Company Portfolio continued

The companies within SDI Group are at the forefront of scientific and technological innovation, addressing key challenges within their own niche markets.

Industrial & Scientific Sensors

MPB Industries
> mpbflowmeters.com

Chell Instruments
> chell.co.uk

Sentek
> sentek.co.uk

Astles Control Systems
> astles.co.uk

Peak Sensors
> peaksensors.com

PRP Optoelectronics
> prpopto.com

Segment Revenue

£20.9m

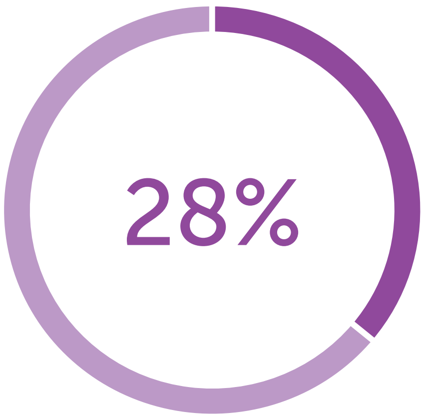
FY25: £17.0m

Segment Adj. EBIT*

£5.3m

FY25: £4.5m

Contribution to Revenue



* Before share-based payments, acquisition costs, reorganisation costs and amortisation of acquired intangible assets.

Astles

Astles Control Systems is a supplier of chemical dosing and control systems to different industries including manufacturers of beverage cans, engineering and motor components, white goods, architectural aluminium and steel. The company, located in Princes Risborough, UK, supplies equipment as well as repeat revenue from service, repairs and consumables.

Chell

Chell Instruments specialises in the design, manufacture and calibration of pressure, vacuum and gas flow measurement instruments. Based in Norfolk, UK, the company supplies products for sectors including aerospace, vehicle aerodynamics, gas and steam turbine testing, and power generation industries.

Case Study

Custom micro needle pH probe for a global healthcare technology company

Sentek
> sentek.co.uk

Background

The customer operates within the pharmaceutical manufacturing and medical device sector, producing radiotracers used in cardiology applications. Radiotracers are radioactive compounds used in diagnostic imaging procedures to help clinicians visualise and assess organ function, blood flow and disease processes. Accurate pH measurement is an important part of many radiopharmaceutical manufacturing processes, helping to ensure products meet their required specifications before storage and use.

As part of its manufacturing process, the customer uses specialised pH sensors during the final pH adjustment stage prior to product storage. Following the discontinuation of their existing sensor by a previous supplier, they approached Sentek to develop a replacement solution that would meet their stringent technical and application requirements.

The Problem

The customer's existing sensor design suffered from a high failure rate, with the customer reporting failure rates of around 50%. Investigation suggested that the failures were caused by damage due to issues with the internal components, which were susceptible to mechanical shock during transit and handling.

In addition, the replacement sensor needed to closely match the original design to ensure compatibility with the customer's existing process and robotic handling equipment. The sensor featured a 14-gauge needle design with a 90 mm insertion length, requiring precise manufacturing to maintain the critical dimensions and functionality of the original sensor.

What We Did

Sentek worked closely with the customer to analyse the existing design and identify the root cause of the failures. Following examination of a sample sensor, our team determined that fragile components were likely contributing to the reported failures.

To overcome this, Sentek redesigned the internal construction using medically approved components, significantly improving the mechanical robustness of the sensor while maintaining the critical dimensions and functionality required by the application.

Within ten weeks of the initial contact, Sentek had developed and supplied the first evaluation samples, enabling the customer to begin testing the redesigned sensor.

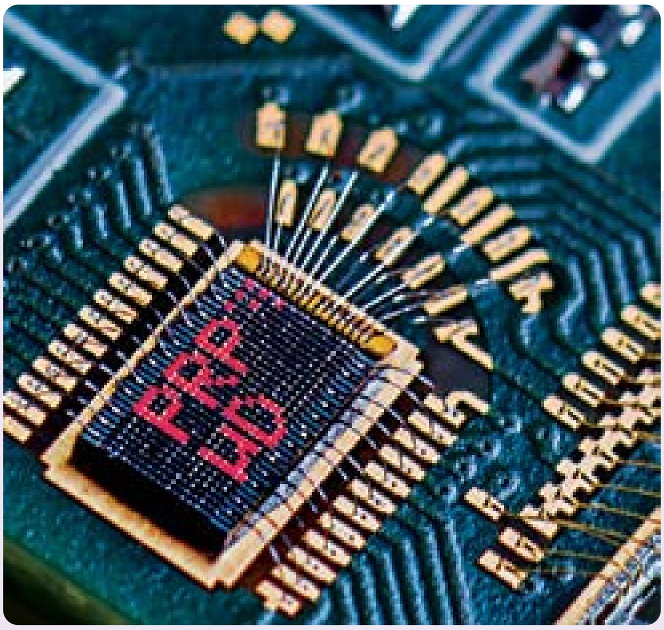
Outcome

The redesigned sensor provides a more durable and reliable solution while remaining fully compatible with the customer's application and automated handling equipment. By replacing the fragile internals, the risk of damage during shipping and handling has been significantly reduced, improving confidence in sensor performance off the shelf and during use.

Sentek initially supplied small-volume sample batches to support customer testing and evaluation. Following successful trials, the customer has continued to increase order volumes in line with their operational requirements and is now using approximately two sensors per week as part of their routine production process.

Our Specialist Company Portfolio continued

▲ MPB Industries flow transmitters



▲ PRP Optoelectronics reticule display

MPB

MPB Industries ('MPB') designs and manufactures flowmeters, flow alarms, flow indicators, flow switches, calibration cylinders and sight glasses for the measurement of liquids and gases by well-known industrial and scientific users. Based in East Peckham, UK, MPB operates across a broad range of applications including water treatment, oil and gas production, medical ventilators, medical anaesthesia and scientific analysis.

Peak

Peak Sensors is a leading UK manufacturer of temperature sensors, specialising in standard and bespoke thermocouples and resistance thermometers which are used in various industries, including glass, ceramic, incinerators (including energy from waste), cement and ovens. Peak exports to more than 85 countries in six continents.

Sentek

Sentek manufactures and markets off-the-shelf and custom-made reusable and single-use electrochemical sensors for use in laboratory analysis, food, beverage, pharmaceutical and personal care manufacturing, as well as the leisure industry. The company, based principally in Braintree, Essex, serves global markets and has long-term contracts to supply sensors for use in vaccine and biologics production to two major life science companies.

PRP Optoelectronics

PRP Optoelectronics offers complete in-house design, development and manufacturing capabilities for a range of custom micro LEDs, LED light engines and display applications for the defence, industrial and consumer sectors. Specialist LED arrays are manufactured and used in a variety of optoelectronic systems including optical sight reticule displays, imaging systems and high density print heads.

Case Study

flightDAQ2 sales to Airbus Spain

Chell Instruments
› chell.co.uk

Chell has secured an order for 17 flightDAQ2 units to be used in a series of flight tests with the Airbus A330 Multi Role Tanker Transport ('MRTT'). The unique features of the Chell flightDAQ2 – absolute pressure measurement, IENA (Airbus specific) comms protocol and, importantly, the electric valve that facilitates purge in flight – make it a natural choice.

Chell Develops the 2401/2402 Pressure Standards

As a companion product for the Chell 2416 pressure scanners, we have developed a pressure standard to measure critical pressures (usually barometric) with the test cell environment. This increases the accuracy of primary measurements such as air mass flow and specific fuel consumption ('SFC').

Our Specialist Company Portfolio continued

The companies within SDI Group are at the forefront of scientific and technological innovation, addressing key challenges within their own niche markets.

Industrial & Scientific Products

Fraser Anti-Static Techniques
> fraser-antistatic.com

Atik Cameras
> atik-cameras.com

Applied Thermal Control
> app-therm.com

Graticules Optics
> graticulesoptics.com

Scientific Vacuum Systems
> svs.co.uk

InspecVision
> inspecvision.com

Collins Walker
> collins-walker.co.uk

Segment Revenue

£26.6m

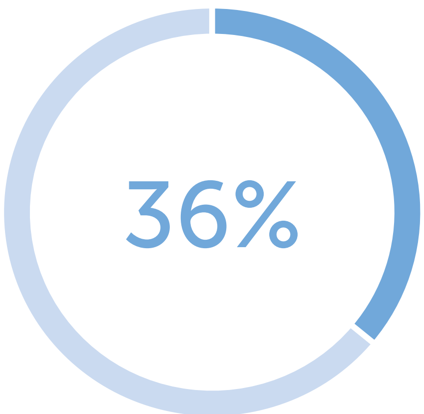
FY25: £25.1m

Segment Adj. EBIT*

£6.1m

FY25: £5.0m

Contribution to Revenue



* Before share-based payments, acquisition costs, reorganisation costs and amortisation of acquired intangible assets.

ATC

Applied Thermal Control ('ATC') is based in Barrow upon Soar, Leicestershire. ATC designs, manufactures and supplies a range of chillers, coolers and heat exchangers used within scientific and medical instruments, and manufacturing processes.

Atik

Atik Cameras has been at the forefront of imaging innovation for over 20 years, transforming how scientists, researchers and enthusiasts capture the invisible. The company designs specialised cameras for the most challenging low light environments across astrophotography, life sciences and industrial applications.

Case Study

From consolidation to scalable growth

Atik Cameras has moved from a period of post-COVID operational disruption to a more focused, consolidated and higher performing business.

Atik Cameras
atik-cameras.com

A key step was the consolidation of operations in Portugal, bringing R&D, Production, Logistics, Finance, Sales and Marketing into a more integrated structure. This created a stronger operating platform, improved collaboration between teams and shortened the feedback loop between product development and manufacturing.

The result is a leaner business with stronger alignment between commercial opportunities, technical execution and operational delivery. This transformation is reflected in Atik's performance between 2024 and 2026, when revenue increased by approximately 61.5%, while the average number of employees decreased by approximately 25.7%. Revenue per employee increased by approximately 117.3%, reflecting improved productivity, focus and operational efficiency.

Operational excellence remains a core enabler. From ISO 9001 and ISO 14001 accredited facilities in Portugal, Atik has demonstrated the ability to scale production to more than 500 cameras per week during peak periods while maintaining a rejection rate of only 0.36%.

Growth in 2026 was driven particularly by space domain awareness ('SDA') and scientific space applications ('SSA'), including the Dragonfly Array programme, for which Atik supplied more than 1,000 scientific-grade CMOS cameras. Life sciences remained a strategic pillar, supported by a decade-long partnership with a major global instrument manufacturer and by the annual supply of approximately 800 cameras.

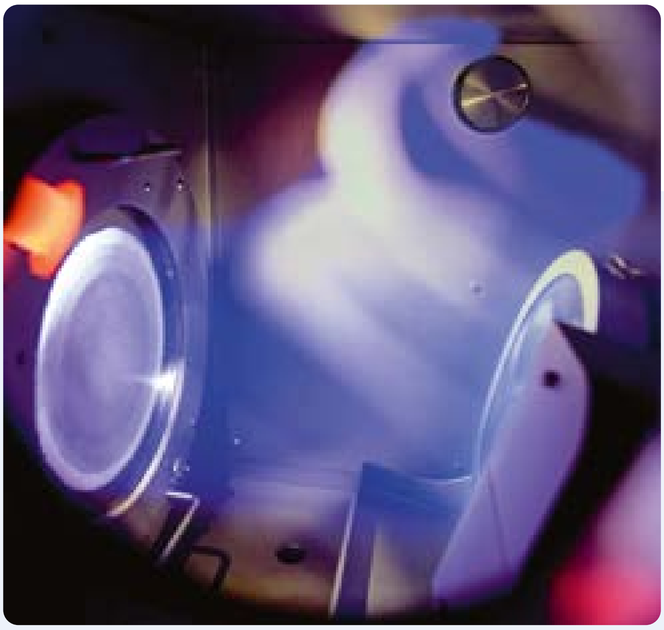
The transition from CCD to CMOS created some short-term pressure in life sciences, as customers took longer to move to new platforms. This transition is expected to stabilise from Q1 2027. To further strengthen this pillar, Atik engaged an experienced life sciences consultant to support technical alignment, market positioning and go-to-market focus. This additional expertise will help refine Atik's value proposition, accelerate penetration in targeted applications and support the transition to CMOS-based platforms.

Looking ahead, Atik is positioned for platform-led growth across SDA/SSA, life sciences and art and conservation .

Outlook

The next phase is focused on predictable, platform-led growth, reducing reliance on one-off projects while scaling validated technologies and long-term customer partnerships.

Our Specialist Company Portfolio continued



▲ Scientific Vacuum Systems ion beam milling

▲ Graticule Optics reticules

Fraser

Fraser Anti-Static Techniques ('Fraser') is one of the leading global manufacturers of static control technology that eliminates, cleans, generates or measures static in a variety of industries including plastics, packaging, printing, food processing, medical and pharma amongst others. Fraser's products fall into two main categories: advanced 24V DC and conventional AC static control and generation.

The business has sites in Bampton, Devon and Bristol as well as sales offices in Shanghai, China.

Graticules

With more than 70 years' experience, Graticules Optics is a proven world-class designer and manufacturer of precision micropattern products. It specialises in providing standard and custom solutions to the worldwide market, working closely with its customers to achieve complete satisfaction.

Graticules Optics, based in Tonbridge, Kent, is unique in offering photolithographic products on glass, film and metal foil, with coatings, laser marking, cementing, mounting and small optical assembly capabilities.

SVS

Scientific Vacuum Systems ('SVS') specialises in Physical Vapour Deposition systems for the deposition of thin film coatings typically on semiconductor wafers, for use in scientific research, industrial and semiconductor manufacturing applications. SVS is a market leader in the manufacture of production sputter coaters for premium brand razor blade coating.

InspecVision

Established in 2003, InspecVision provides precision measurement machinery for smart manufacturing, automated inspection and reverse engineering. Utilising artificial intelligence and machine learning, its focus is in the high value metrology market and it has a global, blue-chip customer base. InspecVision products are now sold in over 30 countries worldwide. It is based in a 20,400 sq. ft. site in Newtownabbey, Northern Ireland.

Collins Walker

Established in 1972, Collins Walker provides industrial scale electric boilers, for steam and hot water applications, utilising electrode and immersion element technologies. Collins Walker's route to market is boosted by net zero regulations, within energy-intensive, high growth industrial applications, encompassing steam production and hot water for sectors such as healthcare, industrial processing, distillation, brewing, commercial buildings and distributed heating applications.

Employee Spotlight

Q&A with Tilly

Tilly Knight
Junior Sales Engineer at Graticules Optics

Q How long have you worked at the company and what brought you here?

I joined Graticules in June 2021 after seeing a part-time administration role that offered the flexibility I was looking for around my children's school hours. It was a great opportunity to balance my family commitments while developing my skills in an administrative role.

Q How has your role evolved since you started?

I started at Graticules as a part-time Sales Administrator before progressing into my current full-time role as a Sales Engineer. Over the years, my responsibilities have grown significantly, and I now act as a key point of contact between customers, management and internal departments. My role involves providing customers with technical support and ensuring clear communication across teams to deliver the best possible solutions for our customers. The progression has given me the opportunity to develop both my technical knowledge and my confidence in managing customer relationships.

Q What does your job entail?

As a Sales Engineer, my role is very varied. I qualify and process customer enquiries for both standard and custom components, working closely with our production team to develop practical, manufacturable solutions that meet our customers' specific requirements. I also focus on identifying and developing opportunities within both existing and new markets, helping to grow the business. In addition to my sales responsibilities, I manage our social media channels, creating content that promotes our products, showcases our capabilities and helps strengthen our brand presence.

Q What do you love about your job?

What I enjoy most about my job is that no two days are ever the same. Every customer has different requirements and unique challenges, so I enjoy working with them to understand their needs and finding the best possible solution. I find it really rewarding to investigate different approaches, collaborate with our production team and help turn a customer's idea into a practical, manufacturable product.

Q Looking ahead what excites you most about the future at Graticules?

I'm excited about the opportunities ahead as Graticules continues to grow and innovate. Being involved in the development of new products and exploring new business opportunities is something I find particularly rewarding. I'm also looking forward to helping expand our presence in new markets while continuing to develop my own skills and contribute to the company's ongoing success.

Q Can you share a particular challenge that you face and how people within your business are helping you to overcome it?

One of the biggest challenges I've faced has been transitioning from an administrative role into a much more technical environment. To give customers confidence in both myself and Graticules, it's important that I have a thorough understanding of our manufacturing processes and product capabilities, and the options available to meet their specific requirements. Equally, understanding the limitations and potential challenges allows me to provide realistic, effective solutions.

The support I've received from the team has been invaluable throughout this journey. Our production and sales management teams have always been willing to share their knowledge, answer questions and help me develop my technical understanding. Their guidance has given me the confidence to continue learning and to provide customers with informed advice and the best possible solutions for their needs.

Q What effect on Graticules do you see in your role from being part of the SDI Group?

Being part of the SDI Group has had a positive impact on my role at Graticules by providing greater opportunities for growth, innovation and collaboration. Access to new technologies, expertise and resources enables us to continue developing our products and capabilities in the market. It's exciting to be part of a group in a role that supports long-term development and creates opportunities for both the business and its employees.

The SDI Group's marketing initiative has also been a fantastic source of support, providing valuable guidance, training and workshops. These have given me practical knowledge and new techniques that I have been able to implement, helping to strengthen our marketing activities and enhance our brand presence.

Chairman's Statement
for the year ended 30 April 2026

Scaling our platform for compounding growth

Ken Ford
Chairman

On behalf of the Board, I am pleased to present the Annual Report and Accounts for SDI Group plc ('SDI') for the financial year ended 30 April 2026. This has been a positive year for the Group, characterised by robust execution, investment in the operational and commercial capabilities of our businesses, and the successful scaling of our compounding buy and build strategy.

Delivering both organic and inorganic growth is the driving force of our decentralised model. This model empowers our subsidiaries with autonomy while providing them with the financial and strategic support of the Group. We have expanded our market footprint and deepened our operational capabilities across the year, which has yielded excellent results across all three of our divisions.

> "We have expanded our market footprint and deepened our operational capabilities across the year, which has yielded excellent results across all three of our divisions."

Delivering on Our Strategy

During the year, we executed two earnings-enhancing acquisitions that perfectly align with our strict criteria of targeting profitable, niche technology manufacturers.

In June 2025, we welcomed Severn Thermal Solutions Limited, bringing exposure to advanced material processing within the nuclear and aerospace sectors. This was followed in February 2026 by the acquisition of PRP Optoelectronics Limited, a pivotal move that solidifies our presence in the high performance avionics and defence markets. Both businesses have been smoothly incorporated into the Group.

While future acquisitions will, where possible, be funded by earnings and cash flows from our existing businesses, we renewed and expanded our borrowing facilities during the year, securing a three-year £25m revolving credit facility with HSBC, alongside a £15m accordion option. This optimised capital structure ensures our acquisition pipeline remains fully supported and we have the necessary runway to execute upon future opportunities.

We also remain focused on continuing to deliver our clear organic growth strategy, and the 7.6% revenue increase achieved in the second half of the year demonstrates momentum building in the business. To ensure we maintain the right level of operating capital and funding available for acquisitions, the Board has again decided not to pay a dividend to ordinary shareholders on the share register this financial year but will keep this under review.

> The Board remains highly confident in SDI's strategy, trajectory and ability to deliver compounded, long-term value for our shareholders."

Board

The composition of the Board remained unchanged during the period. Post-year end, David Tilston announced he would be stepping down as a non-executive director in line with corporate governance best practice as he approached his maximum tenure and he leaves the business at the end of July. Mark Fryer was subsequently appointed independent non-executive director and joined the business on 16 July 2026. Mark will assume the role of Chair of the Audit Committee from 1 August 2026. We would like to thank David for his contributions to SDI and wish him all the best for the future.

We remain focused on ensuring the Board is equipped with the rigorous strategic, financial and M&A expertise required to govern a fast-growing, AIM-quoted, serial acquirer. Furthermore, we remain deeply committed to our ESG responsibilities, continually evaluating how our operations and the technologies we manufacture can positively impact our environment and society.

Our People

Delivering growth for SDI Group is ultimately a testament to the more than 550 individuals employed across our 19 locations in the UK and internationally. The entrepreneurial tenacity displayed by our subsidiary leadership teams, and the operational excellence of their staff, is the driver of our success. On behalf of the Board, I extend my deepest gratitude to all our colleagues for their exceptional contributions this year.

Outlook

We enter the new financial year with strong momentum and a great platform for continued growth. Our portfolio companies are securing high profile international contracts, cross-Group synergies are beginning to materialise and our acquisition pipeline is healthy. The Board remains highly confident in SDI's strategy, trajectory and ability to deliver compounded, long-term value for our shareholders.

Ken Ford
Chairman
29 July 2026

▶ Atik Cameras

Chief Executive Officer's Report
for the year ended 30 April 2026

A year of real momentum for SDI Group

Stephen Brown
Chief Executive Officer

Overview

This financial year has been one of real momentum for SDI Group, as we start to see the benefits of our strategic focus over the past two years. We have moved beyond simply proving the resilience of our model to delivering growth by proactively driving operational and commercial excellence, fostering internal synergies and accelerating our market reach.

To support this, we expanded the Group-level management team this year, to strengthen our capacity for portfolio management and organic growth. This enhanced leadership structure has already proven instrumental in facilitating cross-Group knowledge sharing and unlocking collaborative commercial opportunities. Following the integration of Collins Walker into LTE Scientific at the end of the year, we now operate 17 established businesses worldwide, exporting an estimated 70% of our highly specialised products to international markets.

I am proud to be able to report on the positive momentum and our achievements this year. They are testament to our decentralised and entrepreneurial business model, our clear strategy for growth and our excellent teams across the Group.

"We have moved beyond simply proving the resilience of our model to delivering growth by proactively driving operational and commercial excellence, fostering internal synergies and accelerating our market reach."

Operational Review

Our portfolio businesses are grouped into three divisions: Industrial & Scientific Sensors ('Sensors'), Laboratory Equipment ('Laboratory') and Industrial & Scientific Products ('Products').

Industrial & Scientific Sensors

MPB Industries ('MPB'), Sentek, Peak Sensors ('Peak'), Chell Instruments ('Chell'), Astles Control Systems ('Astles') and PRP Optoelectronics ('PRP')

Revenues in the Sensors division increased 22.9% to £20.9m (FY25: £17.0m).

Our Sensors portfolio continues to penetrate the highest tiers of global manufacturing in prestigious industries like medical, water, process, food and beverage, aerospace, defence, avionics and motorsport. Chell enjoyed a phenomenal year; it expanded its dominance in Formula One to supply 10 of the 11 teams following the addition of Cadillac, whilst simultaneously securing aerospace contracts for the Tempest aircraft programme and HALO Space's near-space testing. Chell also executed on a £0.9m contract to supply testing machines and support equipment to a leading gas meter manufacturer's new production facility, as well as delivering a bespoke designed Q-DAQ scanner variant to a major UK-based aero engine manufacturer.

Sentek successfully secured a £2.1m contract with a multinational industrial client for custom electrochemical sensors. It has partnered with this customer for several years, reflecting the quality of both Sentek's products and customer service offering. Sentek also received annual orders totalling £0.8m from a large OEM for pH electrodes used in drug discovery applications.

MPB launched a new addition to its flowmeters and control instrumentation products, the Long Series 1200 Flowmeter. This delivers instantaneous flow rate measurement for virtually any process gas or liquid, with applications across multiple markets including medical and aviation.

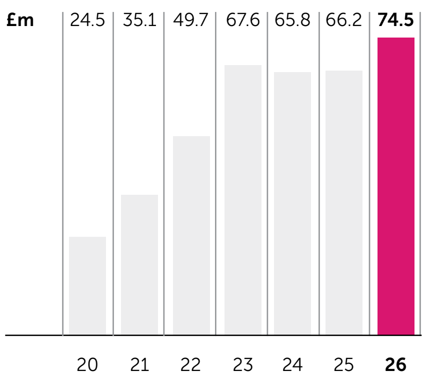
The division was further bolstered by the addition of PRP in February 2026, deepening exposure in aerospace and defence, both high barrier and growth markets.

▶ Atik Cameras

Total Revenue

£74.5m

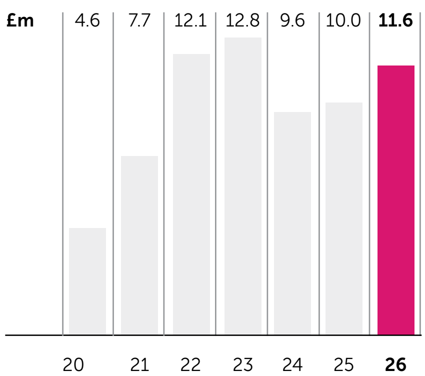
in 2026



Adjusted EBIT*

£11.6m

in 2026



Laboratory Equipment

Monmouth Scientific ('Monmouth'), Safelab Systems ('Safelab'), Synoptics, LTE Scientific ('LTE') and Severn Thermal Solutions ('Severn')

Revenues in the Laboratory division increased 12.4% to £27.0m (FY25: £24.0m).

This division demonstrated excellent commercial traction, driven by substantial contract wins and product innovation. Safelab secured a major £1.3m government contract to supply over 100 Airone XP4 fume cupboards to the defence industry, alongside a significant HEB2 higher education contract win in Ireland to be executed in FY27. It also recently launched the new Airone C700 recirculating fume cupboard, a compact solution designed for university laboratories, R&D facilities, pharmaceutical labs and industrial testing environments.

Monmouth expanded its capabilities by forming an exclusive partnership with IMeBIO for mobile modular cleanrooms and biocontainment laboratories. The partnership opens up new markets to Monmouth, with the mobile cleanrooms able to be installed in just five hours, allowing organisations to respond quickly to urgent research or biocontainment needs. Monmouth has also successfully delivered a 1,700 sq. ft. ISO Class 8 cleanroom for Parker Hannifin, demonstrating the scalability of its solutions.

Severn proved its technological pedigree by developing a new vacuum furnace alongside the UK Atomic Energy Authority (the 'Authority'), followed by an order from the Authority for three furnaces. This new market is showing strong potential.

LTE, the manufacturer and supplier of laboratory and medical equipment, received a bulk order for bespoke drying cabinets for a major client, demonstrating the importance of its solutions to customers. The units have been designed to be flexible, stand-alone solutions for use across multiple rooms.

* Before share-based payments, acquisition costs, reorganisation costs and amortisation of acquired intangible assets.

Chief Executive Officer's Report continued
for the year ended 30 April 2026

Operational Review continued
Industrial & Scientific Products
Fraser Anti-Static Techniques ('Fraser'), Atik Cameras ('Atik'), Applied Thermal Control ('ATC'), Graticules Optics, Scientific Vacuum Systems ('SVS'), InspecVision and Collins Walker

Revenues in the Products division increased 5.6% to £26.6m (FY25: £25.1m).

Innovation and international expansion defined this division's year. Atik, leveraging further strong penetration in the space domain awareness ('SDA') industry, won a pivotal integration into the Modular Optical Telephoto Hyperspectral Robotic Array ('MOTHRA') all-lens telescope project for deep-space observation. The project aims to construct the world's largest all-lens telescope, with capabilities exceeding those of any existing telescope on Earth or in space. This was one example of its growing traction within adjacent markets, driven by its passion for developing groundbreaking products that its customers require.

InspecVision continued to gain traction in North America, completing installations in key multinational companies across the aerospace, e-commerce and industrial manufacturing sectors, as well as expanding its customer base with new contracts in the UK and the Netherlands. It received the 'Best Award 2025 for Innovation' at the industry leading Blechexpo International Trade Fair for its AI-powered guidance and verification system.

SVS also demonstrated the stickiness of its customer relationships by securing, amongst others, a £2.2m contract with a leading global consumer brand which has been a long-term customer.

Fraser has continued its contract momentum from both existing and new customers, in particular seeing increased order activity from South Korea, a key market and high quality base for industrial manufacturing.

Organic Growth Initiatives
A core pillar of our growth strategy remains the extraction of tangible value from our Group network, and this year we made excellent progress in driving internal technical synergies.

Demonstrating this collaborative approach, Monmouth partnered with Fraser to co-develop advanced static control systems for a new Circulaire® Powder Containment Cabinet ('PCC') Pro. By integrating Fraser's X-12 ioniser bar directly into the cabinet design, Monmouth has successfully addressed a critical industry challenge – electrostatic charge in fine powder handling – to deliver vastly superior process consistency and precision weighing stability for our customers.

Compounding these cross-divisional wins, Severn has actively aligned its procurement with our internal capabilities, sourcing high efficiency chillers directly from ATC. These initiatives perfectly illustrate the operational and commercial advantages of the SDI Group framework, leveraging shared expertise to accelerate product innovation while keeping high value manufacturing spend within the Group.

Beyond individual product collaborations, our focus this year has been firmly on driving Group-level organic growth through cross-business operational excellence and shared market access. To build a more resilient and scalable infrastructure, we have invested in modern ERP systems at Fraser and Peak, establishing a digital blueprint whose operational learnings will actively benefit the wider Group. This is matched by our sustained commitment to R&D, where targeted investment is converting past innovation into tangible commercial success, with revenues now being generated from the product lines launched last year.

Crucially, we continue to leverage the collective strength of our portfolio to unlock new markets. A prime example of this unified approach was our second appearance as a collective at Lab Innovations, again bringing five of our businesses together under a single banner to showcase an integrated product offering at the UK's leading event dedicated to the laboratory community. Similarly, Fraser and InspecVision are actively collaborating to penetrate the automotive sector and open up new targeted geographic corridors. Supporting all of these initiatives is a vastly improved framework for knowledge sharing, championing 'the sum of our parts' philosophy.

Our Group marketing function, established last year, has already driven major digital transformations, delivering new websites and successful rebranding initiatives across six portfolio companies, most prominently at Monmouth, Atik and Collins Walker.

Inorganic Growth

Our stringent acquisition criteria remain unchanged: we seek earnings-enhancing, cash-generative manufacturing businesses occupying scientific or industrial niches. During FY26, we deployed capital into two highly strategic additions:

Severn Thermal Solutions (acquired June 2025): Acquired for a net consideration of £4.8m, this Dursley-based manufacturer of high temperature furnaces and environmental chambers immediately enhanced our Laboratory Equipment division. It serves blue-chip clients in the nuclear, semiconductor and aerospace sectors.

PRP Optoelectronics (acquired February 2026): Acquired for a total consideration of £9.3m. After retaining £0.7m for working capital, the net consideration was £8.6m. This was settled through initial net cash payments of £7.9m, with the remaining £0.7m paid shortly after year end. This Swindon-based business designs and manufactures custom high performance microLEDs. Sitting within our Sensors division, PRP represents a strategic leap into the high barrier avionics market, supplying mission-critical components for platforms including the Eurofighter Typhoon, the F-16 and the F-22 Raptor.

We continue to actively evaluate potential acquisitions and remain highly confident in our strong pipeline of opportunities.

People

A key component of our long-term people strategy is a focus on fostering internal talent and developing the next generation of business leaders. This year, we were delighted to sponsor five of our colleagues onto Level 6 CMI (Chartered Management Institute) apprenticeships, a rigorous professional pathway that ultimately leads to an MBA.

Representing a cross-section of our portfolio, with rising leaders selected from Safelab, Monmouth, LTE, Synoptics and Sentek, this initiative ensures our individual businesses are equipped with world-class operational and strategic management capabilities. By investing deeply in these individuals today, we are actively shaping the future leadership across the Group and reinforcing our commitment to organic career progression.

As always, the success of SDI Group is a direct result of the dedication, expertise and entrepreneurial spirit of our people. I want to extend my sincere thanks to all our colleagues for their hard work and commitment throughout the year. It is their contributions that drive our innovation and are fundamental to delivering value to our customers and shareholders.

Outlook

SDI Group is a more capable, interconnected and dynamic enterprise today than it was 12 months ago. We continue to leverage our expanded management bandwidth to drive operational excellence, promote cross-selling synergies and invest in R&D.

With a renewed debt facility providing significant firepower, we are actively managing a robust pipeline of earnings-enhancing acquisition targets. Backed by a strong order book and the positive momentum generated by our total 7.6% H2 organic growth, we expect our FY27 performance to be in line with market expectations, and remain confident that we will deliver sustainable, compounding and long-term value for all our shareholders.

Stephen Brown
Chief Executive Officer
29 July 2026

Brand & Marketing Programme

As part of SDI Group's commitment to supporting its portfolio companies, the Brand & Marketing Support Programme provides marketing professionals and business leaders across the Group with access to resources, expertise, training and peer-to-peer collaboration.

Supporting Growth through Collaboration

Anna Brown, Marketing and Commercial Manager at Sentek, and Michael Skidmore, Marketing Manager at Monmouth Scientific, jointly lead the programme on behalf of the Group.

Q Can you describe the role of the Group Marketing Hub and how it supports businesses across the portfolio?

The Group Marketing Hub acts as a central resource and communication platform for marketing professionals and business leaders across SDI Group. With businesses operating at different stages of marketing maturity and with varying levels of resource, the hub provides a shared space where individuals can access training materials, resources, workshops and support.

Importantly, it also helps connect people. By bringing together marketers and non-marketers from across the Group, the hub creates opportunities to share knowledge, discuss challenges and learn from one another. This stronger communication network helps businesses benefit from collective expertise while remaining focused on their own objectives.

Q How do you work with portfolio companies to understand their individual needs and tailor support accordingly?

At the start of the programme, we conducted individual discovery sessions with each business to understand their current marketing capabilities, challenges, priorities and existing tools. Given the diversity of companies within the Group, it was important to gain a clear picture of where support would be most valuable.

The feedback gathered is consolidated into both individual and Group-wide reports, allowing us to identify common themes and opportunities. This insight informs the resources we develop, the workshops we organise and the external expertise we bring into the programme.

We also maintain regular communication through drop-in sessions and ongoing feedback channels. These touchpoints allow us to monitor emerging challenges, identify new opportunities and ensure the programme continues to evolve in line with the needs of participating businesses.

Q How do you share resources and best practice across the Group?

The Marketing Hub serves as the primary platform for sharing resources, guidance and best practice. Insights gathered from portfolio companies help shape a programme of workshops and training sessions delivered by specialist external speakers, giving participants access to industry expertise and practical marketing knowledge.

Alongside formal training, the hub includes a community space where members can ask questions, share experiences and recommend useful resources. This encourages peer-to-peer learning and helps businesses benefit from the collective experience of the wider Group.

We have also developed a directory of trusted marketing and digital agency partners used across the portfolio. This provides businesses with access to vetted suppliers, while in some cases leveraging Group purchasing power to secure favourable pricing arrangements.

How has access to the Marketing Hub benefited businesses across the Group?

One of the most significant benefits has been improved communication and collaboration between businesses. While annual meetings previously provided opportunities to connect, the hub, workshops and regular drop-in sessions have created far more frequent interaction.

This has enabled participants to exchange ideas, seek advice and share solutions to common challenges. For businesses with dedicated marketing teams, it provides additional perspectives and expertise. For companies where marketing responsibilities sit alongside other roles, it offers valuable support, professional development and confidence-building opportunities.

Access to specialist workshops has also helped participants strengthen their marketing knowledge and apply new ideas within their own organisations, contributing to stronger business development activity across the Group.

What are the benefits of bringing portfolio businesses together through marketing events and initiatives?

Bringing businesses together creates opportunities for collaboration that might not otherwise exist. Many SDI Group companies operate in highly specialised and technical sectors, which can present unique marketing challenges. Having access to peers facing similar issues creates a valuable support network where ideas, experiences and solutions can be shared openly.

For individuals working as sole marketers, or for those whose primary role is not marketing, access to a wider community of professionals with different skill sets and experience levels can be particularly beneficial. It provides a trusted environment for learning, problem solving and development.

The success of the programme has reinforced the value of these connections, leading to an expansion of workshops, events and collaborative opportunities across the Group.

How is the programme continuing to evolve?

Continuous improvement is a key focus of the programme. A regular newsletter keeps participants informed about upcoming events, new resources and relevant marketing developments, helping maintain engagement and knowledge sharing across the network.

To better measure impact, we have introduced quarterly questionnaires that track key marketing metrics and confidence in implementing marketing initiatives. These insights help us evaluate the effectiveness of the programme while ensuring future support remains aligned with participant needs.

We are also introducing targeted surveys and polls to gather more detailed feedback on communication preferences, resource requirements and future areas of interest. This ongoing dialogue ensures the programme remains relevant, responsive and tailored to the evolving needs of SDI Group's portfolio companies.

By combining shared resources, specialist expertise and a collaborative community, the Brand & Marketing Support Programme is helping businesses across SDI Group strengthen their marketing capabilities, build valuable connections and support long-term growth.

Chief Financial Officer's Report
for the year ended 30 April 2026

New debt facility provides significant firepower

Amitabh Sharma
Chief Financial Officer

Revenue and Profits

SDI Group revenues increased by 12.6% to £74.5m in FY26 (FY25: £66.2m). There were two acquisitions over the period, Severn, which was acquired in June 2025, and PRP, which joined the Group in mid-February 2026. Severn and PRP, together with the new acquisitions made in FY25, InspecVision and Collins Walker, contributed inorganic revenues of £4.7m (7.1%). Excluding these revenues, organic revenues increased 5.3% on a constant currency basis, 5.5% (£3.65m) in absolute terms. Organic growth was particularly strong over the second half of the year, with the Group achieving 6.7% in growth on a constant currency basis, 7.6% in absolute terms.

Gross profit (on materials only) increased to £49.2m (FY25: £42.9m) whilst gross margins improved to 66.0% (FY25: 64.9%). On a like-for-like basis (including prior year acquisitions from the anniversary of the transaction), gross margins increased from 64.9% to 65.7%, a very good result. The Group's cost base increased organically, driven by several factors. These included the full-year impact of increases in National Insurance contributions and the National Minimum Wage as well as apprenticeship levy charges, which raised operating costs. The Group also invested in additional management resources to increase capacity and support the execution of its organic growth strategy. In addition, the Group's improved performance resulted in a higher bonus provision.

Adjusted operating profit grew, pleasingly, by 16.1% to £11.6m (FY25: £10.0m), being operating profit before share-based payments, acquisition costs, reorganisation costs and amortisation of acquired intangible assets. Net adjusted operating margins improved to 15.5% from 15.0% in FY25. This was due to the mix effect from the higher net margin acquisitions, improved profitability at Atik and better margins and cost control at Fraser.

Looking at divisional performance, on a reported basis, the Industrial & Scientific Sensors ('Sensors') division revenues grew by 22.9% to £20.9m (FY25: £17.0m), with momentum increasing over the second half of the year. PRP joined the Sensors division in February 2026. Adjusting for PRP's contribution, Sensors achieved 15.4% organic revenue growth. Chell had an excellent year, delivering most of a £0.9m contract with a leading manufacturer. Sentek saw strong growth, with its large OEM customers increasing their demand. Peak had a successful year, with projects in the glass industry driving growth. Astles saw increased demand for chemical dosing systems. Net operating margins of 25.1% compared to 26.4% in FY25.

The Laboratory Equipment ('Laboratory') division revenues grew by 12.4% to £27.0m compared to FY25 (£24.0m). Severn joined the Laboratory division in June 2025. Adjusting for Severn's contribution, the division saw organic revenue growth of 4.8%. Safelab had a very good year as it executed a large contract for a UK government customer. Monmouth improved cleanroom sales and LTE increased sales across its product range. Synoptics continued to see a slower life sciences market. Margins of 11.3% in FY25 improved to 13.0% in FY26.

The Industrial & Scientific Products ('Products') division saw revenues increase by 5.6% to £26.6m (FY25: £25.1m). This included a full year's contribution from InspecVision, which joined the Group in October 2024, and Collins Walker which was acquired in April 2025. Adjusting for this, the organic growth in the Products division was broadly flat, with a small reduction of 0.5%. Atik performed very strongly, increasing revenues and profits, as it executed a $4m professional astronomy contract. Improved cost control and margins at Fraser led to increased profitability in a flat market. SVS saw a much slower period than last year due to the comparative period including the production of two systems, compared to one for much of FY26. A significant contract totalling £2.2m was won towards the end of the financial year, most of which is to be delivered across FY27. ATC continued to experience a chiller market slow-down, largely due to regulatory changes relating to bans in refrigerant fluorinated gases ('F-gases'), with new ATC products being released to market to address these changes. Margins in this division improved from 19.8% to 23.0%.

	2026 Total £'000	2025 Total £'000
Revenue		
Industrial & Scientific Products	**26,553**	25,135
Industrial & Scientific Sensors	**20,940**	17,035
Laboratory Equipment	**26,996**	24,007
Group	**74,489**	66,177
Adjusted operating profit		
Industrial & Scientific Products	**6,099**	4,950
Industrial & Scientific Sensors	**5,253**	4,493
Laboratory Equipment	**3,505**	2,703
Central costs	**(3,295)**	(2,189)
Group	**11,562**	9,957

Reported operating profit increased to £8.2m (FY25: £6.9m) due to the improved underlying profitability this financial year.

Reorganisation Costs

During the period, the Group incurred £0.4m (FY25: £0.4m) in one-off costs largely relating to specific senior role changes.

Dividends

As noted in the Chairman's statement, there was no dividend payable to ordinary shareholders on the share register this financial year.

Intangible Assets (Excluding R&D)

Intangible assets increased by £13.8m from £48.0m to £61.8m at the end of FY26. Gross intangible assets (excluding R&D) grew by £15.4m as a result of the two acquisitions in the year: Severn (£5.5m) and PRP (£9.9m). Amortisation of £2.3m was charged in the period (FY25: £1.7m) against customer relationships, trade names and other intangible assets. The £15.4m in increased intangible cost was split as follows: £7.5m goodwill, £6.0m customer relationships, £1.7m order book related and £0.2m other intangible assets.

Investment in R&D

Under IFRS we are required to capitalise certain development expenditure, and in the year ended 30 April 2026, £1.1m (FY25: £0.6m) of cost was capitalised. Much of the work of our R&D teams does not qualify for capitalisation and is charged directly to expense. Amortisation for FY26 was £0.4m (FY25: £0.3m). The carrying value of the capitalised development at 30 April 2026 was £2.2m (FY25: £1.5m) to be amortised over three to five years.

"

Adjusted operating profit grew, pleasingly, by 16.1% to £11.6m (FY25: £10.0m)."

Parent Company

In accordance with IFRS requirements, the Parent company has carried out a review of the carrying value of investments in subsidiaries, as well as the recoverability of intercompany account balances at year end. Having completed the impairment reviews, the Parent company has booked a total impairment of £1.1m against the carrying value of Monmouth. This does not impact upon the Group's reported results.

Interest Payable

Interest charges for the year increased to £1.6m (FY25: £1.5m). This small increase was due to the higher levels of debt through the year, but with lower rates of interest.

Taxation

The taxation charge for the year was £1.6m (FY25: £1.4m) representing an effective tax rate of 24.8% compared to 26.1% in FY25. The effective tax rate on adjusted PBT was similar to last year at 22.7% (FY25: 22.7%). The Group continues to benefit from R&D tax credits.

Earnings per Share

Adjusted diluted EPS, an alternative performance measure which excludes certain non-cash and non-recurring expenses, was 7.17p (FY25: 6.18p), an increase of 16.0%. The diluted earnings per share for the Group increased 20.5% to 4.59p (FY25: 3.81p).

Cash Flow and Working Capital

Cash generated from operations reached £10.2m in FY26 compared to £12.9m in FY25. This was due to a £3.1m increase in working capital, compared to a £1.3m reduction the previous financial year. Trade debtors increased by £1.5m (and trade creditors by £0.6m) due to significant activity over the last two months of the financial year. Inventories increased by £1.0m across several businesses, with the largest increases at Atik and Monmouth. Other debtors/creditors rose by a net £1.1m, the largest component being £0.5m relating to SVS's ongoing long-term contract with a UK government customer, which should be received in FY27. The FY25 year end was an unusually low working capital position for the Group.

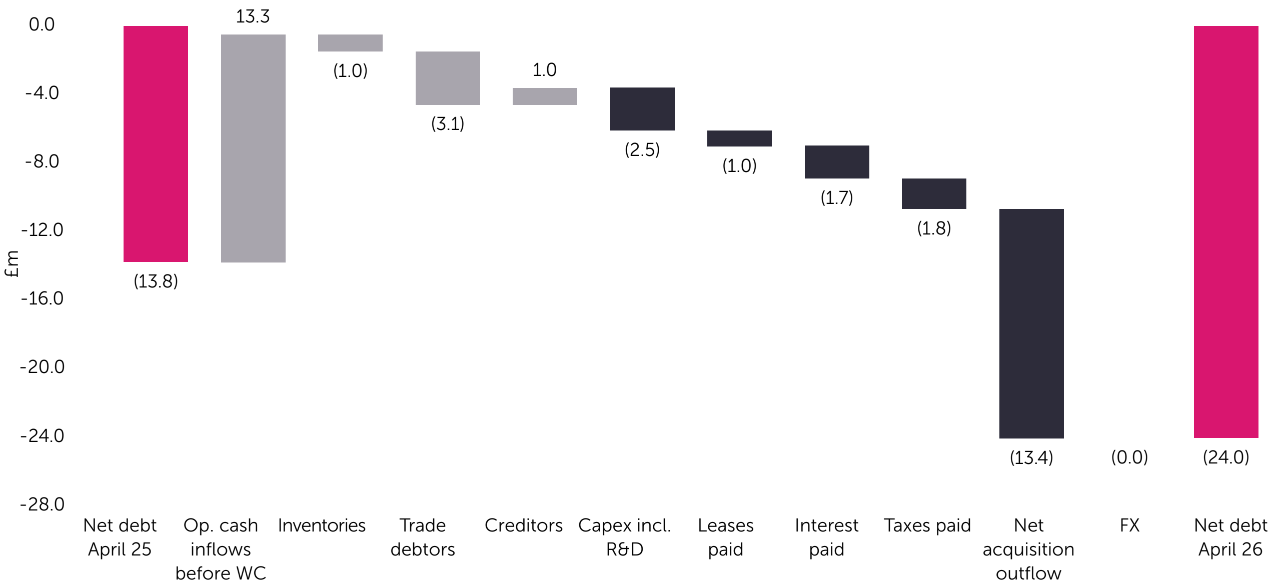
Taxes paid reduced to £1.8m (FY25: £2.1m).

Our investment in fixed assets (excluding for acquisitions) increased to £1.45m (FY25: £1.2m), remaining at circa 2% of revenues.

Acquisition of new businesses remains our largest cash outlay, with £12.7m deployed on a cash-free basis (FY25: £7.3m, net of loans repaid). Of this, £7.9m related to PRP and £4.8m to Severn. Deferred consideration of £0.7m (FY25: £0.6m) was outstanding at the end of FY26, relating to the February 2026 acquisition of PRP. This was paid in May 2026.

Chief Financial Officer's Report continued
for the year ended 30 April 2026

Net Debt Bridge



Funding

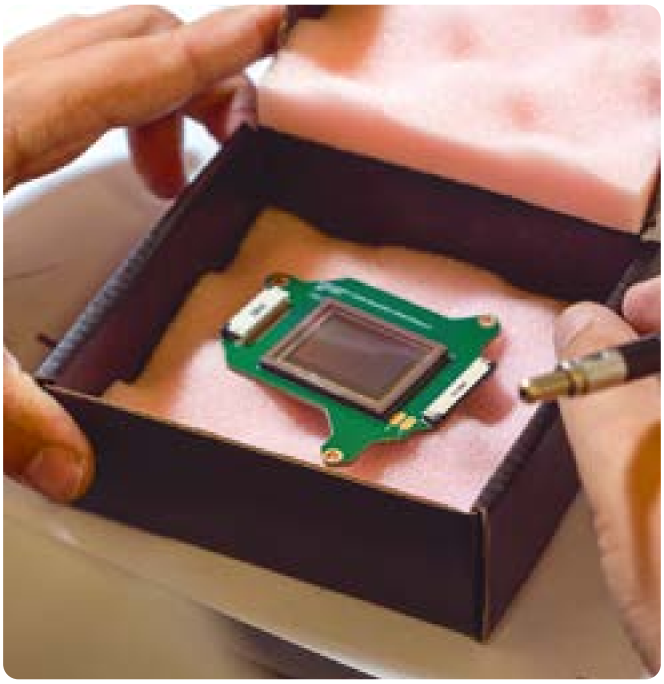
The Group acquired two businesses over the period, funded through additional debt.

Net debt (excluding lease liabilities and deferred consideration), or bank debt less cash, was £24.0m at the end of the year, higher than the beginning of the period (£13.8m).

On 27 November 2025, the Group renewed and expanded its committed loan facility with HSBC to £25m, with an accordion option of an additional £15m. The renewed facility has a repayment date of 27 November 2028 and is extendable for two further years. Both the accordion option and the extensions are at HSBC's discretion. The Group exercised £6m of its accordion option in early February 2026 to finance the acquisition of PRP.

At the end of the financial year the Group had drawn down £27.0m of its revolving credit facility (FY25: £15.1m), leaving £4.0m in headroom excluding an additional £9.0m accordion option, which is available subject to HSBC's discretion.

The Group has sufficient access to funds, alongside its cash flow, both to execute on its acquisition pipeline and provide further investment in our current portfolio of businesses.



▲ Atik Cameras

Amitabh Sharma
Chief Financial Officer
29 July 2026

Key Performance Indicators

A range of financial key performance indicators are monitored for each business and for the Group monthly against budget and over time by the Board and by management, including revenue, gross profit (on materials only), costs, adjusted operating profit and cash generated by operations.

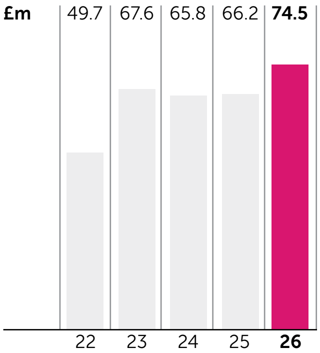
In support of our acquisition strategy as outlined earlier, we monitor our acquisition pipeline, including any prospects that fail to progress. Post-acquisition, the Board discusses integration progress and monitors financial performance against our initial plans. Over a longer period, we monitor the return on total invested capital of all of our businesses.

Additionally, the Board reserves specific agenda items for discussion of environment, social and governance matters, health and safety and other employee welfare-related issues.

Financial

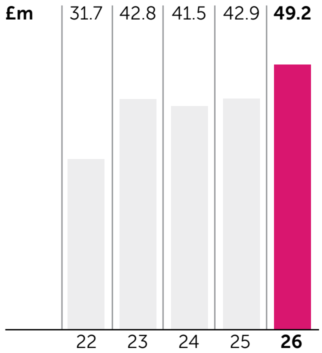
Revenue

£74.5m



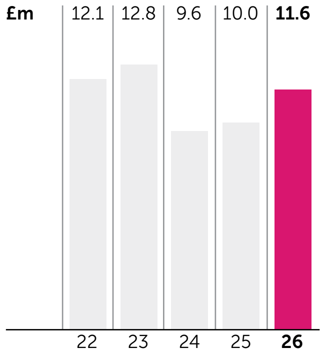
Gross Profit**

£49.2m



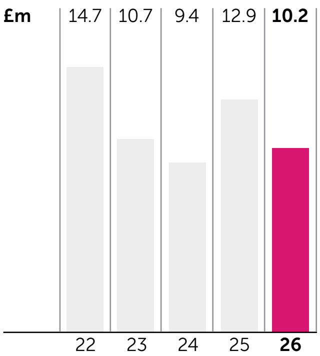
Adjusted Operating Profit*

£11.6m



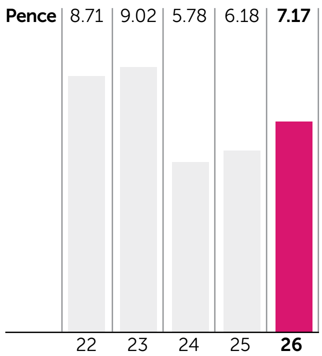
Cash Generated by Operations

£10.2m



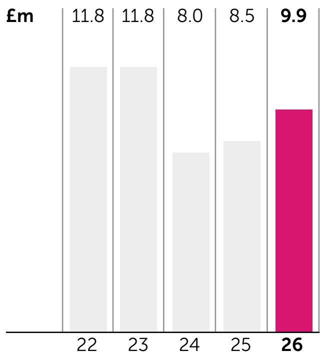
Adjusted Diluted EPS*

7.17p



Adjusted PBT*

£9.9m



* Before share-based payments, acquisition costs, reorganisation costs and amortisation of acquired intangible assets.

** On materials only, excluding labour costs.

Section 172(1) Report

The Board of directors of SDI Group plc considers that it has, both individually and together, acted in a way that it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, as required by section 172 of the Companies Act 2006. In doing so, the directors have had regard to the matters set out in s172(1) (a) to (f), which are the non-exhaustive factors directors must consider as part of their duty.

Our business model, which is centred on a decentralised group of science and technology businesses, is predicated on creating sustainable long-term value. The Board firmly believes that this value can only be achieved by understanding and considering the interests and perspectives of our key stakeholders. Our decision-making processes are designed to balance these interests to ensure the long-term health and prosperity of the Group.

The table below outlines the Group's key stakeholders and explains how the Board has engaged with them and considered their interests during its decision making throughout the year.

Stakeholder group and why they are important	How we engage	How their interests were considered in Board decisions
Our Shareholders As the owners of the business, delivering long-term returns on their investment is the ultimate measure of our success. Shareholders range from investment funds and high net worth individuals to retail investors, directors and employees and former employees. All shareholders are entitled to share equally in the Group's success.	› Annual and Interim Reports › AGMs and investor roadshows › Regular RNS announcements, including RNS Reach for non-regulatory announcements › One-to-one meetings with institutional investors › Increased transparency and engagement with webcasts/video conference presentations and Q&As with management and directors › Maintaining an active dialogue via our NOMAD and brokers	The Board's primary focus is on disciplined capital allocation to drive sustainable growth and shareholder returns. Our 'buy and build' strategy is central to this. When evaluating potential acquisitions, such as the recent additions of Severn Thermal Solutions and PRP Optoelectronics, the Board rigorously assesses the long-term strategic fit, financial rationale and potential for earnings enhancement. This ensures we are using shareholder funds effectively to build a stronger, more valuable Group for the future. We also maintain that a mixed shareholder base provides benefits to all in preserving liquidity in the shares. As part of our ongoing engagement with existing and potential shareholders, the Group has added Stifel as joint corporate broker alongside our existing brokers. The directors continue to review the Group's dividend policy and maintain the view that as a growth company with a track record of creating value through acquisitions, reinvestment of cash into new acquisitions is a more appropriate capital allocation strategy.
Our People Our employees are the foundation of our success. Their expertise, entrepreneurial drive and commitment are critical to innovation and operational excellence.	› Direct engagement through subsidiary management teams › Direct Group-level communications with local management and employees › Performance reviews and career development programmes › Health and safety initiatives at Company and Group level › Promoting a culture across the Group of transparency, growth and entrepreneurship and that of a successful small business › Key staff remuneration, and the Remuneration Policy for the wider Group, is decided by directors, and our aim is to pay people competitively and provide additional reward for exceptional performance	Our decentralised model is designed to empower our people. The Board champions this culture of autonomy and accountability. When acquiring new businesses, a key consideration is the strength and commitment of the existing management team and employees. Our approach is to retain this talent and support them with the resources of the wider Group. This fosters an environment where employees feel valued and are motivated to contribute to the long-term success of their business and the Group as a whole.

Stakeholder group and why they are important	How we engage	How their interests were considered in Board decisions
Our Customers and Suppliers Building strong, long-term relationships with customers and suppliers is essential for stability and growth in our niche markets.	› Direct, day-to-day engagement via our operating companies › Collaborative product development › Strategic supplier reviews and partnerships	The Board recognises that our reputation is built on the quality and reliability of our products and services. We encourage our businesses to be close to their customers, understanding their needs to foster loyalty and new product development and drive organic growth. Strategic decisions, such as investments in new product development or manufacturing capabilities, are made with a clear view of enhancing our customer proposition. We value our suppliers as partners in our success and promote fair and timely payment practices across the Group to maintain these vital relationships. We have adopted several policies which should enhance the governance around our supply chain. The Group Modern Slavery policy has been updated. The geographic split of our supply chain suggests that the risk profile for such issues is low, but we consider this will improve engagement with our suppliers.
Our Community and Environment We have a responsibility to manage our environmental impact and to act as a responsible member of the communities in which we operate.	› Compliance with all relevant environmental regulations › Local community engagement led by our subsidiary businesses › Promoting energy efficiency at our sites	The Board is committed to reducing the Group's environmental footprint. While the holding company's impact is small, we encourage our businesses to operate efficiently and responsibly. Many of our products contribute positively by enabling customers in scientific research and industrial processes to improve their own efficiency and understanding. The Board oversees compliance with all environmental and health and safety legislation, ensuring we maintain high standards of business conduct.
Regulators and Governance Maintaining a reputation for high standards of business conduct and adhering to all legal and regulatory requirements.	› Adherence to the AIM Rules for Companies and the QCA Corporate Governance Code › Dialogue with regulatory bodies as required › Robust internal controls and risk management processes	The Board sets the tone from the top, promoting a culture of integrity and ethical behaviour across the Group. We have a zero-tolerance approach to bribery and corruption. All Board decisions are made within a clear framework of corporate governance and risk management to ensure that we not only comply with our legal obligations but also maintain the trust of all our stakeholders.
Acquisition Targets and their Teams As a 'buy and build' group, identifying and successfully integrating high quality, niche technology businesses is fundamental to our growth strategy and long-term value creation. The people within these businesses are their most valuable asset.	› Proactive market research and networking › Confidential engagement via advisors and direct contact › Detailed due diligence processes involving management meetings and site visits but ensuring sensitivity to the process to maintain our reputation as a trusted and fair acquirer › Open and transparent communication during the acquisition process	When the Board evaluates a potential acquisition, a primary consideration is the cultural fit and the long-term future of the business and its employees within the Group. We structure deals to ensure the founders and key management are motivated to remain and drive the business forward post-acquisition. The Board's decision to acquire a company is based not just on financial metrics, but on our belief that we can be a good long-term home for the business, its technologies/products and its people, ensuring a smooth transition and a successful future for it as part of the Group.

Section 172(1) Report continued

Principal Decision Making in Action: the Acquisition Process

A key activity for the Board during the year was the approval of acquisitions. In making these decisions, the Board explicitly considered the factors outlined below:

- **Long-term consequences:** We assessed how the target company would enhance the Group's technological capabilities, financial growth and market position over the long term.
- **Employee interests:** We engaged with the target's management to ensure cultural alignment and to secure its continued commitment, which is vital for a successful integration.
- **Business relationships:** We considered the strength of the target's existing customer and supplier relationships and our ability to maintain and enhance them.
- **Reputation:** We only acquire businesses with a strong reputation for quality and integrity that aligns with our own.
- **Culture:** We evaluated the target's culture across both management and employees, to ensure alignment with the rest of the Group and its portfolio companies.
- **Compounded growth:** We analysed the acquisition target's capability for compounded growth by benefiting from the Group's structure, or the Group's portfolio companies benefiting by the target's integration.
- **Shareholder value:** The primary financial test was whether the acquisition would be earnings enhancing and create long-term value for our members.

The Board is confident that this defined and consistent approach to decision making is fundamental to achieving our strategic objectives and delivering sustainable success for the benefit of all stakeholders.

By order of the Board

Amitabh Sharma
Chief Financial Officer
29 July 2026

Maximising positive impact

SDI Group is here for the long term. Our directors expect it will long outlast them, and our owners should know that most of its value lies beyond the forecastable horizon. We believe that our business model can progress and develop indefinitely, subject to us nurturing the stakeholders that help make us successful. We would like those stakeholders to remain with us for a long time on our journey.

Consequently, sustainability is not just on our agenda, it is our agenda.

SDI Group recognises that the significant environmental challenges facing the world, including climate change, deforestation and habitat loss, and freshwater depletion, must be addressed by all businesses worldwide. We understand that our trading activities have an environmental impact and that we must make real changes to reduce the negative externalities of our operations.

SDI's current businesses have only minimal direct impacts on the environment, as they are not involved in heavily polluting industries. Furthermore, we do not expect to acquire businesses that have a significant carbon footprint, in keeping with our sustainability agenda. At the same time, we believe that our businesses can and do contribute to reducing society's environmental impacts by providing technological products that are more accurate, consume less energy and resources, and enable better science than those available in the past. We can be proud of the portfolio, but we must continue to innovate.

In keeping with our devolved operating model, our actions to mitigate negative impacts, maximise positive impacts and innovate solutions to challenges take place within our businesses. These organisations respond to the demands of the markets they operate in, their customers, their employees and their local communities, all of whom have a stake in a more sustainable future.

FY26 Progress

Several of our subsidiaries have substantial emissions related to their vehicle fleets. This is one of the largest sources of emissions over which we have direct control. Over the past year, we undertook fleet audits and have identified a number of energy efficiency and emissions reduction opportunities. We will look to implement the most impactful opportunities over the coming year.

In January of this year, we updated our Environmental policy to explicitly commit to ongoing reporting of our full scope GHG footprint, and to emphasise the importance of increasing materials circularity in our operations, which is an important focus for the Group in years ahead.

We also moved all of our subsidiaries onto a new carbon accounting platform, allowing them greater visibility and understanding of their individual GHG impacts. This platform harmonises approaches to data capture across the Group, allowing for more consistent comparisons among subsidiaries, and identifies actions that can be taken to reduce impacts across all relevant emissions categories. We look forward to utilising these insights to drive further decarbonisation action over time.

Environmental, Social and Governance continued

People

SDI Group seeks to provide, in its businesses, a challenging, enjoyable, safe and caring environment for its employees, so that they can contribute, develop and remain with the Group for the long term.

Naturally, we comply with all relevant legislation, including:

- **Health and safety regulation:** The Board reviews monthly reports from all its businesses to ensure mitigation of any issues is addressed (see our Health and Safety policy below).
- **Anti-bribery and corruption:** The Group operates on an ethical basis in all its activities and takes all reasonable steps to ensure bribery and corruption are prevented by those working for the Group or associated with it, including third parties and agents. The Group has an Anti-Bribery and Corruption policy and continues to provide training to relevant employees.
- **Modern slavery and human trafficking:** The Group has a Child and Forced Labour policy and has updated its Group Modern Slavery policy. Whilst the individual members of the Group are not within the scope of the Modern Slavery Act, we are committed to identifying modern slavery risks across our supply chain, which include slavery, human trafficking, child labour and forced/compulsory labour, and to ensuring that there is no modern slavery within its principal supply chains. The Group continues to provide training to relevant employees.
- **Whistleblowing:** The Group has a Whistleblowing policy and a whistleblowing helpline (via a specific website).
- **Equal opportunities:** The Group is a committed equal opportunity employer. We endeavour to treat all employees equally and fairly and encourage them to apply these principles themselves. We are committed to paying a fair wage for their work. We support staff training, appraisals and personal development and we seek to maintain a good working environment. We use professional advisors to ensure our personnel practices are up to date with legal requirements.
- **Disabilities:** The Group gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Employees who become disabled are provided, where practicable, with continuing employment under normal terms and conditions and are provided with training and career development where appropriate (see DEI section below).

We are mindful that the way we operate our existing businesses and treat our employees influences our attractiveness as an acquirer of new businesses and provides a strong differentiator against competing trade or financial bidders.

Diversity, Equity and Inclusion ('DEI')

SDI's policy commits SDI to the elimination of unlawful and unfair discrimination and values the differences that diversity brings. The Group will not discriminate because of age; disability; gender; marital status; pregnancy; race; religion; sex; or sexual orientation.

This policy, which was updated during the year, applies equally to the treatment of any third party which interacts with SDI Group plc.

SDI values the diverse nature of people, and the Group has a zero-tolerance policy on harassment and discrimination. We all have a duty to act in accordance with this policy and treat colleagues with dignity at all times. We will not tolerate discriminatory practices or behaviours.

Ethics Policy

Whilst equal opportunities have been long been part of the Group ethos (and included within our staff handbook), SDI has an Ethics policy which expects all employees and third parties acting for and on behalf of our Group to observe the highest standards of ethics, integrity and self-respect at all times and for the duration of their relationship with/employment by the Group. This was updated during the year.

Health and Safety

Health and safety is of high importance to the Group and a key priority for our management teams. Our employees must be and feel safe at work and we therefore aim to provide a safe and comfortable working environment for them. The Group encourages all of its portfolio companies to seek continuous improvement and promote a strong health and safety culture.

We routinely monitor health and safety adherence across our businesses. As we operate a decentralised structure, performance is monitored at a Group level with each portfolio company directly responsible for compliance with local health and safety regulations. SDI companies report incidents or near misses to the Group if any occur. A SDI Group plc H&S policy was launched during FY26 and SDI employed a firm of external consultants to support the businesses in their H&S processes. This will initially involve site audits.

"SDI Group seeks to provide, in its businesses, a challenging, enjoyable, safe and caring environment for its employees, so that they can contribute, develop and remain with the Group for the long term."

Planet

Individual companies have made efforts to minimise their consumption of high carbon energy. For example, Atik Cameras, Peak Sensors, InspecVision and Monmouth Scientific have installed solar panels to meet a portion of their energy needs via on-site generation. Astles, Atik Cameras, Fraser Anti-Static, LTE Scientific, Safelab Systems, Sentek and Synoptics all procure a large proportion of their energy from renewable sources.

We have proactively investigated our businesses' proximity to ecological protection areas and found no risk of potential encroachment.

Many SDI businesses make products that have a positive impact for the environment and society.

Monmouth Scientific's products include fume cupboards which are focused on the recirculation of air in a laboratory by using activated carbon and HEPA filters. These products have low energy demands when compared to traditional fume extraction systems, which often extract pollutants into the atmosphere and necessitate greater temperature control measures as heating/cooling is lost to the outside.

Applied Thermal manufactures and supplies a range of chillers, coolers and heat exchangers used within the scientific instrument support market. Its products have been used to help develop and manufacture vaccines and are included in MRI machines and equipment that is used for cancer therapy. Applied Thermal's products reduce water consumption, and the company has developed a range of chillers that use refrigerants with much lower global warming potential than conventional alternatives. Applied Thermal's chillers are already designed to a very high standard and do not leak refrigerants.

Collins Walker operates within the highly regulatory-driven electric boiler sector. It produces industrial scale electric boilers, for steam and hot water applications, utilising electrode and immersion element technologies. Its products gain most traction within energy-intensive, high growth industrial applications, encompassing steam production and hot water for sectors such as healthcare, industrial processing, distillation, brewing, commercial buildings and distributed heating applications. Electrification of boilers in these energy-intensive industries will support their drive towards decarbonising and help them achieve their net zero targets.

Safelab Systems produces fume cupboards that provide a safe environment for lab users. Its products can reduce GHGs via the use of filtered fume cupboards, which recirculate the air back into the room. This also reduces the volume of air ducted out to the atmosphere, reducing the amount of energy needed to air condition the interior spaces.

Atik Cameras has produced a high volume of specialist cameras over recent years that were used in PCR machines. Atik produces a variety of specialist cameras that are used in different applications such as sky surveillance equipment to look for sky objects/debris and predicting weather. One particular range of cameras is included within gel-doc machines used in medicine and other life science-related research.

Synoptics, based in Cambridge, has a Synbiosis division which designs and manufactures instrumentation for the microbiology sector which allows scientists to rapidly count bacteria to speed up the quality control process in the food and pharma sectors. The equipment can also be used to measure zones of inhibition which is essential in vaccine production.

The company's Syngene division designs and manufactures molecular imaging equipment (gel-doc machines) that advances molecular science in vaccine research, health and the pharmaceutical sector.

The company's Fistreem division designs and manufactures instrumentation for water distillation. These systems can be used in all industries and cut down the use of single-use plastics by distilling water on demand.

LTE Scientific produces a range of autoclave ovens, which play a crucial role in healthcare and medical research by providing a reliable method of sterilisation by effectively killing microorganisms and pathogens. LTE's products are used in hospitals, research laboratories, clinics and dental surgeries to sterilise instruments and supplies. Autoclaves help in areas of scientific research, prevent the spread of infections and improve patient safety. This, in turn, contributes to advancements in scientific development, medical treatments and procedures.

Sentek produces a number of different types of sensors. Products supplied into the medical industry are integral for routine blood analysis work and assist in diagnostics, supporting patient care day to day. Other sensors are used in identifying changes in water quality to help provide clean, fresh drinking water to households. Sentek's products also support pharmaceutical companies as they develop drugs to improve people's lives.

MPB Industries manufactures a range of variable area flowmeters for liquid and gas applications. MPB's flowmeters are used in human and veterinary medical anaesthesia, water treatment to ensure safe drinking water for communities and pollution/air quality measurement.

Climate-Related Financial Disclosures

Introduction

SDI Group recognises that transparent disclosure of the current and potential impacts of climate-related risks and opportunities is critical for stakeholders to assess the business' resilience in the face of climate change.

We also acknowledge that such transparency supports accountability, strengthens stakeholder confidence, and helps align corporate strategy with wider sustainability objectives and regulatory expectations. By using these insights, the Group aims to proactively manage climate-related risks while capturing opportunities to support long-term success and value creation.

We have complied with all eight required disclosures under the UK's Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance – the arrangements of SDI Group in relation to assessing and managing climate-related risks and opportunities

The Group Board holds ultimate responsibility for overseeing material risks across the business. However, each subsidiary's Managing Director is responsible for identifying, assessing and managing risks and opportunities within their own operations.

Over the past year, the Group has introduced a governance structure involving Division Leads, who oversee clusters of subsidiaries operating in similar markets: Lab Equipment, Sensors and Products. These Division Leads support risk management and broader sustainability-related activities. New or significantly changing risks and opportunities are reported by site Managing Directors to the relevant Division Lead, who is responsible for maintaining up-to-date risk and opportunity registers for all businesses within their Division. Any material changes to a business-level risk and opportunity register will be raised with senior leadership, and control plans will be put in place as necessary.

Climate-related risks and opportunities are formally reviewed once annually, in partnership with external experts, with results discussed at Board level prior to publication of the Annual Report. Material changes to risk assessments or the identification of material emerging risks trigger discussion at the next meeting of the Board. ESG more generally is a standing agenda item at quarterly meetings of the executive directors and local management teams.

Risk management – how SDI Group identifies, assesses and manages climate-related risks and opportunities

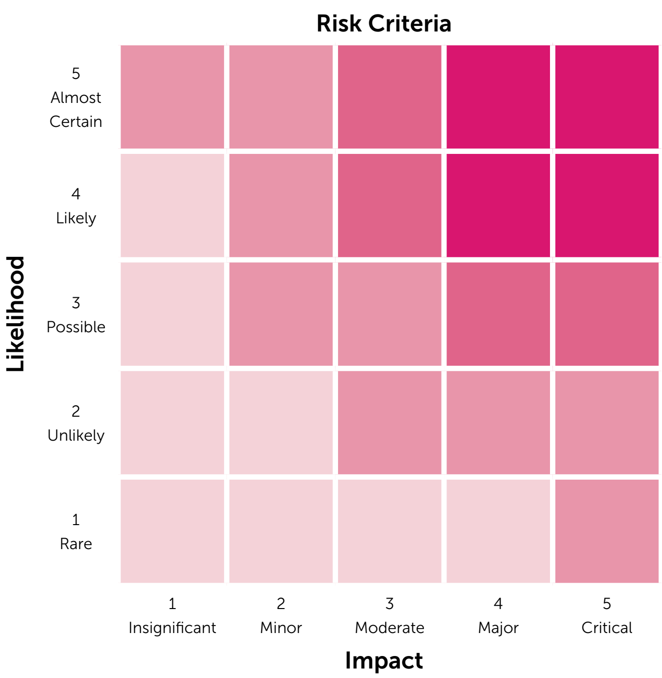
Identify

SDI Group identifies material climate-related risks and opportunities at Group level by reviewing all risk categories recommended under the Task Force on Climate-related Financial Disclosures ('TCFD') framework, covering both physical and transition risks. Physical risks relate to the direct effects of climate change, and may be acute events, such as floods, storms and heatwaves, or chronic, involving longer-term shifts like rising temperatures, altered rainfall patterns and sea level rise. Transition risks arise from the shift to a low carbon economy and include regulatory, technological, legal, market and reputational risks. Opportunities are grouped into categories such as resource efficiency, products and services, markets and resilience.

As many risks originate at the subsidiary level, an annual climate-related risk and opportunity survey is distributed to all subsidiaries for completion by their Managing Directors. The results are reviewed with support from a specialist consultancy, and any emerging risks considered to be material at Group level are incorporated into the Group risk register. Managing Directors and Division Leads are responsible for maintaining and updating subsidiary-level risk registers each year, including climate-related risks where relevant.

Assess

At the Group level, climate-related risks and opportunities are evaluated based on their impact and likelihood. Impact is assessed across five qualitative levels, from Insignificant to Critical, which relate to the financial effect on the Group. Likelihood is also classified into five levels, ranging from Rare to Almost Certain. Overall risk scores are calculated by combining impact and likelihood using a 5x5 risk matrix.



Monitoring and Managing
Risks and opportunities are continuously monitored, with a formal review conducted annually in collaboration with external experts, taking into account relevant internal and external developments. Any significant changes in risk ratings are escalated to Group management, and appropriate mitigation or management actions are implemented as needed.

Risk management – how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process
Material risks and opportunities are managed according to the same processes, regardless of their nature. A dedicated register for climate-related risks and opportunities is maintained at the Group level, and efforts are underway to ensure that all material issues identified through this process are incorporated into subsidiary-level risk registers wherever appropriate.

Strategy – principal climate-related risks and opportunities, over what time periods, with a description of the actual and potential impacts
Our climate-related risk and opportunity register is updated on an annual basis, drawing on input from subsidiaries, management and expert review of external developments. Identified risks and opportunities are evaluated using the impact and probability framework described above. Due to the long-term and evolving nature of climate change, risks and opportunities are also grouped according to the time horizon in which they are expected to become material: short term (<3 years), medium term (3-5 years), and long term (5+ years). These ranges have been defined with reference to the Group's normal strategic planning timelines.

The most significant risks and opportunities identified are presented in the table below. Physical risks have largely been assessed to be immaterial at Group level – largely due to the geographic diversity of our subsidiaries' operations, suppliers and customers. Subsidiaries with operations in the North of England are most exposed to flood risk (due to increasing winter precipitation), and those in the South of England (and Atik's operations in Portugal) are most exposed to heat stress. However, given mitigations in place, neither is expected to be a material threat to the Group. Only acute supply chain disruption events have been assessed to have the potential for material impact at Group level (see below).

Table 1 Principal Climate-Related Risks and Opportunities

Risk Risk rating change from prior year: ↘, ↗, →	Description	Mitigating factors/controls in place
Disruptive impact of climate-related regulation (Transition – policy and legal) ↗ **Likelihood:** Almost certain **Impact:** Moderate **Timeframe:** Short term **Primary potential financial impact:** Reduced revenue/ increased expenditure	As the countries in which SDI Group operates endeavour to achieve climate commitments, a variety of environmental regulations have already begun to affect Group subsidiaries. For example, California and Massachusetts have tightened regulation on refrigerant gases, which has had direct impacts on ATC's ability to sell in these markets.	Our risk management processes involve proactive scanning of the regulatory horizon and taking all necessary steps to comply with relevant laws. Potentially disruptive regulation is generally instituted gradually or with ample warning, allowing adequate adaptation time.
Increasingly stringent customer requirements/requests (Transition – market) ↗ **Likelihood:** Likely **Impact:** Moderate **Timeframe:** Short term **Primary potential financial impact:** Reduced revenue/ increased expenditure	As organisations throughout the economy endeavour to reach their own climate targets, climate-related requirements of suppliers are increasingly common. We have been witnessing a growing number of such requests over time.	Growing sector alignment around climate targets and pathways, and the emergence of industry-wide standards help to mitigate this risk. The Group is steadily improving its understanding and management of climate-related issues and maintains strong relationships with our customers.
Extreme weather events' impact on supply chains (Physical – acute) → **Likelihood:** Possible **Impact:** Moderate **Timeframe:** Long term **Primary potential financial impact:** Increased expenditure	Acute physical events, such as storms and floods, could cause supply chain disruptions, leading to operational delays or cost increases. Those businesses within the Group that are more dependent on a regular flow of raw materials and components are more vulnerable to this risk. While supply origins are diverse, examples of vulnerabilities include extreme rainfall and flooding in Taiwan, China and Vietnam disrupting supply of semiconductors and circuit boards, and extreme heat in India and China impacting supply of metals and speciality alloys.	Awareness of climate-related risks is growing throughout the value chain and resilience planning is increasingly common. Our operations do not generally depend on large quantities of materials, and the regions we source our materials from are highly varied. Alternative suppliers are generally available for key dependencies.

Climate-Related Financial Disclosures continued

Strategy – principal climate-related risks and opportunities, over what time periods, with a description of the actual and potential impacts continued

Table 1 Principal Climate-Related Risks and Opportunities continued

Risk/Opportunities Risk rating change from prior year: ↘, ↗, →	Description	Mitigating factors/controls in place
Increased reporting and data management burden due to regulation (Transition – policy and legal) → **Likelihood:** Possible **Impact:** Moderate **Timeframe:** Medium term **Primary potential financial impact:** Increased expenditure	Regulation requiring significantly more gathering and reporting of sustainability data is likely to arise in the medium to long term. This will entail additional costs related to collecting, managing and disclosing this data.	Reporting frameworks are currently converging on internationally recognised frameworks, which will simplify compliance obligations. Many third-party digital solutions are arising to address these challenges, with AI likely to play a substantial role.
Serving transition-aligned sectors (Transition – markets) → **Likelihood:** Likely **Impact:** Moderate **Timeframe:** Medium term **Primary potential financial impact:** Increased revenue	Societal mitigation and adaptation efforts will result in the expansion of numerous markets that companies within the Group currently serve/can begin to serve.	We are likely to see long-term growth in public and private R&D funding for environmental monitoring equipment and measurement, testing, and verification equipment linked to decarbonisation. We will continue to consider long-term transition-related trends when deciding on future Group acquisitions.
Design of energy-efficient, low carbon products (Transition – products and services) → **Likelihood:** Possible **Impact:** Moderate **Timeframe:** Short term **Primary potential financial impact:** Increased revenue	Designing a range of energy-efficient, low carbon equipment will help SDI Group subsidiaries to meet the growing demand for such products and potentially serve as a unique selling point in contrast to other producers.	There is strong policy momentum in many jurisdictions toward net zero, driving demand for low carbon technologies and instrumentation. Voluntary net zero commitments throughout the value chain also create demand for low carbon products.

Impacts on Business Model/Strategy

Awareness of the opportunities outlined above has informed the Group's strategic direction in several ways. Recognition of the significant market potential associated with the low carbon transition has supported targeted expansion in this area, including the acquisition of Collins Walker, which specialises in electric boilers, and encouraged the production of sustainable product lines, such as LTE Scientific's autoclaves. In parallel, understanding the risks associated with inadequate climate performance has ensured continued focus on these issues, leading to initiatives such as improving subsidiaries' capability in GHG data collection over time, undertaking fleet energy audits and committing to a series of climate-relevant targets.

Strategy – an analysis of the resilience of the business model and strategy, taking into consideration different climate-related scenarios

Because the future path of emissions and mitigation actions remains uncertain, we believe that climate scenario analysis is an important tool for stress testing our strategic response to identified risks and opportunities. We update this assessment annually, incorporating all relevant changes in external and internal factors. We utilise a widely used system of climate scenarios (called Shared Socioeconomic Pathways ('SSPs') created by the Intergovernmental Panel on Climate Change. We have linked these scenarios with plausible global emissions pathways (Representative Concentration Pathways ('RCPs')). Together these scenarios cover a wide range of possible future outcomes, ranging from highly successful mitigation and adaptation efforts to substantial challenges to both mitigation and adaptation. The utilised scenarios are summarised in the table below.

Table 2 Utilised Scenarios and Implications for the Group's Exposure to Climate-Related Risks and Opportunities

Scenario	Description	Impacts on risk and opportunity exposure
SSP1 – 2.6	Low mitigation and adaptation challenges contribute to a smooth transition to <2°C of warming by 2100. Substantially more global action is taken in the near term, significant innovation is achieved and high levels of electrification are achieved in transport and industry. Successful management of GHGs limits overall physical risk exposure and associated economic disruptions.	Under this scenario, transition risks such as carbon pricing would increase, although their impact would be moderated by an orderly transition, strong public backing for decarbonisation, and substantial technological progress. Physical climate risks would still rise over time, but less severely than under the other scenarios considered. Market opportunities associated with societal transition would be largest and emerge earliest.
SSP2 – 4.5	Medium challenges to mitigation and adaptation lead to warming between 2°C and 3°C by 2100. A more familiar path is maintained with uneven progress internationally. Significant efforts are still undertaken, but with less consistency and coordination, resulting in higher levels of warming and more widespread physical risks.	This intermediate scenario assumes a gradual increase in both transition and physical risks. The slower pace of transition would provide more time for adaptation, though progress would be hindered by weaker international coordination and more limited innovation. Physical risks would become considerably more pronounced, with disruptive climate-related impacts expected to occur regularly by 2050.
SSP3 – 6.0	High challenges to mitigation and adaptation are encountered with warming reaching between 3°C and 4°C by 2100. Rising nationalism undermines international efforts to limit climate change and competing economic and security concerns are prioritised. Low levels of electrification are achieved in transport and industry. The physical impacts of climate change become severe over time and significantly disrupt economic systems.	This represents the most adverse scenario for the Group. Significant challenges associated with both climate mitigation and adaptation would contribute to a fragmented geopolitical and economic environment, alongside inconsistent and unpredictable regulation. The Group would operate against a backdrop of subdued economic growth and recurring market instability. Physical climate risks would intensify substantially, causing broader economic disruption.

Overall, the Group believes its strategy remains resilient across all scenarios assessed. Group companies generally serve sectors considered less exposed to climate-related risks and we have an ability to reshape the portfolio through acquisitions and divestments in order to maintain strong performance under a range of future conditions. These factors contribute to our confidence in the continued financial vitality of the Company over the coming years, despite the doubtlessly substantial challenges posed by climate change.

Climate-Related Financial Disclosures continued

Metrics and targets – a description of the targets used to manage climate-related risks and to realise climate-related opportunities and of performance against those targets and the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based

We recognise the utility of monitoring climate-relevant data, and the importance of consistently reporting on key metrics. Over the past year, we have moved our subsidiaries onto a third-party GHG accounting platform that provides them with a more individualised view of their emissions sources and provides tailored action plans for reducing them. We understand that the success of our Group-level targets depends on coordinated effort across our subsidiaries, so we believe this more granular level of insight will help individual companies to achieve the necessary reductions that allow us to reach our goals.

Given the Group's acquisitive nature, maintaining a consistent like-for-like comparison against a single base year would require frequent re-baselining, potentially on an annual basis. To avoid these constant recalculations, the Group sets targets and measures progress from the earliest year for which greenhouse gas ('GHG') data is available for each subsidiary. Each business within the Group is working towards its own net zero objective (a 90% absolute reduction in emissions from its baseline by 2050, with any residual emissions to be offset with high quality carbon credits).

Progress against our targets is assessed annually following the compilation of our GHG footprint and the collection of associated waste and energy data. Our performance is then considered by management and the Board as part of annual review cycles.

The climate-related risks and opportunities outlined above have reinforced the importance of robust GHG data collection and target setting across the Group. Continued progress in decarbonisation, together with transparent reporting of carbon impacts, helps reduce reputational risk, supports compliance with increasing stakeholder expectations, and mitigates potential exposure to future regulatory measures such as carbon pricing mechanisms.

The table below summarises the Group's KPIs and year-on-year variances (excluding more recent additions, for which two full years of data are not available). Two of these metrics are linked to formal targets, while a few additional indicators, including emissions and energy consumption relative to revenue, are monitored for contextual perspective. Although no specific targets have been established for these measures, they provide valuable insight into progress on reducing the Group's GHG footprint and improving energy efficiency, independent of the effects of organic business growth. The previously reported KPI related to renewable energy procurement has been excluded this year, due to data gaps on specific energy suppliers and contracts in place – we will look to reintroduce this KPI and associated target next year as data collection processes improve.

Table 3 KPIs and Targets in the Reporting Year

Metrics and Targets

KPI	2024	2025	Variance (%)	Associated target
Absolute quantities of GHG emissions (all scopes) (location based) (tCO_2e)	10,269	**11,472**	+11.7%	Net zero across all scopes by 2050*
Proportion of waste diverted from landfill	91.5%	**77.4%**	-15.4%	95% of waste diverted from landfill by 2030*

Additional Metrics

KPI	2024	2025	Variance (%)
GHG emissions intensity relative to turnover (all scopes) (location based) (tCO_2e/£m)	159.0	**166.3**	+4.6%
GHG emissions intensity relative to turnover (Scope 1 and 2) (location based) (tCO_2e/£m)	14.2	**11.9**	-16.0%
Operational energy use relative to turnover (MWh/£m)	62.3	**55.5**	-10.9%

* For all companies currently within the Group. For companies acquired in the future, we will require that they align as closely as possible with these targets, given what is economically feasible in each specific case.

As can be seen, we have made substantial progress in reducing those emissions sources over which we have the most control (Scopes 1 and 2). These emissions have decreased 16% relative to revenue since last year. Our overall footprint has increased an estimated 12%, which is largely due to updated and harmonised Scope 3 calculation methodologies across all subsidiaries. The reduction in our diversion from landfill KPI is likely related to data unavailability – where specific data on waste destination was unavailable, we have conservatively assumed this ended up in landfill, although this is unlikely to be the case in most instances. So, while currently available data suggests we are slightly off track at a Group level from our long-term full scope decarbonisation targets, we expect a clearer picture will emerge in coming years as data improves and we will be better able to assess our trajectory (and take action as necessary to stay on track).

A breakdown of Group-level emissions sources is presented in the table below. For the sake of a like-for-like comparison, all emissions figures are inclusive only of those companies which were within the Group for the entirety of calendar years 2024 and 2025.

Table 4 GHG Emissions by Category (2024 and 2025)

Emissions category	2024 (tCO_2e)	2025 (tCO_2e)	Variance (%)
Scope 1	696	**632**	-9.2%
Scope 2 (location based)	218	**197**	-9.7%
Scope 3	9,355	**10,643**	+13.8%
Purchased goods and services and capital goods	8,345	**10,124**	+21.3%
Business travel	265	**144**	-45.8%
Waste generated in operations	57	**32**	-44.4%
Employee commuting (incl. homeworking)*	468	**141**	-69.9%
Fuel and energy-related activities	221	**203**	-8.4%
Total	10,269	**11,472**	+11.7%

* For some subsidiaries, where specific employee commuting data was unavailable, mileage has been estimated based on national average commuting distances.

The decline in operational emissions (Scopes 1 and 2) is partially due to ongoing energy efficiency improvements, the incremental electrification of fleets, and on-site generation of renewable electricity at some subsidiary sites. The increases in Scope 3 are mostly related to procurement. For many subsidiaries, this correlates with increases in expenditure, although changes in methodology also account for some of the variation. Reductions across other Scope 3 categories are also mostly due to an updated methodology (see below).

Methodological Notes

This footprint has been compiled based on the principals of the Greenhouse Gas Protocol, with Scope 2 emissions presented from a 'location-based' perspective (reflecting the emissions associated with the average carbon intensity of the electric grids where our subsidiaries operate). The reporting boundary has been defined according to the operational control approach, and all relevant emissions sources have been included, with the exception of downstream sources related to sold products (which have been excluded due to lack of available data). All emissions calculations relate to calendar years, rather than financial years, as this allows us more time to undertake the necessary footprinting analysis across Group subsidiaries.

Varied approaches to data collection mean that we have aggregated purchased goods and services and capital goods into one category where all emissions associated with our procurement functions are included. As mentioned above, this year we moved all subsidiaries onto the third-party GHG accounting platform Sustemic, which allows for more individualised visibility on Company carbon impacts and tailored action plans. This ensures that subsidiaries are providing the same formats of data and are subject to the same emissions calculation methods. This has led to the updated categorisation of some activity data and contributed to some of the apparent variation since last year.

Scope 3 emissions were calculated using emission factors published by the UK Government. Activity data used the established DESNZ annual emission factors, or more specific factors from established industry sources. Spend-based emissions were calculated by applying inflation adjustments to the latest UK Government EEIO emission factors up to 2025. Where spend on purchased goods could not be disaggregated between product type in 2025, a comparable period estimation was applied and adjusted according to a relevant business activity. It was assumed that, in line with the UK's EEIO methodology, upstream transportation is included in the calculation. Where activity data on travel and waste was unavailable, it was estimated according to average data from the UK Government and/or the Office for National Statistics.

We will continue to make efforts to improve the quality and completeness of our GHG-relevant data, seeking an increasingly accurate footprint year on year.

Principal Risks and Uncertainties

The following represent, in the opinion of the Board, the principal risks and uncertainties of the business. It is not a complete list of all the risks and uncertainties, and the priority, impact and likelihood may change over time.

Acquisitions

Acquisitions are a key element of our strategy, and the failure to identify and prosecute acquisition opportunities would impact future growth in profits and share price. The Group spends significant time and energy on identifying acquisition opportunities and receives suggestions from various sources as well as directly or through our own businesses and management. These are carefully filtered, and the most attractive ones are managed to a possible successful conclusion.

An additional important risk is that an acquisition does not provide the financial return expected. The Group's disciplined due diligence process helps to avoid this, but the Group is also able to marshal resources in support of an acquired entity's management team to help it improve performance as necessary.

Dependence on Key Distributors and OEM Customers

Failure to effectively manage our distribution channels could damage customer confidence and adversely affect our revenues and profits. Additionally, in several of our businesses, significant amounts of our sales are to a small number of OEM customers, and any reduction in their end product sales or in our share of their purchases would impact our revenues and profits. In order to mitigate this risk the Group dedicates significant resource to maintaining close relationships with our distributors and OEM customers, including at Group level, and we aim to provide them with products and services that match their needs.

Competition and Technological Obsolescence

Competition from direct competitors or third-party technologies could impact upon our market share and pricing. In order to mitigate this risk, the Group continues to invest in researching its markets and continues to offer new products in response to changing customer preferences. In addition, the Group invests in research and development to maintain its competitive advantage.

Revenue and Profitability Risk

This remains high. Where a portfolio business experiences a decline in revenues (or lower growth) and hence lower profitability without control, the impact on the Group performance needs to be managed. The impact on revenues can be caused by competition (see above), geopolitics (see below), product development and/or sales/commercial activities. Given the autonomous nature of the SDI model, SDI Group needs to intervene when necessary and support cost control measures as appropriate. The operational skill sets/resource at Group level are considered a mitigation.

Geopolitical Risk

Geopolitical instability, including wars, regional conflicts, trade disputes, sanctions and regulatory changes, may disrupt global supply chains and impact the economic stability of markets in which the Group operates. Such developments could affect the Group's ability to source components from suppliers or supply products to customers in certain regions.

Conflicts or geopolitical tensions may result in supply chain disruption, increased costs, transport delays, reduced customer demand in affected regions, and volatility in energy, raw material or currency markets.

The Group maintains a diversified customer base across a range of geographic regions and end markets, reducing reliance on any single territory or sector. Geopolitical developments are monitored and supplier relationships are maintained across multiple regions where possible to support supply chain resilience.

Talent Management Risk

If the Group fails to recruit and retain individuals with the appropriate skills and experience its performance may suffer. To ensure the Group retains the highest calibre staff it has implemented a number of schemes designed to retain key individuals, both financial and non-financial, including bonuses and share option schemes.

Currency and Foreign Exchange

As with the majority of international companies, the Group's UK and overseas businesses purchase goods and services and sell some of their products in non-functional currencies. Where possible, the Group nets such exposures or keeps this exposure to a minimum. The Group's principal exposure is to US Dollar and Euro currency fluctuations against Pound Sterling and, in both currencies, we sell more than we purchase and we have a higher level of debtors than creditors. This typically means that a relative devaluation of the Pound results in exchange gains and an improvement in competitiveness, whereas a revaluation has the opposite effect.

We have not historically hedged our exposure using financial derivative products, but we do have some activity in both Europe and USA, including a factory in Portugal, which acts a partial natural hedge. However, we have established a procedure for the approval of simple hedging transactions if conditions require them. We keep cash balances in Euros and Dollars to a minimum and may take out loans under our revolving credit facility in Euros and Dollars, to reduce our net exposure to those currencies. Our foreign exchange exposure has increased over time and this is under review. If the Pound strengthens significantly, we will review all opportunities to realign our costs to the changed circumstances.

Cyber

This remains at a high level. Group and operating business management depend critically on timely and reliable information from their IT systems to run their businesses and serve their customers' needs.

If an internal failure or external attack occurs there is a potential for a loss of digital intellectual property/data and/or the ability to operate systems. The resultant loss of information or the ability to continue operations may lead to financial and reputational damage.

The decentralised nature of the Group, including standalone IT systems for each business, limits the potential impact to any individual business and minimises cross-contamination risk. There is good support and back-up built into local IT systems.

The Group has retained resources centrally to oversee and improve the Group's IT control environment with the objective of certifying all subsidiary businesses to the minimum of Cyber Essentials accreditation.

Inflation Risk

This remains at a high level. Significant or unexpected cost increases by suppliers due to the pass through of higher commodity prices or other price increases, higher trade tariffs and/or foreign currency fluctuations could adversely impact profits if businesses are unable to pass on such cost increases to customers.

A number of characteristics of the Group's businesses moderate the impact of this. SDI has a variety of businesses which operate in different sectors with different characteristics and across several geographic markets. Many businesses offer specialised products and services, which are often specific to their application, increasing customers' switching costs. Our businesses are often agile, able to redesign to take cost out of the supply chain to help maintain margin.

Group management remains alert to the ongoing nature of this risk.

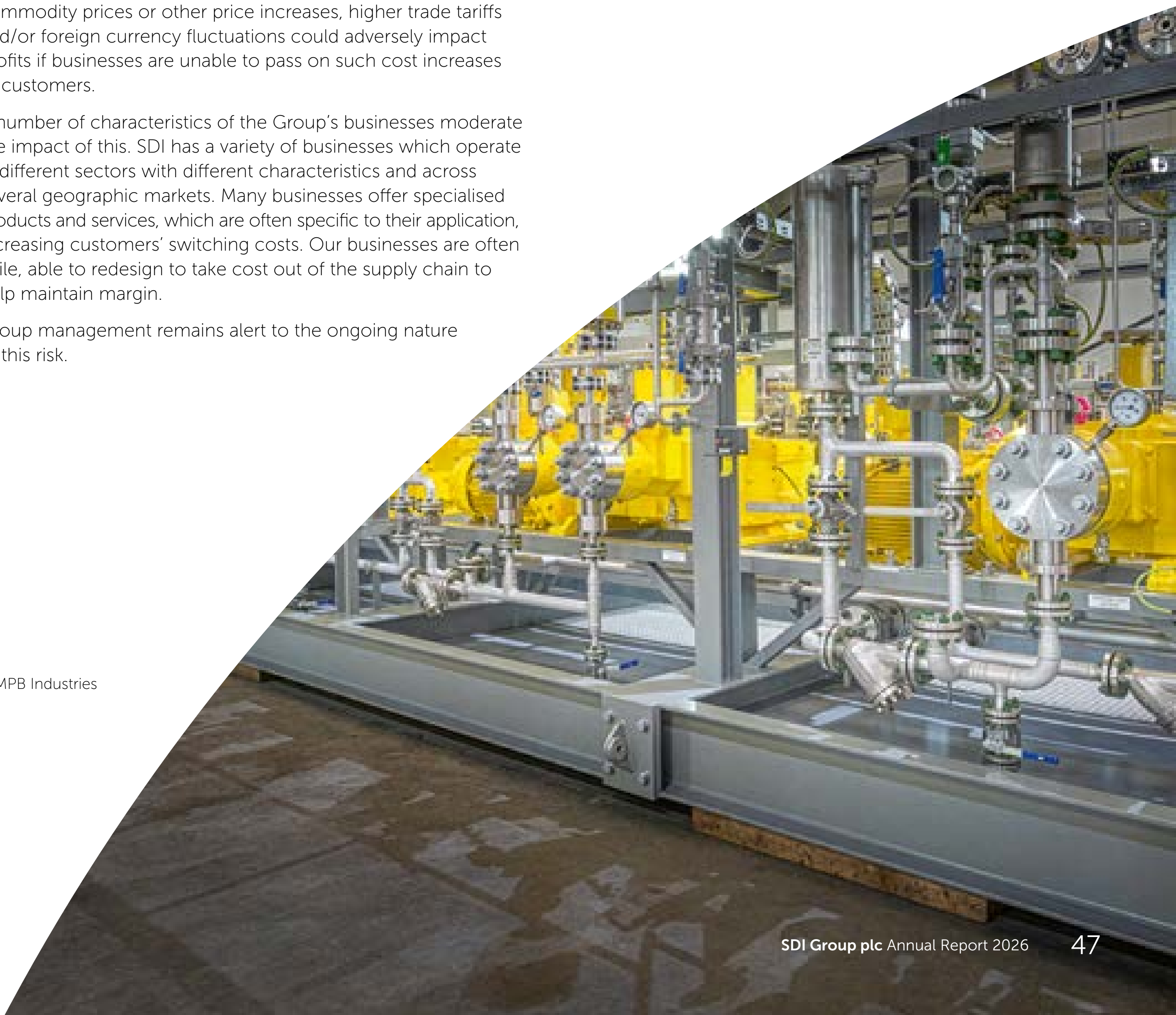
Liquidity

Liquidity risk is that the Group might be unable to meet its obligations and arises from trade and other payables. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecasts and actual cash flows.

A review of the Group's exposure to liquidity risk is provided in note 28.

On behalf of the Board

Amitabh Sharma
Chief Financial Officer
29 July 2026



▶ MPB Industries

Board of Directors

Ken Ford
Chairman

N

Ken joined the Board in 2010 and became Chairman in 2012. He has strategically driven the growth of the Company since that time, after a City career involving a strong understanding of shareholder value, strategic planning and corporate transactions. A former Chair of System1 Group plc and Gear4music plc he was also CEO of quoted Teather & Greenwood investment bank. Ken is a Fellow of the Chartered Securities Institute.

Stephen Brown
Chief Executive Officer

Stephen joined the Board in September 2023 as COO and was appointed CEO in January 2024. He has held several senior positions with prestigious global product and technology focused businesses. Recent roles include Group COO at AIM quoted AB Dynamics plc and CEO and Operating Partner at BP Launchpad, part of BP plc. Prior to this, Stephen held multiple leadership roles, including Global Vice President at Romax Technology, R&D Director at Vestas Wind Systems A/S and Technical Director at the Rolls Royce Holdings plc Industrial Power Group. Stephen also held other executive level roles in earlier stage growth companies. Stephen holds an Honours degree in Mechanical Engineering from the University of Newcastle upon Tyne.

Amitabh Sharma
Chief Financial Officer

Amitabh joined the Board in August 2022. He has over 30 years' experience in public and private companies of various sizes. Most recently, Amitabh was Group CFO at FTSE 250-listed Ultra Electronics Holdings plc, an international manufacturing group with a focus in the aerospace and defence market. He was also CFO of Gibbs and Dandy plc, a smaller listed company. Amitabh has, in the past, held senior finance roles at Senior plc and Saint Gobain Building Distribution and has extensive experience of corporate transactions, driving operational improvements and raising finance. Amitabh is also a non-executive director and Audit Chair at premium Main Market-listed Porvair plc. Previously, he was an Audit Manager with KPMG and is a Fellow of the Institute of Chartered Accountants of England and Wales.

David Tilston
Non-executive, Senior Independent Director, Chairman of the Audit Committee

N A R

David joined the Board in July 2017. He is a Fellow of both the Institute of Chartered Accountants in England and Wales and the Association of Corporate Treasurers. He has over 30 years' experience in finance functions within public companies including at group CFO level. He is also currently Audit Committee Chairman and a member of the Remuneration Committee at AIM-listed EnSilica plc and Chair of AFI Rentals Group Ltd.

Key

- N Nomination Committee
- A Audit Committee
- R Remuneration Committee
- Committee member
- Committee Chairman

Andrew Hosty
Non-executive, Chairman of the Remuneration Committee

N A R

Andrew joined the Board in August 2022. He has over 35 years of executive and management experience, spanning private equity, UK plc and global blue-chip corporates. Andrew was Chief Operating Officer of Morgan Advanced Materials and served on the plc Board as an executive director from 2010 to 2016. He is also a non-executive Chairman of the Rights and Issues Investment Trust PLC, Chairman of Nexeon Ltd, Chairman of mOm Incubators Ltd and Chairman of Rheon Labs Limited. Andrew holds a PhD in Materials Science and is a Fellow of the Royal Academy of Engineers.

Louise Early
Non-executive

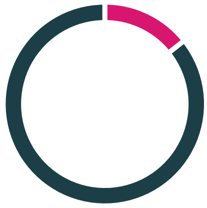
N A R

Louise joined the Board in February 2023. She has over 25 years of industry experience, including a variety of sales, business development, M&A, product and marketing management roles. Louise is currently Marketing and Commercial Director at Halma plc subsidiary company Navtech Radar Ltd. Prior to this, Louise held executive and management roles at Crowcon Detection Instruments Ltd and management roles at ACAL Technology Limited, Abacus Polar Limited and Deltron UK Limited. She was also previously non-executive director of Halma plc subsidiary companies SENSIT Technologies LLC, Labsphere Inc. and BEA Sensors Asia. Louise initially studied Engineering and has since complemented this with a CIM postgraduate diploma in Marketing and an MSc in Management. Louise is also a Fellow of the Chartered Institute of Marketing.

Mark Fryer
Non-executive

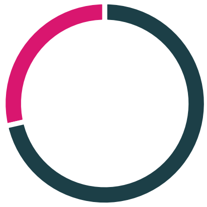
Mark joined the Board on 16 July 2026 and will be appointed Audit Committee Chairman on 1 August 2026. He has over 30 years' experience in growing shareholder value in primarily public companies. He is currently Group CFO at Dialight plc and has served as Group CFO for six public companies on both the Main Market and AIM. These include Manganese Bronze Holding plc, Augean plc, Dialight plc, Anexo Group plc and Franchise Brands plc. Prior to his Group CFO roles Mark had senior finance roles at both GKN plc and Cable & Wireless plc. Mark has extensive M&A experience in high growth niche specialised engineering backgrounds on both a national and international basis.

About the Board



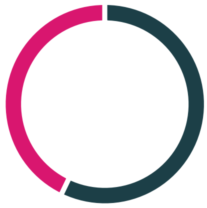
Women on the Board

Women	1
Men	6



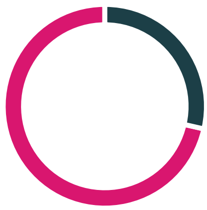
Age profile of the Board

51–65	5
Over 65	2



Independent directors on the Board

Independent	4
Non-independent	3



Executive/Non-executive directors on the Board

Executive	2
Non-executive	5

Corporate Governance Statement

Chairman's introduction

KenFord
Chairman

As Chairman I am responsible for the leadership of the Board and for ensuring the Board's effectiveness. I also have the responsibility for conducting Board meetings and making sure that there is effective and timely communication to our shareholders. In my role as Chairman, I also provide advice, counsel and support to the executives.

The 2023 QCA Corporate Governance Code

The Group follows a recognised corporate governance code in accordance with AIM Rule 26. The Board has adopted the 2023 QCA Corporate Governance Code, considering it the most appropriate framework for SDI's business and strategic objectives. The Group is committed to maintaining high standards of governance and believes it complies with the principles and provisions of the 2023 Code but is committed to continuously improving its governance over time.

Here we explain how we implement the ten principles of the QCA Corporate Governance Code in practice.

Principle	Commentary	Further information
1. Establish a purpose, strategy and business model which promote long-term value for shareholders	The Board has a shared view of SDI's purpose, business model and strategy. Our vision is to develop our existing technologies and to grow through strategic acquisitions. We believe that acquiring companies which complement the capabilities within SDI will promote organic growth and give us the opportunity to explore challenges and new markets within the fast-evolving science and technology sectors.	The strategy section of this Annual Report and our website
2. Seek to understand and meet shareholder needs and expectations	Responsibility for shareholder liaison rests principally with our CEO supported by our CFO. However, all our Board members attach a high degree of importance to providing shareholders with clear and transparent information on the Group's activities, strategy and financial position. The CEO and CFO hold meetings with institutional investors and other large shareholders following the release of the interim and financial results, and in recent years also present to smaller shareholders and the general public using the same material with opportunity to ask questions. Feedback is then provided to the Board. Occasionally, institutional investors and other large shareholders will meet the Chairman and/or the Senior Independent Director if requested. We regard our Annual General Meeting as a good opportunity to engage directly with shareholders through a question-and-answer session. We provide the market and shareholders with the results of AGM and GM voting via RNS and other communication channels including the Group's website.	Details of all shareholder communications are provided on our website

Principle	Commentary	Further information
3. Take account of wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success	SDI's vision involves encouraging our portfolio companies to work together to help advance medical and scientific knowledge, increase the technical capabilities of industry and ultimately improve the standard of living of the population as a whole. As well as that overarching purpose, the Board recognises that long-term business success relies on good relations with a range of different stakeholder groups, both internal and external, such as staff, suppliers and customers. We also seek to understand and mitigate the impact our business activities have on the communities and ecosystems in which we operate and consider our corporate social responsibilities and how these issues are integrated into our long-term strategy. We have assessed our environmental impacts across a range of areas, such as GHG emissions, waste and water use, and are taking steps to reduce these impacts where material. We encourage feedback from all our stakeholders and where appropriate use that feedback to shape our future direction, e.g. new methods or product offerings.	The section 172(1) report presented on pages 34 to 36 in this Annual Report provides further information
4. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation	We have addressed the principal risks we face by the appointment of an experienced executive team supported by experienced non-executive directors and a team of appropriately qualified professional advisors. Our executive directors are closely involved in the day-to-day operations of the Group and of our operating subsidiaries and report to the Board in detail at regular intervals. Relevant papers are distributed to members of the Board in advance of Board and Committee meetings. Detailed financial reports of the Group's financial performance are also provided on a regular basis. Our directors' knowledge and understanding of the Group is further enhanced by on-site visits to operational units; directors also receive presentations from senior management on the performance and strategies of their business units. The Audit Committee considers annually whether a formal internal function is required; at this stage it is not considered necessary. To enhance control processes the Group has periodically used an external professional services firm to facilitate a financial control self-assessment process across the decentralised Group. The external audit process is, as outlined in the Audit Committee report (and elsewhere in this Annual Report), an extensive process given our decentralised structure. We have included in our strategy meetings with our operating subsidiaries a specific agenda item on risk management, to understand individual business risks and to confirm appropriate mitigating actions. Directors also have the contractual right to take independent professional advice on any matter – at SDI's expense – if they deem it necessary in order to carry out their responsibilities.	The principal risks and uncertainties section of this Annual Report sets out some of the principal risks and uncertainties faced by the Group

Corporate Governance Statement continued

The 2023 QCA Corporate Governance Code continued

Principle	Commentary	Further information
5. Maintain the board as a well-functioning, balanced team led by the chair	Our Board consists of two executive directors (CEO and CFO) together with the Chairman and currently four independent non-executive directors. We believe this to be a good balance for a business of our size. Due to their working backgrounds and professional experience the non-executive directors provide a solid foundation for good corporate governance for the Group. They are also independent of management and ensure that no individual or group dominates the Board's decision-making process. To ensure the Board functions well, our non-executive directors are requested to attend Board and Committee meetings during the year. They are also required to be available at other times between meetings when necessary for face-to-face and phone/web meetings. We also hold an annual strategy meeting. Each non-executive director must demonstrate that they have sufficient time to devote to our business. To support the Board, we have put in place Audit, Remuneration and Nomination Committees, all of which have agreed formal terms of reference.	Biographies of the directors are presented on pages 48 and 49 in this Annual Report and on our website Reports of the Board Committees are also presented on pages 56 and 57 in this report
6. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	We undertake regular monitoring of personal and corporate performance. The responsibility for assessing and monitoring the performance of the executive directors lies with the independent non-executive directors. Agreed personal objectives and targets are set each year for the executive directors and performance is measured against these metrics. A formal Board evaluation process took place during the year. The process was led by our Chairman assisted by the Senior Independent Director and required directors to answer a set of questions setting out their views on the effectiveness of the Board and on the value of their Board contributions. The questions were based around issues arising from the ten principles of the QCA Code. The results of that assessment process were used by the Chairman to facilitate discussions with each individual director and with the Board as a whole. The Board concluded that its processes had improved over the last year. Areas of focus would include improved communications outside of Board meetings and evolving risk management further.	
7. Promote a corporate culture that is based on ethical values and behaviours	We believe it is the responsibility of the Board and senior leaders to ensure that the culture of our organisation is based on ethical values and behaviours. As well as leading by example, our ethics-based culture is promoted through our business behaviours, decisions, processes and operations, as well as the management of the risk of ethical misconduct. In addition, we have mechanisms to support high ethical standards, e.g. for raising concerns and reporting misconduct via a whistleblowing website. We also aim to include ethical criteria in recruitment and in performance appraisals and have detailed policies relating to important issues such as discrimination, whistleblowing, modern slavery, harassment, bribery and corruption, and conflicts of interest. We expect all our staff to adhere to these high standards. We are keen to invest in our people, not just our companies. With that in mind we seek to make our workplaces a better environment and to encourage all our staff to undergo relevant training and development.	

Principle	Commentary	Further information
8. Maintain appropriate governance structures and ensure that, individually and collectively, the directors have the necessary up-to-date experience, skills and capabilities	Our non-executive directors scrutinise the performance of management against the Group's objectives and also monitor the reporting of performance. The Board has considered mechanisms by which the business and the financial risks facing the Group are managed and reported to the Board. The principal business and financial risks have been identified and control procedures implemented. The Board acknowledges its responsibility for reviewing the effectiveness of the systems that are in place to manage risk. To achieve this aim the Board has a formal schedule of matters specifically reserved to it for decisions including the approval of annual and interim results and recommendation of dividends, approval of annual budgets, approval of larger capital expenditure and investment proposals, review of the overall system of internal control and risk management and review of corporate governance arrangements. Other responsibilities are delegated to the Board Committees, being the Audit, Remuneration and Nomination Committees, which as explained in section 5 above operate within clearly defined terms of reference, and which report back to the Board. Our directors have been chosen because of the skills and experience they offer. Of our seven directors one is female and six are male. All have listed company experience and one was the CEO of an investment bank, two were COOs of listed businesses, one has significant marketing and commercial experience and three are accountants. Our directors attend industry and regulatory learning and networking events to keep up to date with relevant developments.	Reports of the Board Committees are also presented on pages 56 and 57 in this report Biographies of the directors are presented on pages 48 and 49 in this Annual Report and on our website
9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture	The Remuneration Committee sets out its Remuneration Policy in its report annually. Each component of the policy links to the Group purpose and strategy, with the Committee mindful of the Group culture as it also reviews the senior management compensation packages. This is balanced with the need to both attract and retain executives of appropriate calibre. Long-term value creation is supported through the use of an LTIP scheme for executive directors and senior employees. Consistent with best practice, one advisory vote will be taken to the 2026 AGM for shareholder approval, being the directors' remuneration report comprising the annual statement and annual report on remuneration. The directors' Remuneration Policy report resolution was passed at the 2025 AGM.	The directors' remuneration report (including the Remuneration Policy report) is presented on pages 58 to 60 in this report
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	We have set out in section 2 above how we maintain a regular dialogue with our shareholders including welcoming all shareholders to our AGMs.	Further information and the resolutions put to a vote at Annual General Meetings can be found on our website

Corporate Governance Statement continued

The Board

The Board comprises the Chairman, two executive directors and, at present, four non-executive directors. The non-executive directors are considered to be independent, provide a solid foundation for good corporate governance for the Group and ensure that no individual or group dominates the Board's decision-making process. The non-executive directors are independent of management. Each non-executive director must continue to demonstrate that they have sufficient time to devote to the Company's business and attendance at Board and Committee meetings is summarised later in this report.

The non-executive directors constructively challenge and assist in developing the strategy of the Group using their experience and knowledge of acquisition targets and fundraising. They scrutinise the performance of management against the Group's objectives and monitor the reporting of performance. The Board is provided with regular and timely information on the financial performance of the Group as a whole, together with reports on trading matters, markets and other relevant matters.

There are clearly defined roles for the Chairman and CEO. The Chairman is responsible for leadership of the Board, ensuring effectiveness of the Board in all aspects, conducting Board meetings and the effective and timely communication of information to shareholders. The Chairman is able to provide advice, counsel and support to the Chief Executive. The Chief Executive has direct charge of the Group's day-to-day activities and sets the operating plans and budgets required to deliver the agreed strategy. The Chief Executive is also responsible for ensuring that the Group has in place appropriate risk management and control mechanisms.

The Board is collectively responsible for the performance of the Group and is responsible to shareholders for proper management of the Group. A statement of directors' responsibilities is given on page 61 and a statement on going concern is given on pages 62 and 63.

The Board has a formal schedule of matters specifically reserved to it for decisions including the approval of annual and interim results and recommendation of dividends, approval of annual budgets, approval of larger capital expenditure and investment proposals, review of the overall system of internal control and risk management and review of corporate governance arrangements. Other responsibilities are delegated to the Board Committees, being the Audit, Remuneration and Nomination Committees, which operate within clearly defined terms of reference, and which report back to the Board.

Relevant papers are distributed to members in advance of Board and Committee meetings. Directors' knowledge and understanding of the Group is enhanced by visits to the operations and by receiving presentations by senior management on the results and strategies of the business units. Directors may take independent professional advice on any matter at the Company's expense if they deem it necessary in order to carry out their responsibilities. The Company has secured appropriate insurance cover for directors and officers.

Board Committees

The following Committees deal with specific aspects of the Group's affairs.

Audit Committee

The Audit Committee, which is chaired by David Tilston and has Andrew Hosty and Louise Early as other members, meets not less than twice annually and more frequently if required.

The Board considers that David Tilston has recent and relevant financial experience and an understanding of accounting and financial issues relevant to the industries in which SDI Group operates. The Committee provides a forum for reporting by the Group's external Auditor. Where appropriate meetings are also attended by the Chairman and executives at the invitation of the Committee.

› A report of the Audit Committee is provided on page 56.

Remuneration Committee

The Remuneration Committee, which is chaired by Andrew Hosty and has David Tilston and Louise Early as other members, meets not less than twice annually and more frequently if required. Other regular attendees, at the invitation of the Committee, include the Chairman, the CEO and the CFO.

› A report of the Remuneration Committee and the directors' remuneration report can be found on pages 57 to 60.

Nomination Committee

This Committee is chaired by Ken Ford and has David Tilston, Andrew Hosty and Louise Early as its other members and meets at least once per annum. Where appropriate meetings are also attended by the CEO and the CFO at the invitation of the Committee.

The Nomination Committee is responsible for evaluating the effectiveness of the Board, assessing the skills, experience and attributes required of Board candidates, and overseeing succession planning.

The Committee met in January 2026 to review succession plans, noting that the Audit Committee Chairman would reach nine years in the role by the summer of 2026. As a result, a recruitment process was initiated with the support of an external search firm to identify a successor. Following the preparation of a longlist and subsequent shortlist of candidates, Committee members and executive directors conducted interviews. This process culminated in the appointment of a successor, Mark Fryer, who joined the Board in July 2026.

Following David Tilston's departure, Mark Fryer will join the Audit Committee as Chairman, as well as the Remuneration and Nomination Committees as a member, in early August 2026.

Attendance at Board and Committee Meetings

The members' attendance at Board and Committee meetings during the year is disclosed in the table below.

	Board	Audit	Remuneration	Nomination
K Ford	7/7	–	–	–
S Brown	7/7	–	–	–
A Sharma	7/7	–	–	–
D Tilston	7/7	3/3	4/4	1/1
A Hosty	7/7	3/3	4/4	1/1
L Early	7/7	3/3	4/4	1/1

Conformance with Best Practice

The Board has reviewed its composition against certain non-statutory 'best practice' guidelines and makes the following observations:

That the Company Secretary Should Not Be an Executive Director

The Board members have significant external board of directors experience and are aware that they may seek independent professional advice at the Company's expense to discharge their duties. The Board believes that the Company is currently best served by combining the roles of CFO and Company Secretary, in the interests of efficiency and cost. This is, however, in the process of being re-evaluated.

The Board expects to keep any such matters under at least annual review.

Report of the Audit Committee

David Tilston
Audit Committee Chairman

I am pleased to present the Audit Committee report for the year ended 30 April 2026.

Composition of the Committee

The Committee consists of Andrew Hosty, Louise Early and me (as Chairman). The Chairman, executive directors and Group Financial Controller may be invited to attend Committee meetings if required. During the year, the Committee met three times, to approve the audit plan, review the audit conclusions and interim findings and consider other matters delegated to the Committee. The Board is satisfied that I, as Chairman of the Committee, have recent and relevant financial experience. I am a Chartered Accountant, I have served as Group Finance Director in several quoted companies and I am Audit Committee Chairman of one other AIM-listed company. I report the Committee's activities at Board meetings and the minutes of each meeting are made available to all members of the Board.

Responsibilities

The Committee's main duties are to:

- ensure the integrity of the financial statements (including annual and interim accounts and results announcements);
- review significant financial reporting judgements and the application of accounting policies thereon;
- ensure the Annual Report and Accounts are fair, balanced and understandable and recommend their approval to the Board;
- manage the relationship with the Group's external Auditor and review its suitability and independence;
- negotiate and approve the external Auditor's fee, the scope of its audit and terms of engagement;
- review and monitor the extent of the non-audit services undertaken by the Group's external Auditor;
- review the risk management and internal control systems;
- review the assessment of going concern; and
- assess the need for an internal audit function.

Audit Process

The external Auditor prepares an audit plan for its review of the full year financial statements. The audit plan sets out the scope of the audit, specific areas of risk to target and the audit timetable. This plan is reviewed and agreed in advance by the Committee. Following completion of audit fieldwork, the Auditor presented its findings to the Committee and discussions were held regarding the significant risks identified, specifically fraud in revenue recognition, the carrying value of intangible assets, acquisition accounting, the valuation of investments and intra-group receivables and management override of controls. Other risks were assessed but not deemed significant.

Internal Audit

At present the Group does not have a formal internal audit function and the Committee will keep this matter under review as the Group's activities expand.

Risk Management and Internal Controls

The corporate governance statement on pages 50 to 55 explains the measures taken to embed effective risk management throughout the Group which is dependent upon the close involvement of the executive directors in the day-to-day operations of the Group, the strength of portfolio company management teams and reporting from the operating subsidiaries. A review of evolving risks forms part of the regular portfolio companies' operational reviews.

The Committee is responsible for reviewing the risk management and internal control framework as it continues to evolve and ensuring that it operates effectively. The Committee has reviewed the framework by: (a) receiving papers and discussing oversight practices with the Group CEO, Group CFO and Group FC; (b) receiving a report from the external Auditor on observations made during its audits of operating subsidiaries; and (c) reviewing feedback from the self-assessment process undertaken periodically and determining that it remains appropriate for the Group's current scale of operations.

David Tilston
Audit Committee Chairman
29 July 2026

Report of the Remuneration Committee

Andrew Hosty
Remuneration Committee Chairman

On behalf of the Remuneration Committee (the 'Committee'), I am pleased to present the Directors' Remuneration report for the year ended 30 April 2026.

This report is divided into three sections:

- this **Annual Statement**, which summarises the work of the Committee and remuneration outcomes for 2026;
- the **Remuneration Policy report**, which summarises the Company's Remuneration Policy which was approved by shareholders at the 2025 AGM; and
- the **Annual Report on Remuneration**, which discloses how the Remuneration Policy was implemented in the year ended 30 April 2026.

Remuneration Committee

The Committee is chaired by me with David Tilston and Louise Early as its other members. Other regular attendees, at the invitation of the Committee, include the Chairman, the CEO and the CFO.

We meet as a Committee at least two times every year. In 2026 we met four times, and our role is to determine the Group's policy for executive remuneration and the individual remuneration packages for executive directors together with other designated senior management. A particular function of the Committee is the approval of all awards of share options to directors and staff. The Committee's terms of reference are available on the Group's website.

Directors' Remuneration in Respect of the Year Ended 30 April 2026

- In respect of executive director salary levels, Stephen Brown received a salary of £309k (increased from £300k for the previous year) and Amitabh Sharma received a salary of £264k (increased from £257k for the previous year).
- Pension provision was capped at 5% of salary.
- Annual bonuses of £386k and £306k were awarded to the CEO and CFO respectively for the year ended 30 April 2026. Awards reflected performance against the personal objectives and financial performance for the year. The Committee determined that 70% of the bonus awards should be deferred into SDI shares, vesting one year after the grant date.
- As a result of the threshold earnings per share ('EPS') and relative total shareholder return ('TSR') performance targets not being met, the 2022 LTIP awards lapsed in full in October 2025.
- During the year, no directors exercised options over the ordinary shares of the Company.
- The Chairman received an annual fee of £75k.
- The non-executive directors received a base fee of £40k p.a. (increased to £45k p.a. from the beginning of May 2026) with a further £6k p.a. each for the Audit and Remuneration Committee Chairmen and a further £5k p.a. for acting as the Senior Independent Director.

Andrew Hosty
Remuneration Committee Chairman
29 July 2026

Directors' Remuneration Report

Remuneration Policy Report

A summary of the Directors' Remuneration Policy which was approved by shareholders at the 2025 AGM is set out below. The full Policy approved by shareholders is set out in the Annual Report 2025.

Executive Director Remuneration Policy

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To ensure that the Company can recruit and retain high quality executives to deliver on the Company strategy in the interest of the shareholders.	Executive directors' base salaries reflect the responsibilities and the skills, knowledge and experience of the individual and the complexity of the role.	Not applicable.	Not applicable.
Benefits	To provide a market-competitive package.	Offered in line with market practice and may include life assurance and private medical insurance.	Not applicable.	Not applicable.
Pension	To provide an appropriate level of benefits that allow for retirement planning.	Group contribution into a personal pension scheme (or by means of a cash alternative, provided there is no additional cost to the Company).	5% of salary.	Not applicable.
Annual bonus	To reward performance against annual targets which support the strategic direction of the Group.	The Committee sets annual performance targets. The Remuneration Committee reserves the right to settle the bonus in cash and/or deferred shares.	125% of salary.	Sliding scale financial and/or non-financial/ strategic/ personal targets.
LTIP	To drive and reward the achievement of longer-term objectives to deliver sustainable earnings growth. To support the retention and promote share ownership for executive directors.	Nominal (or nil) cost share options. Vesting is normally subject to the achievement of challenging performance conditions, normally over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards are subject to malus/clawback provisions at the discretion of the Committee.	100% of salary.	Performance metrics may be linked to financial and/or share price and/or strategic performance.

The CEO and CFO are engaged under separate contracts which require a notice period of six months given at any time by the Group or the individual. The service contracts with Stephen Brown dated 9 August 2023 and with Amitabh Sharma dated 8 August 2022 include a notice period of six months if given by either party.

Non-Executive Director Remuneration Policy

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To attract non-executive directors with relevant experience and skills to oversee the development and implementation of the Group's strategy.	Fees are regularly reviewed considering the level of responsibility and relevant experience. Fees may include a basic fee and additional fees for further responsibilities. Fees are normally paid in cash. Travel and other reasonable expenses incurred while performing their duties may be reimbursed. Non-executive directors may also receive pension contributions.	There is no prescribed maximum. The Board is guided by general increase in the market for non-executive director roles and the broader employee population.	Not applicable. Non-executive directors do not participate in variable pay arrangements.

The Chairman and the non-executive directors are engaged under service contracts, each of which provides that notice of three months can be given at any time by the Group or the individual.

Annual Report on Remuneration

Directors' Remuneration and Pension Entitlements

The remuneration of the directors is set out below:

	Salary/ fees[1] £'000	Cash bonus £'000	Deferred shares bonus £'000	Taxable benefits £'000	Pension[2] £'000	2026 Total £'000	2025 Total £'000
K Ford	**75**	**–**	**–**	**–**	**–**	**75**	73
S Brown	**309**	**116**	**270**	**4**	**15**	**714**	507
D Tilston	**51**	**–**	**–**	**–**	**–**	**51**	46
A Sharma	**262**	**92**	**214**	**3**	**14**	**585**	432
A Hosty	**46**	**–**	**–**	**–**	**–**	**46**	44
L Early	**40**	**–**	**–**	**–**	**–**	**40**	40
Total	**783**	**208**	**484**	**7**	**29**	**1,511**	1,142

1. Salary/fees are shown before salary sacrifice of 5%.
2. Amitabh Sharma is paid a 5% cash allowance in lieu of pension contributions.

The bonus award for the year ended 30 April 2026 reflects performance against sliding scale financial targets linked to exceeding market consensus EBIT and the personal objectives that were set at the start of that financial year. In accordance with the bonus scheme rules for FY26, 70% of the bonus awards will be deferred into SDI shares which will vest after a one-year period following grant.

During the year, no directors (FY25: nil directors) exercised options over the ordinary shares of the Company realising no gain on exercise (FY25: £nil).

Directors’ Remuneration Report continued

Annual Report on Remuneration continued

Directors’ Beneficial Interests

Directors’ beneficial interests in shares in the Company are set out below:

	2026 Number	2025 Number
K Ford	**970,000**	1,205,217
S Brown	**25,573**	25,573
D Tilston	**100,000**	100,000
A Sharma	**28,762**	28,762

None of the directors had or has an interest in any material contract relating to the business of the Company or any of its subsidiary undertakings. Directors’ beneficial interests in share options in the Company are set out below:

	2026 Number	2025 Number
K Ford	**135,455**	135,455
S Brown	**1,290,128**	786,720
A Sharma	**1,084,856**	865,228

Share Awards

Awards were granted to executive directors in the year ended 30 April 2026 on 24 September 2025. The performance conditions were as follows: 50% based on growth in adjusted fully diluted earnings per share (‘EPS’) in the three years starting 1 May 2025 and 50% on the TSR over three years compared with a basket of 20 comparable companies.

The Awards will normally vest on the third anniversary of grant subject to continued service and the performance conditions, with a one-year post-vesting holding period. The exercise price for these options is 1p each, being the nominal value of SDI shares.

The directors participating in the scheme at the date of this report and their maximum respective entitlements under the scheme to shares in SDI Group plc are as follows:

	24 September 2025 award*	Total awards
K Ford	–	135,455
S Brown	312,121	1,017,279
A Sharma	267,070	856,382

* Based on the ten-day average closing share price of 99p on 24 September 2025, the awards equated to c.100% of annual salary for the CEO and CFO.

The October 2022 LTIP award reached its vesting date in October 2025. As a result of the threshold EPS and TSR performance targets not being met, the awards lapsed in full.

The above table is a subset of the share option table. The market price of the Company’s shares at the end of the financial year was 75.5p and ranged from 55p to 103p during the year. The exercise price of the ordinary options ranges from £0.01 (i.e. LTIPs which are structured as nominal cost options) to £1.740.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report comprising the directors' report, strategic report, governance report and 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 to prepare the consolidated financial statements in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and have elected to prepare separate parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, 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 and profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards and those parts of the Companies Act 2006 applicable to companies reporting under IFRS for the parent company 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 Group and Company will continue in business.

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 and the directors' remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

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

The directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the directors consider the Annual Report and financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

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.

To the best of our knowledge:

- the Group financial statements, prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole;
- the parent company financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company; and
- the strategic report and directors' report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Group Results

The Group's profit for the year after taxation amounted to £4.9m (FY25: £4.0m) and has been transferred to reserves.

All KPIs and risks are disclosed in the strategic report on page 33 and pages 46 and 47 respectively.

During the year, as part of our cash management processes from our 70% owned Chinese subsidiary, Shanghai Fraser Static Technology Co., Ltd paid a dividend of £71k (FY25: £34k) to its non-controlling interest as well as a dividend to its parent company, Fraser Anti-Static Techniques Limited.

Directors' Report

Directors

The directors who served during the year are set out below.

K Ford
S Brown
A Sharma
D Tilston
A Hosty
L Early

Mark Fryer joined the Board on 16 July 2026. The interests of the directors and their families in the share capital of the Company are shown in the directors' remuneration report on pages 58 to 60. The appointment and replacement of directors of the Company are governed by its Articles of Association and the Companies Act 2006. The Articles of Association may be amended by special resolution of the shareholders.

The Company must have a minimum of two directors holding office at all times. There is no maximum number of directors. The Company may, by ordinary resolution, appoint any person to be a director. The Board may appoint a person who is willing to act as director, either to fill a vacancy or as an addition to the Board. A director appointed in this way may hold office only until the dissolution of the next Annual General Meeting unless he or she is reappointed during the meeting.

Directors' Indemnities

The directors have the benefit of an indemnity from the Company in respect of liabilities incurred as a result of their office. This indemnity is provided under the Company's Articles of Association and satisfies the indemnity provisions of the Companies Act 2006. The Company has taken out an insurance policy in respect of those liabilities for which the directors may not be indemnified. Neither the indemnity nor the insurance provides cover in the event that a director is proved to have acted dishonestly or fraudulently.

Power of Directors

The directors are responsible for the management of the business of the Company and may exercise all powers of the Company subject to applicable legislation and regulation and the Memorandum and Articles of Association.

At the Annual General Meeting held on 24 September 2025, the directors were given the power to:

- arrange for the Company to purchase its own shares in the market up to a limit of approximately 10% of its issued share capital;
- allot ordinary shares up to an aggregate nominal value of £348,504; and
- issue equity securities for cash, otherwise than to existing shareholders in proportion to their existing shareholdings, up to an aggregate nominal value of £104,551.

We have reviewed the latest Pre-Emption Group Statement of Principles 2022 in preparation for the forthcoming AGM expected to be held on 23 September 2026. In line with the latest Statement of Principles, the directors will be seeking shareholder approval to:

- arrange for the Company to purchase its own shares in the market up to a limit of approximately 10% of its issued share capital; and
- allot ordinary shares and disapply the statutory pre-emption rights in accordance with the latest Investment Association Share Capital Management Guidelines and Pre-Emption Group Statement of Principles.

Going Concern

The consolidated financial statements have been prepared on a going concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out within this strategic report. The financial position of the Group and its cash flows and liquidity position are provided in the financial statements on pages 71 to 108.

The Group ended FY26 with net debt (excluding lease liabilities and deferred consideration) of £24.0m, higher than last year (£13.8m). This reflects the two acquisitions over the financial year, the most recent in February 2026.

The Group generated free cash flow (before acquisition consideration but after lease payments) of £3.2m (FY25: £6.9m). Free cash flow reduced due to a working capital increase of £3.1m. This was largely driven by increases in trade debtors of £1.5m, due to significant activity over March and April offset by an increase in trade creditors of £0.6m. Other debtors/creditors rose by a net £1.1m, the largest component being £0.5m relating to Scientific Vacuum Systems' ongoing project with a UK government customer, which will be received in FY27. Inventories increased by £1.0m, across a number of businesses, with the largest at Atik and Monmouth. FY25 year end was an unusually low working capital position for the Group.

On 27 November 2025 the Group renewed and expanded its committed loan facility with HSBC to £25m, with an accordion option of an additional £15m and with a repayment date of 27 November 2028 extendable for two further years. Both the accordion option and the extensions are at HSBC's discretion. This provides the Group with certainty over long-term liquidity. The Group exercised £6m of its accordion option in early February 2026, with £9m of the accordion facility remaining unexercised.

At the end of the financial year the Group had drawn down £27.0m of its revolving credit facility (FY25: £15.1m), leaving £4.0m in headroom excluding an additional £9.0m accordion option, which is available subject to HSBC's discretion.

The Board has considered the potential of a downturn given the current economic environment. The Group is in a strong financial position with available facilities, sufficient headroom on all covenants associated with the revolving credit facility, good profitability, and a strong future order book, enabling it to face any reasonable likely challenge of the continued uncertain global economic environment. The Board has reviewed forecasts for the period to 30 April 2028, evaluated a severe but plausible downside scenario and performed a sensitivity analysis, all of which the Board considers unlikely. In the event of a more severe scenario (without applying any mitigations), both covenants would come under some (but not severe) stress. However, mitigations would be obviously applied should this unlikely scenario present itself, such as (but not restricted to) further cost cutting, sale and leaseback of freehold property and potential disposal of assets. This would not cause any significant challenges to the Group's continued existence.

The Board therefore has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing the Annual Report and Accounts.

Research and Development

Each of the Group's businesses devotes appropriate resources to maintaining and expanding its competitive position by researching and developing new products and processes as well as updating existing products. 38 employees were employed for development activities in the year (FY25: 37). Research and development spend in the year amounted to £1.8m, of which £1.0m was capitalised, compared to £1.4m in the previous year, of which £0.6m was capitalised.

Future Development

The directors expect that the Group will continue to execute its strategy of acquiring and managing niche manufacturing businesses operating within the science and technology sectors.

Structure of Share Capital

As at 30 April 2026 the Company's authorised share capital was £10,000,000 comprising 1,000,000,000 ordinary shares of 1p each. As at 30 April 2026 the Company had 104,573,126 (FY25: 104,551,326) ordinary shares in issue with a nominal value of 1p each.

Corporate Governance

Corporate governance is discussed on pages 50 to 55.

Financial Risk Management Objectives and Policies

Financial risk management objectives and policies are discussed in note 28.

Employee Engagement with Other Stakeholders

The Company engages with its employees and other stakeholders as disclosed in the section 172(1) report on pages 34 to 36.

Health and Safety Policies

The Group is committed to conducting its business in a manner which ensures high standards of health and safety for its employees, visitors and the general public. It complies with all applicable and regulatory requirements.

Streamlined Energy and Carbon Reporting ('SECR')

Each individual company within the Group is not obliged to include SECR specific disclosure due to size criteria. The parent company and its subsidiaries are all low energy users individually, consuming less than 40MWh per annum. The Group presents disclosures relating to its emissions, including those related to operational energy use, in its strategic report on pages 40 to 45.

Substantial Shareholdings

As at 28 July 2026 the Company is aware of the following shareholders which hold an interest of 3% or more in the Company's ordinary share capital.

	Number of ordinary shares	Percentage of share capital
Business Growth Fund	14,375,000	13.7%
Mikhail Stiskin	13,599,036	13.0%
Shareholder Value Beteiligungen	5,280,000	5.0%
Danske Bank A/S	5,147,319	4.9%
Octopus Investments	3,719,640	3.6%

Auditor

A resolution to reappoint PKF Littlejohn LLP as Auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with section 489 of the Companies Act 2006.

On behalf of the Board

Ken Ford
Chairman
29 July 2026

Stephen Brown
Chief Executive Officer
29 July 2026

Independent Auditor's Report
to the members of SDI Group plc

Opinion
We have audited the financial statements of SDI Group plc (the 'company') and its subsidiaries (the 'group') for the year ended 30 April 2026 which the Consolidated Income Statement and Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity, and notes to the financial statements, including significant accounting policies. 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 company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 30 April 2026 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006; 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 and company 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 as applied to listed entities, 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. Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's base case forecasts covering the period up to 12 months from the date the financial statements, assessing how these forecasts were compiled and assessing their appropriateness by challenging management's assumptions and also applying sensitivities to the underlying assumptions;
- assessing the adherence to covenants in the going concern period forecasts;
- agreeing the latest post year-end cash balances to the working capital position within the going concern forecast and testing the mathematical accuracy of the forecasts;
- considering the impact of the external market and macro-economic factors affecting the group and company and their future economic viability;
- obtaining management's downside scenarios, which reflects management's assessment of uncertainty and the mitigating actions in place, and evaluating the assumptions regarding reduced trading levels under this scenario;
- evaluating the accuracy of management's historical forecasting and the impact of this on management's assessment; and
- assessing the appropriateness of disclosures in respect of going concern made in the financial statements.

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

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

	Group financial statements	Company financial statements
Materiality for the financial statements as a whole ('overall materiality')	£452,000 (FY25: £400,000)	£360,000 (FY25: £277,000)
Basis of materiality	5% of adjusted profit before tax (excluding exceptional and non-underlying items)	1% of total assets however as this exceeds group materiality, capped at 80% of group materiality
Rationale Benchmark	We consider adjusted profit before tax, as set out above, to be the most relevant performance indicator as the group is profit generating and the financial statements contains a number of profit-focused KPIs such as; adjusted operating profit, adjusted profit before tax and adjusted diluted EPS.	We consider an asset-based benchmark the most appropriate benchmark because the company is a non-trading holding company. We then capped the materiality level to 80% of the group materiality for the reasons set out below.
Rationale Percentage	The percentage applied to the benchmark has been selected to bring into scope all significant classes of transactions, account balances and disclosures relevant for the shareholders, and also to ensure that matters that would have a significant impact on the results were appropriately considered.	
Performance materiality 70% of overall materiality	£316,000 (FY25: £280,000)	£252,000 (FY25: £193,900)
	In determining performance materiality, we considered the following factors: › the number and quantum of identified misstatements in the prior year audit; and › the consistency in the level of judgement required in key accounting estimates and the level of significant or other key risks, including KAMs, identified during our planning procedures.	

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes.

For each operating component in the scope of our audit, we allocated a materiality based on the maximum aggregate component performance materiality. The range of component materiality allocated across these components was between £57,000 and £140,000. Materiality allocated to components included for specified audit procedures only, range between £40,000 and £158,000, was based on the levels of trading activities in said components.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £22,000 (FY25: £20,000) for the group and £19,050 (FY25: £13,850) for the company, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Our approach to the audit

Our audit was tailored in such a way as to perform sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and of the company, the accounting processes and controls, and the industry in which they operate.

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. We looked at the areas directors make subjective judgements, for example in respect of significant accounting estimates which involve making assumptions and considering future events, this process being inherently uncertain.

Independent Auditor's Report continued
to the members of SDI Group plc

Our approach to the audit continued

Materiality and the risks of material misstatement were assessed at subsidiary level for our audit procedures on the subsidiaries.

We performed an assessment to identify components which are of significance to the group audit, by taking into account the significance of account balances and the according risks of material misstatement related to them as well as their relative financial significance. Eight were determined to be meet the criteria for which full-scope procedures should be performed. The remaining subsidiaries were tested to a percentage of group performance materiality either through specified procedures as determined sufficient by the audit team for the purposes of the group audit.

Audit approach	No. of components	% coverage revenue	% coverage adjusted profit before tax
Full-scope audit	8	60	71
Specified audit procedures	8	25	19
Total	**16**	**85**	**90**

With the exception of one component located in Portugal, all in scope components were located in the UK, where the audit work was conducted by us using a team with specific experience of auditing manufacturing companies and publicly listed entities.

The component in Portugal was audited by a PKF network firm under our instruction. We interacted regularly with the component audit team during all stages of the audit and we were responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our scope addressed this matter
Fraud in revenue Recognition (Occurrence and cut-off) (Note 3 and 5)	
Under ISA (UK) 240, there is a rebuttable presumption that revenue recognition is a significant fraud risk. Whilst this is an ISA mandated risk, revenue is a material balance for the Group and represents the largest balance in the group income statement. An error in this balance could significantly affect users' interpretation of the financial statements The group's revenue for the year ended 30 April 2026 totalled £74.5m (FY25: £66.2m) and comprises several individually material streams recognised either at a point in time or over time in accordance with International Financial Reporting Standard (IFRS) 15 'Revenue from Contracts with Customers'. The significant risk specifically relates to: › Transactions initiated through manual journal postings that did not follow the normal business process; › Contracts which are highly material to a subsidiary and the group; and › Estimates involved in recognising revenue overtime in relation to open contracts at year end and revenue recognised within the last two months of the year (pre-year-end cut-off). Given the significant value of revenue and the judgements required to be made by management in respect of the recognition of revenue over time in relation to open contracts, this has been assessed as a key audit matter.	Our work in this area included, but was not limited to: › Performing a walkthrough for each material revenue stream in order to gain an understanding of the internal control environment and to ensure that the key controls within these systems have been operating in the period under audit; › Utilising data analytics procedures to identify unexpected journal entries impacting the revenue cycle, for testing; › Testing the occurrence of revenue arising from the sale of goods by agreeing a sample of transactions to supporting documentation such as invoices, cash receipts PODs/contracts; › Testing material contracts in the year by obtaining the proof of dispatch, invoice and cash received, and assessed whether this is in line with the contract terms and our expectations; › Testing the occurrence of revenue arising from service contracts with unfulfilled performance obligations by selecting a sample of transactions and agreeing the revenues to supporting evidence, recalculating the revenue recognised, and assessing the appropriateness of any accrued or deferred income balance at the year end; and › We have evaluated and tested the disclosures relating to revenue in the financial statements. Based on the work performed and evidence obtained, we consider the revenue accounting to be reasonable.

Key audit matter	How our scope addressed this matter
Carrying value of intangible assets (Note 3 and 12)	
In accordance with International Accounting Standard (IAS) 36 'Impairment of Assets', an annual impairment review is required to be performed by management to determine whether the carrying value of goodwill is appropriate. The carrying value of acquired intangibles and goodwill as at 30 April 2026 totalled £59.6m (2025: £46.6m). We identified the risk of impairment of intangible assets as one of the most significant assessed risks of material misstatement due to fraud. The impairment assessments are performed using value in use calculations, which requires forecasted cash flows, extrapolated growth rates and an applicable discount rate. This therefore relies on a significant amount of judgement and estimate and is considered to be a key audit matter.	Our work in this area included, but was not limited to: › Obtaining an understanding of the relevant controls and procedures in place, including the assessment of impairment indicators; › Reviewing the impairment assessment prepared by management and challenging the assumptions made thereto, including the identification of cash generating units; › Reviewing the discounted cash flows for each separate CGU with impairment indicators and group of CGUs where goodwill are monitored, performing sensitivity analysis on management's estimates and assessing against the carrying value of the CGUs at the period end; performing sensitivity analysis on other key assumption in the impairment model; › Performing sensitivity analysis on other key assumption in the impairment model; › Working with our PKF valuations team in the review of the discount and terminal growth rates used in the model; and › Assessing the adequacy of the financial statement disclosures, including the accounting policies. Based on the work performed and evidence obtained, we consider the assumptions used by management to perform the impairment assessment to be reasonable.
Valuation of investment (Company only – note 1 and 5)	
The Company's investments in subsidiaries had a carrying value of £85.9m as at 30 April 2026 and therefore there is a risk that these balances may be materially impaired. Given the significant value of investments in subsidiaries and the judgement and estimation required to be made by management when conducting its impairment assessments, this risk has been assessed as a key audit matter.	Our work in this area included, but was not limited to: › obtaining management's indicators of impairment assessment, and where relevant detailed impairment assessments, in respect of investments in subsidiaries. Reviewing and discussing with management; ascertaining and challenging the key assumptions, estimates and judgements made by management and assessing whether any impairment indicators are met; and › where it was assessed that impairment indicators exist in respect of investments in subsidiaries, we obtained management's assessment of the recoverable value of these investments. Reviewing and discussing with management; ascertaining and challenging the key assumptions, estimates and judgements made by management and assessing whether the assessed recoverable value is reasonable. Based on the work performed and evidence obtained, we consider the assumptions used by management to perform the impairment assessment to be reasonable.

Independent Auditor's Report continued
to the members of SDI Group plc

Key audit matter	How our scope addressed this matter
Application of acquisition accounting including the valuation of intangible assets on acquisition (Note 3 and 31) (Valuation, Presentation & Disclosure and Accuracy)	
In June 2025 and February 2026, the Group acquired Severn Thermal Solutions Limited and PRP Optoelectronics Limited respectively. This resulted in investments recognised in the company totalling £20.4m and within the consolidated financial statements acquired intangible assets and goodwill being recognised with a carrying value of £7.9m and £7.4m (prior to the amortisation charge for the period). We identified the accounting for these acquisitions and the valuation of intangible assets on recognition of the acquired businesses as a significant risk of material misstatement due to error. This is due to the fact that there is a risk the subsidiaries' results post-acquisition and their assets and liabilities have not been incorporated correctly into the consolidation and that the intangible assets, including goodwill, are not recognised in accordance with IFRS 3 'Business Combinations'. There is significant management judgement and complexity associated with the allocation of excess consideration over net assets acquired between separable intangible assets and remaining goodwill and thus this risk has been identified as a key audit matter.	Our work in this area included, but was not limited to: › Assessing the group's accounting for the acquisitions of Severn and PRP to confirm whether it was in accordance with the group's financial reporting framework, including IFRS 3; › Obtaining the sale purchase agreements for the acquisitions of Severn and PRP, to ensure the completeness of consideration recorded by management; › Obtaining supporting purchase price allocation, prepared by management and their expert, to support the valuation of intangible assets acquired; › Considering the competency of the expert used by management, including qualifications and experience; › Evaluating management's considerations as to the nature of the separately identified intangibles, and challenged whether any other intangible assets should have been separately identified; › Recalculating the fair value of consideration paid in respect of the acquisitions of Severn and PRP to determine whether these have been accurately recorded; › Using an auditor's expert to assess the appropriateness of the valuation methodology used by management, including the methodology adopted for identifying separate intangible assets distinct from goodwill and assess the appropriateness of discount rates and growth rates applied. › Perform procedures over the subsidiaries' opening balance sheets on the acquisition date to ensure transactions are recorded within the correct accounting period; and › Assessing the adequacy of the financial statement disclosures, including the accounting policies. We have evaluated and tested the disclosures relating to the acquisition in the financial statements. Based on the work performed and evidence obtained, we consider the assumptions used by management to fair value the intangible assets to be reasonable.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; 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 directors' responsibilities statement, the directors are responsible for the preparation of the group and company 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 group and company financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, review of minutes of board meetings and cumulative audit knowledge of manufacturing entities.
- We determined the principal laws and regulations relevant to the group and company in this regard to be those arising from the:
  - Companies Act 2006;
  - UK-adopted international accounting standards and the Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice);
  - Employment health and safety laws and GDPR rules;
  - Local laws and regulations in the jurisdictions of the subsidiary entities;
  - AIM Rules for Companies; and
  - Anti-bribery and anti-money laundering regulations.

Independent Auditor's Report continued
to the members of SDI Group plc

Auditor's responsibilities for the audit of the financial statements continued

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - Reviewing board meeting minutes;
  - Reviewing legal correspondence (where applicable) and reviewing legal and professional fees.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment assessment of goodwill and intangibles (group) and investments (company) as well as the fair value allocation of intangible assets in relation to the acquisitions of Severn Thermal Solutions and PRP Optoelectronics. We addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate and ensuring that there were adequate disclosures included in the respective notes including the disclosures within critical accounting estimates;
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- As part of the group audit, we have communicated with component auditors the fraud risks associated with the group and the need for the component auditors to address the risk of fraud in their testing. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our group instructions from the component auditors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Hannes Verwey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
29 July 2026

30 Churchill Place
London
E14 5RE

Consolidated Income Statement and Statement of Comprehensive Income
for the year ended 30 April 2026

	Note	2026 £'000	2025 £'000
Revenue	5	**74,489**	66,177
Other income		**568**	577
Operating costs	6	**(66,875)**	(59,822)
Operating profit	4	**8,182**	6,932
Net financing expenses	10	**(1,646)**	(1,470)
Profit before tax	4 & 7	**6,536**	5,462
Income tax	11	**(1,620)**	(1,424)
Profit for the year		**4,916**	4,038
Attributable to:			
Equity holders of the parent company		**4,909**	3,984
Non-controlling interest		**7**	54
Profit for the year		**4,916**	4,038

Statement of Comprehensive Income	Note	2026 £'000	2025 £'000
Profit for the year		**4,916**	4,038
Other comprehensive income			
Items that will be reclassified subsequently to profit and loss:			
Exchange differences on translating foreign operations		**(31)**	(141)
Total comprehensive income for the year		**4,885**	3,897
Attributable to:			
Equity holders of the parent company		**4,878**	3,843
Non-controlling interest		**7**	54
Total comprehensive income for the year		**4,885**	3,897

Earnings per share	Note	2026	2025
Basic earnings per share	25	**4.70p**	3.86p
Diluted earnings per share	25	**4.59p**	3.81p

All activities of the Group are classed as continuing. The results attributable to business combinations in the year are disclosed in note 31. The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Balance Sheet
as at 30 April 2026

Company registration number: 06385396	Note	30 April 2026 £'000	30 April 2025 £'000
Non-current assets			
Intangible assets	12	**61,794**	48,027
Property, plant and equipment	13	**8,706**	8,151
Right-of-use leased assets	14	**6,671**	6,243
Deferred tax asset	16	**25**	86
		77,196	62,507
Current assets			
Inventories	17	**13,489**	11,079
Trade and other receivables	18	**17,458**	13,116
Corporation tax asset		**–**	216
Cash and cash equivalents	19	**2,897**	1,313
		33,844	25,724
Total assets		**111,040**	88,231
Non-current liabilities			
Borrowings	22	**(33,113)**	(21,070)
Provisions	21	**(245)**	(281)
Deferred tax liability	16	**(6,555)**	(4,900)
		(39,913)	(26,251)
Current liabilities			
Trade and other payables	20	**(15,185)**	(11,331)
Provisions	21	**(127)**	(68)
Borrowings	22	**(1,021)**	(906)
		(16,333)	(12,305)
Total liabilities		**(56,246)**	(38,556)
Net assets		**54,794**	49,675
Equity			
Share capital	24	**1,046**	1,046
Merger reserve		**2,606**	2,606
Merger relief reserve		**424**	424
Share premium account		**10,863**	10,858
Share-based payment reserve		**1,014**	902
Foreign exchange reserve		**(29)**	2
Retained earnings		**38,900**	33,803
Total equity due to shareholders		**54,824**	49,641
Non-controlling interest		**(30)**	34
Total equity		**54,794**	49,675

The financial statements were approved and authorised for issue by the Board of directors on 29 July 2026.

Stephen Brown
Chief Executive Officer

Amitabh Sharma
Chief Financial Officer

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 30 April 2026

	Note	2026 £'000	2025 £'000
Operating activities			
Profit after tax		**4,916**	4,038
Depreciation and amortisation on right-of-use assets	13 & 14	**2,106**	2,133
Amortisation on intangible assets	12	**2,736**	2,038
Finance costs	10	**1,646**	1,470
Impairment of intangible assets	12	**–**	31
(Decrease)/increase in provisions	21	**(17)**	82
Taxation in the income statement	11	**1,620**	1,424
Employee share-based payments		**280**	338
Operating cash flows before movement in working capital		**13,287**	11,554
(Increase)/decrease in inventories		**(1,031)**	156
(Increase)/decrease in trade and other receivables		**(3,054)**	430
Increase in trade and other payables		**956**	719
Cash generated from operations		**10,158**	12,859
Interest paid		**(1,646)**	(1,470)
Income taxes paid		**(1,832)**	(2,091)
Net cash generated from operating activities		**6,680**	9,298
Investing activities			
Capital expenditure on fixed assets	13	**(1,449)**	(1,238)
Sale of property, plant and equipment		**50**	187
Expenditure on development and other intangibles	12	**(1,125)**	(641)
Proceeds from loan receivable settlement		**–**	750
Payment of deferred consideration		**(645)**	–
Acquisition of subsidiaries, net of cash	31	**(12,725)**	(8,090)
Net cash used in investing activities		**(15,894)**	(9,032)
Financing activities			
Finance leases repayments	23	**(915)**	(706)
Dividends paid to non-controlling interests in subsidiaries		**(71)**	(34)
Proceeds from bank borrowing	23	**16,350**	8,895
Repayment of borrowings	23	**(4,618)**	(8,360)
Issues of shares and proceeds from option exercise	24	**5**	–
Net cash used in financing activities		**10,751**	(205)
Net changes in cash and cash equivalents		**1,537**	61
Cash and cash equivalents, beginning of year		**1,313**	1,430
Foreign currency movements on cash balances		**47**	(178)
Cash and cash equivalents, end of year		**2,897**	1,313

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
as at 30 April 2026

	Share capital £'000	Merger reserve £'000	Merger relief reserve £'000	Foreign exchange £'000	Share premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity due to shareholders £'000	Non-controlling interest £'000	Total equity £'000
At 30 April 2025	**1,046**	**2,606**	**424**	**2**	**10,858**	**902**	**33,803**	**49,641**	**34**	**49,675**
Shares issued	**–**	**–**	**–**	**–**	**5**	**–**	**–**	**5**	**–**	**5**
Tax in respect of share options	**–**	**–**	**–**	**–**	**–**	**–**	**20**	**20**	**–**	**20**
Share-based payment transfer	**–**	**–**	**–**	**–**	**–**	**(168)**	**168**	**–**	**–**	**–**
Share-based payment charge	**–**	**–**	**–**	**–**	**–**	**280**	**–**	**280**	**–**	**280**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(71)**	**(71)**
Transactions with owners	**–**	**–**	**–**	**–**	**5**	**112**	**188**	**305**	**(71)**	**234**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**4,909**	**4,909**	**7**	**4,916**
Other comprehensive income for the year:										
Foreign exchange on consolidation of subsidiaries	**–**	**–**	**–**	**(31)**	**–**	**–**	**–**	**(31)**	**–**	**(31)**
Total comprehensive income for the period	**–**	**–**	**–**	**(31)**	**–**	**–**	**4,909**	**4,878**	**7**	**4,885**
At 30 April 2026	**1,046**	**2,606**	**424**	**(29)**	**10,863**	**1,014**	**38,900**	**54,824**	**(30)**	**54,794**

	Share capital £'000	Merger reserve £'000	Merger relief reserve £'000	Foreign exchange £'000	Share premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity due to shareholders £'000	Non-controlling interest £'000	Total equity £'000
At 30 April 2024	1,046	2,606	424	143	10,858	764	29,575	45,416	14	45,430
Shares issued	–	–	–	–	–	–	–	–	–	–
Tax in respect of share options	–	–	–	–	–	–	44	44	–	44
Share-based payment transfer	–	–	–	–	–	(200)	200	–	–	–
Share-based payment charge	–	–	–	–	–	338	–	338	–	338
Dividends paid	–	–	–	–	–	–	–	–	(34)	(34)
Transactions with owners	–	–	–	–	–	138	244	382	(34)	348
Profit for the year	–	–	–	–	–	–	3,984	3,984	54	4,038
Other comprehensive income for the year:										
Foreign exchange on consolidation of subsidiaries	–	–	–	(141)	–	–	–	(141)	–	(141)
Total comprehensive income for the period	–	–	–	(141)	–	–	3,984	3,843	54	3,897
At 30 April 2025	1,046	2,606	424	2	10,858	902	33,803	49,641	34	49,675

Notes to the Consolidated Financial Statements
for the year ended 30 April 2026

1 Reporting Entity
SDI Group plc, a public limited company, is the Group's ultimate parent. The principal activities of the Group can be seen on page 1. It is registered and domiciled in England and Wales. The consolidated financial statements of the Group for the year ended 30 April 2026 comprise the Company and its subsidiaries (together referred to as the 'Group'). The details of subsidiary undertakings are listed in note 5 to the Company financial statements.

2 Basis of Preparation
The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial instruments at fair value.

The principal accounting policies of the Group are set out below.

The consolidated financial statements are presented in British Pounds (£), which is also the functional currency of the ultimate parent company. All values are rounded to the nearest thousand (£'000) except where otherwise indicated.

New and amended IFRS standards that are effective for the current year
During the year, the Group adopted the following amendment for the first time for its annual reporting period commencing 1 May 2025:

- Amendments to IAS 21 Lack of exchangeability

The adoption of the amendment listed above did not have a material impact on the financial statements of the Group.

New and revised IFRS standards in issue but not yet effective
At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IFRS 7 and IFRS 9 Contracts referencing nature-dependent electricity
- Amendments to IFRS 7 and IFRS 9 Amendments to the classification and measurements of financial instruments
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 Annual improvements to IFRS
- Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency
- IFRS 18 Presentation and disclosures in financial statements
- IFRS 19 Subsidiaries without public accountability: disclosures

Except for IFRS 18, the Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods. The impact of IFRS 18 on the Group is currently being assessed and it is not yet practicable to quantify the effect on the Group's consolidated financial statements.

Going Concern
The Group ended FY26 with net debt (excluding lease liabilities and deferred consideration) of £24.0m, higher than last year (£13.8m). This reflects the two acquisitions over the financial year, the most recent in February 2026.

The Group generated free cash flow (before acquisition consideration but after lease payments) of £3.2m (FY25: £6.9m). Free cash flow reduced due to a working capital increase of £3.1m. This was largely driven by increases in trade debtors of £1.5m, due to significant activity over March and April offset by an increase in trade creditors of £0.6m. Other debtors/creditors rose by a net £1.1m, the largest component being £0.5m relating to Scientific Vacuum System's ongoing project with a UK government customer, which will be received in FY27. Inventories increased by £1.0m, across a number of businesses with the largest at Atik and Monmouth. FY25 year end was an unusually low working capital position for the Group.

On 27 November 2025 the Group renewed and expanded its committed loan facility with HSBC to £25m, with an accordion option of an additional £15m and with a repayment date of 27 November 2028 extendable for two further years. Both the accordion option and the extensions are at HSBC's discretion. This provides the Group with certainty over long-term liquidity. The Group exercised £6m of its accordion option in early February 2026, with £9m of the accordion facility remaining unexercised.

At the end of the financial year the Group had drawn down £27m of its revolving credit facility (FY25: £15.1m), leaving £4.0m in headroom excluding an additional £9.0m accordion option, which is available subject to HSBC's discretion.

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

2 Basis of Preparation continued

Going Concern continued

The Board has considered the potential of a downturn given the current economic environment. The Group is in a strong financial position with available facilities, sufficient headroom on all covenants associated with the revolving credit facility, good profitability, and a strong future order book, enabling it to face any reasonable likely challenge of the continued uncertain global economic environment. The Board has reviewed forecasts for the period to 30 April 2028, evaluated a severe but plausible downside scenario and performed a sensitivity analysis, all of which the Board considers unlikely. In the event of a more severe scenario (without applying any mitigations), both covenants would come under some (but not severe) stress. However, mitigations would be obviously applied should this unlikely scenario present itself, such as (but not restricted to) further cost cutting, sale and leaseback of freehold property and potential disposal of assets. This would not cause any significant challenges to the Group's continued existence.

The Board therefore has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing the Annual Report and Accounts.

Accounting Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the consolidated financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Judgements in Applying Accounting Policies

There are no key assumptions concerning future events or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the financial year.

Sources of Estimation Uncertainty

Carrying Value of Goodwill and Other Intangible Assets

The impairment analysis of intangible assets is based upon the higher of fair value less costs to sell (where there is reliable data) and value in use which is based upon future discounted cash flow forecasts. In the case of the latter, several assumptions are made to estimate the future cash flows expected to arise from the cash generating unit as well as a suitable discount rate to calculate present value. Factors like lower than anticipated sales and resulting decreases of net cash flows and changes in discount rates could lead to impairment. For details of assumptions see note 12.

Assessment of the Percentage of Completion of Long-Term Contracts

The Group's revenue recognition policy, which is set out in note 3, requires forecasts to be made of the outcomes of long-term contracts. This requires estimates of labour hours and rates, and material costs to determine forecast costs to completion and therefore revenue recognition on each long-term contract. Where actual costs incurred differ to forecast costs, or where forecast cost estimates change, the assessment of the percentage of completion of long-term contracts will be affected and therefore revenue and profit or losses recognised impacted.

3 Principal Accounting Policies

The principal accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 April 2025.

Basis of Consolidation

Subsidiaries are entities controlled by the Group where control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is obtained where more than 50% of the voting rights are held. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Business Combinations

Business combinations are accounted for using the acquisition method under the revised IFRS 3 'Business Combinations'. The consideration transferred by the Group to obtain control of a portfolio company is calculated as the sum of the acquisition-date fair value of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration agreement. Acquisition costs are expensed within administration expenses as incurred.
The Group recognises identifiable assets acquired and liabilities assumed including contingent liabilities in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition.
Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

3 Principal Accounting Policies continued

Foreign Currency

Transactions entered into by Group entities in a currency other than the functional currency of the company which incurred them are recorded at the rate of exchange at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

For presenting the consolidated financial statements, the assets and liabilities of the Group's overseas operations are translated using exchange rates prevailing on the balance sheet date.

Exchange differences on net assets arising from this policy are recognised in other comprehensive income and accumulated in the foreign exchange reserve; such translation differences are reclassified from equity to profit or loss as a reclassification adjustment in the period in which the foreign operation is disposed of.

Income and expense items of overseas operations are translated at exchange rates approximating to those ruling when the transactions took place.

Property, Plant and Equipment

Property, plant and equipment is stated at cost, less accumulated depreciation. Freehold property is shown at historical cost less accumulated depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives, as follows:

Motor vehicles	3–5 years
Computer equipment	3–10 years
Tools and other equipment	3–10 years
Furniture, fixtures and fittings	5–10 years
Freehold property	50 years
Building and leasehold improvements	Over the lease term

The assets' residual values and useful lives are reviewed, and adjusted as appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount when an indicator of impairment is identified. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Goodwill

Goodwill represents the excess of the fair value of the consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in the income statement as a gain from a bargain purchase. Goodwill is reviewed for impairment at the various reporting dates or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill is also reviewed for impairment immediately following an acquisition. The impairment of goodwill is based upon value in use per group of CGUs, determined using estimated future discounted cash flows.

Research and Development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design to produce new or substantially improved products and processes, is capitalised if the following conditions are met:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- the Group can use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or the intangible asset itself, or, if it is to be used internally, the asset will be used for generating such benefits; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

The expenditure capitalised includes direct cost of material, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development is stated at cost less accumulated amortisation and impairment losses.

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

3 Principal Accounting Policies continued

Research and Development continued

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Amortisation is shown within administrative expenses in the income statement. The estimated useful lives of current development projects are three years. Until completion of the project the assets are subject to impairment testing at the various reporting dates.

Other Intangible Assets

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill providing the assets are separable or they arise from contractual or other legal rights and their fair value can be measured reliably. The fair value of intangible assets in a business combination includes the value of any tax benefit where relevant.

Intangible assets with a finite life are amortised over their useful economic lives. Amortisation is recognised in the income statement within administrative expenses on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Capitalised development costs	3 years
Other intangible assets	3–15 years
Customer relationships and trademarks	10–15 years
Order book	Up to 4 years
Technology	8 years

Impairment

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units). As a result, some assets are tested individually for impairment, and some are tested at cash generating unit level.

Goodwill is allocated to those cash generating units or groups of cash generating units that are expected to benefit from synergies of the related business combination, the Group's operating segments, which represent the lowest level within the Group at which management monitors goodwill.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses for cash generating units reduce first the carrying value of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. Apart from goodwill, all assets are subsequently reassessed for indicators that an impairment loss previously recognised may no longer exist.

Any impairment in respect of goodwill is not reversed. Impairment losses on other assets recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their location and condition at the balance sheet date. Items are valued using the first in, first out method. When inventories are used, the carrying amount of these inventories is recognised as an expense in the period in which the related revenue is recognised. Provisions for write-down to net realisable value and losses of inventories are recognised as an expense in the period in which the write-down or loss occurs.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and deposits which are subject to an insignificant risk of changes in value.

3 Principal Accounting Policies continued

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date.

Equity

Equity comprises the following:

- 'Share capital' represents the nominal value of equity shares.
- 'Merger reserve' represents the difference between the parent company's cost of investment and the portfolio company's share capital and share premium where a group reorganisation qualifies as a common control transaction.
- 'Merger relief reserve' represents the premium on shares issued for an investment in a portfolio company which has been classified as a merger relief reserve instead of share premium.
- 'Foreign exchange reserve' represents the differences arising from translation of investments in overseas subsidiaries.
- 'Share premium account' represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- 'Share-based payment reserve' represents equity-settled share-based employee remuneration until such share options are exercised. The equity component of convertible loan stock, if any, is also included. On conversion of the loan stock the equity component is transferred into the retained earnings reserve.
- 'Non-controlling interest' represents the proportionate share of the identifiable net assets on acquisition and subsequent share of result following this of any portfolio company where the shareholdings held by the parent company are less than 100%.
- 'Retained earnings' represents retained profits. Under Portuguese law, a portion of their retained earnings must be transferred to a legal reserve each year, and as such this is not distributable.

Contributions to Pension Schemes

Defined Contribution Scheme

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when they are due.

Defined Benefit Plans

Under the Group's defined benefit plans, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The pension liability for defined benefit plans as shown within note 9, which has not been recognised in the statement of financial position on account of the pension asset exceed the estimate value of the liability, is the present value of the defined benefit obligation ('DBO') at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to the end of each annual reporting period by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension liability.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

Financial Assets

The Group's financial assets comprise trade receivables, other receivables, cash and cash equivalents. Trade and other receivables are recognised and carried at the original invoice amount less a provision for the expected credit loss. Management has adopted the simplified model to determine the expected credit loss on trade receivables and uses historical experience of losses applied to the specific circumstances of the receivable, including trading history with the debtor and period overdue to determine the need for and amount of any provision to cover expected future losses. Uncollectable amounts are written off to the income statement when identified.

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

3 Principal Accounting Policies continued

Financial Liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group's financial liabilities comprise trade payables, other payables, other loans and bank borrowings. All financial liabilities are measured at fair value plus transaction costs on initial recognition and subsequently are measured at amortised cost. Contingent consideration assumed in a business combination is measured initially at fair value through profit and loss in the income statement at the acquisition date and any contingent liability is classified as a liability within the balance sheet.

Revenue Recognition

In accordance with IFRS 15 'Revenues from Contracts with Customers', revenue is measured by reference to the fair value of consideration received or receivable by the Group, excluding value added tax (or similar local sales tax), in exchange for transferring the promised goods or services to the customer. The consideration is allocated to each separate performance obligation that is identified in a sales contract, based on standalone selling prices. Sales of goods, sales of instruments and spare parts, and sales of services, such as non-specialised installation or maintenance work, are assessed to be separate performance obligations.

Revenue is recognised when (or as) the Group satisfies the identified performance obligation. For sales of instruments and spare parts, the performance obligation is satisfied at a point in time; for revenue from services, the performance obligation is satisfied over time. As the period between payment and performance is less than one year, the Group does not adjust revenue for the effects of financing.

Revenue from sales of goods is recognised mainly at a point in time, at which the customer obtains control of the asset; however, there are some instances across the Group where revenue is recognised over time. Such products have been determined to be bespoke in nature, with no alternative use. Where there is also an enforceable right to payment for work completed, the criteria for recognising revenue over time have been deemed to have been met. Revenue is recognised on an input basis as work progresses and progress is measured with reference to the actual costs incurred as a proportion of the total costs expected to be incurred under the contract.

This is not a significant part of the Group's business as for the most part, where goods are bespoke in nature, it is the Group's judgement that the products can be broken down to standard component parts with little additional cost and therefore have an alternative use, or there is no enforceable right to payment for work performed. In these cases, the judgement is made that the requirements for recognising revenue over time are not met and revenue is recognised when control of the finished product passes to the customer.

Revenue from sales of instruments and spare parts is recognised at the point at which the customer obtains control of the asset. This is usually when the customer receives the goods or when goods are collected by the customer. Revenue from installations is recognised at the point which the installation is completed. For large, complex instruments which require highly specialised installation, revenue from both the instrument and installation is recognised at the point which installation is completed.

Revenue from maintenance work relates to service visits carried out on equipment provided to customers whereby the performance obligation is to carry out service visits over a period of time. It is a separate, distinct, individually identified performance obligation and is recognised straight line over the length of the service contract being provided as this reflects the inputs and efforts (service employees) which are expended evenly throughout the performance period (length of the contract).

Leased Assets

The Group makes the use of leasing arrangements principally for the provision of the main warehouse and related facilities, office space, IT equipment and motor vehicles. The rental contracts for offices are typically negotiated for terms of between 5 and 20 years and some of these have extension terms. Lease terms for office fixtures and equipment and motor vehicles have lease terms of between 6 months and 5 years without any extension terms. The Group does not currently enter sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Where a lease has a total monetary value that is not significant to the Company and has a term of less than 12 months, no right-of-use assets or liabilities require recognising on the balance sheet as a result.

3 Principal Accounting Policies continued

Leased Assets continued

Measurement and Recognition of Leases as a Lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease.

The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arise from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined.

The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset, the exception being when the carrying amount of the right-of-use asset has been reduced to zero, then any excess is recognised in profit or loss.

To respond to business needs particularly in the demand for office space, the Group will enter negotiations with landlords to either increase or decrease available office space or to renegotiate amounts payable under the respective leases. In some instances, the Group can increase office capacity by taking additional floors available and therefore agrees with the landlord to pay an amount that is commensurate with the standalone pricing adjusted to reflect the particular contract terms. In these situations, the contractual agreement is treated as a new lease and accounted for accordingly.

In other instances, the Group can negotiate a change to a lease such as reducing the amount of office space taken, reducing the lease term or reducing the total amount payable under the lease, all of which were not part of the original terms and conditions of the lease. In these situations, the Group does not account for the changes as though there is a new lease. Instead, the revised contractual payments are discounted using a revised discount rate at the date the parties agree to the modification. For the reasons explained above, the discount rate used is the Group's incremental borrowing rate determined at the modification date, as the rate implicit in the lease is not readily determinable.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

3 Principal Accounting Policies continued
Taxation
Income tax expense comprises current and deferred tax.

The tax currently payable is based on the taxable profit for the year. Current tax is recognised in profit or loss, except that current tax relating to items recognised in other comprehensive income is recognised in other comprehensive income and current tax relating to items recognised directly in equity is recognised in equity. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group or it is probable that reversal will not occur in the foreseeable future. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary difference can be utilised.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow part or all of the assets to be recovered.

Deferred tax is calculated using tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

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

Segment Reporting
The Group identifies operating segments based on internal management reporting that is regularly reviewed by the Chief Operating Decision Maker. The Chief Operating Decision Maker is the Executive Board of Directors.

Provisions
Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and the amounts can be estimated reliably. A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Share-Based Payments
SDI Group plc regularly issues share options to employees. The fair value of the award granted is recognised as an employee expense within the income statement with a corresponding increase in equity. The fair value is measured at the grant date and recognised over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

The fair value of the grants is measured using the Black Scholes model or a Monte Carlo simulation as appropriate, considering the terms and conditions upon which the grants were made.

4 Alternative Performance Measures

The Group uses gross profit (on materials only), adjusted operating profit, adjusted profit before tax, adjusted diluted EPS and net operating assets as supplemental measures of the Group's profitability and investment in business-related assets, in addition to measures defined under IFRS. The Group considers these useful due to the exclusion of specific items that are considered to hinder comparison of underlying profitability and investments of the Group's segments and businesses and is aware that shareholders use these measures to evaluate performance over time. The adjusting items for the alternative measures of profit are either recurring but non-cash charges (share-based payments and amortisation of acquired intangible assets) or exceptional items (reorganisation costs and acquisition costs). Some items, e.g. impairment of intangibles, are both non-cash and exceptional.

APM	Description
Gross profit (on materials only)	Gross profit excluding any labour costs
Adjusted operating profit	Reported profit excluding any recurring but non-cash charges or exceptional items
Adjusted profit before tax	
Adjusted diluted EPS	Total net income divided by the weighted average number of shares outstanding and dilutive shares
Net operating assets	The total of all assets directly linked to the main operations minus all operational liabilities

The following table is included to define the term gross profit (on materials only):

	2026 £'000	2025 £'000
Revenue	**74,489**	66,177
Cost of purchases	**25,328**	(23,251)
Gross profit (on materials only)	**49,161**	42,926
Gross margin (on materials only)	**66.0%**	64.9%

The following table is included to define the term adjusted operating profit:

	2026 £'000	2025 £'000
Operating profit (as reported)	**8,182**	6,932
Adjusting items (all costs):		
Non-underlying items		
Share-based payments	**280**	338
Amortisation of acquired intangible assets	**2,318**	1,725
Exceptional items		
Reorganisation costs	**443**	398
Acquisition costs	**339**	564
Total adjusting items	**3,380**	3,025
Adjusted operating profit	**11,562**	9,957

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

4 Alternative Performance Measures continued

Adjusted profit before tax is defined as follows:

	2026 £'000	2025 £'000
Profit before tax (as reported)	**6,536**	5,462
Adjusting items (all costs):		
Non-underlying items		
Share-based payments	**280**	338
Amortisation of acquired intangible assets	**2,318**	1,725
Exceptional items		
Reorganisation costs	**443**	398
Acquisition costs	**339**	564
Total adjusting items	**3,380**	3,025
Adjusted profit before tax	**9,916**	8,487

Adjusted diluted EPS is defined as follows:

	2026 £'000	2025 £'000
Profit for the year	**4,916**	4,038
Adjusting items (all costs):		
Non-underlying items		
Share-based payments	**280**	338
Amortisation of acquired intangible assets	**2,318**	1,725
Exceptional items		
Reorganisation costs	**443**	398
Acquisition costs	**339**	564
Total adjusting items	**3,380**	3,025
Less taxation on adjusting items calculated at the UK statutory rate	**(626)**	(503)
Adjusted profit for the year	**7,670**	6,560
Divided by diluted weighted average number of shares in issue (note 25)	**107,010,517**	106,097,371
Adjusted diluted EPS	**7.17p**	6.18p

4 Alternative Performance Measures continued

The following table is included to define the term net operating assets:

	2026 £'000	2025 £'000
Net assets	**54,794**	49,675
Deferred tax asset	**(25)**	(86)
Corporation tax liability/(asset)	**1,038**	(216)
Cash and cash equivalents	**(2,897)**	(1,313)
Borrowings and lease liabilities (current and non-current)	**34,134**	21,571
Deferred and contingent consideration	**670**	645
Deferred tax liability	**6,555**	4,900
Total adjusting items within net assets	**39,475**	25,501
Net operating assets	**94,269**	75,176

5 Segment Analysis

The SDI businesses are segmented into the following divisions:

- **Laboratory Equipment,** comprising Safelab Systems, Monmouth Scientific, LTE Scientific, Severn Thermal Solutions and Synoptics;
- **Industrial & Scientific Sensors,** comprising Chell Instruments, Astles Control Systems, Sentek, MPB Industries, PRP Optoelectronics and Peak Sensors; and
- **Industrial & Scientific Products,** comprising Atik Cameras, Fraser Anti-Static Techniques, Applied Thermal Control, Graticules Optics, Scientific Vacuum Systems, InspecVision and Collins Walker.

The Group identifies operating segments based on internal management reporting that is regularly reviewed by the Chief Operating Decision Maker. The Chief Operating Decision Maker is the Executive Board of Directors.

	2026 Total £'000	2025 Total £'000
Revenues		
Industrial & Scientific Products	**26,553**	25,135
Industrial & Scientific Sensors	**20,940**	17,035
Laboratory Equipment	**26,996**	24,007
Group	**74,489**	66,177
Adjusted operating profit		
Industrial & Scientific Products	**6,099**	4,950
Industrial & Scientific Sensors	**5,253**	4,493
Laboratory Equipment	**3,505**	2,703
Central costs	**(3,295)**	(2,189)
Group	**11,562**	9,957
Amortisation of acquired intangible assets		
Industrial & Scientific Products	**(904)**	(759)
Industrial & Scientific Sensors	**(784)**	(582)
Laboratory Equipment	**(630)**	(384)
Group	**(2,318)**	(1,725)

Adjusted operating profit has been defined in note 4.

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

5 Segment Analysis continued

Analysis of amortisation of acquired intangible assets has been included separately as the Group considers it to be an important component of profit which is directly attributable to the reported segments.

The central costs category includes costs which cannot be allocated to the other segments and consists principally of Group head office costs.

	2026 Total £'000	2025 Total £'000
Operating assets excluding acquired intangible assets		
Industrial & Scientific Products	**14,425**	13,193
Industrial & Scientific Sensors	**11,530**	6,723
Laboratory Equipment	**20,639**	18,595
Central costs	**1,896**	1,132
Group	**48,490**	39,643
Acquired intangible assets		
Industrial & Scientific Products	**24,878**	25,830
Industrial & Scientific Sensors	**21,613**	12,444
Laboratory Equipment	**13,137**	8,294
Group	**59,628**	46,568
Operating liabilities		
Industrial & Scientific Products	**(2,579)**	(3,442)
Industrial & Scientific Sensors	**(3,920)**	(2,466)
Laboratory Equipment	**(5,800)**	(4,625)
Central costs	**(1,552)**	(502)
Group	**(13,851)**	(11,035)
Net operating assets		
Industrial & Scientific Products	**36,724**	35,581
Industrial & Scientific Sensors	**29,223**	16,701
Laboratory Equipment	**27,978**	22,264
Central costs	**344**	630
Group	**94,269**	75,176
Depreciation and amortisation of right-of-use assets		
Industrial & Scientific Products	**622**	718
Industrial & Scientific Sensors	**514**	453
Laboratory Equipment	**969**	962
Group	**2,105**	2,133

5 Segment Analysis continued

Net operating assets has been defined in note 4. The geographical analysis of revenue by destination, analysis of revenue by product or service, and non-current assets by location are set out below:

Revenue by destination of external customer	2026 £'000	2025 £'000
United Kingdom (country of domicile)	**38,920**	34,791
Europe	**14,362**	12,749
USA	**10,513**	6,591
Americas (excl. USA)	**1,279**	1,441
Asia	**7,938**	9,165
Rest of World	**1,477**	1,440
	74,489	66,177

Revenue by product or service	2026 £'000	2025 £'000
Instruments and spare parts	**66,523**	59,823
Services	**7,966**	6,354
	74,489	66,177

There was no customer with more than 10% of the revenue in either period.

Analysis of revenue by performance obligation	2026 £'000	2025 £'000
Sale of goods, recognised at a point in time	**65,283**	57,483
Sale of services, recognised over time	**7,966**	6,354
Sale of goods, recognised over time	**1,240**	2,340
	74,489	66,177

Non-current assets by location	2026 £'000	2025 £'000
United Kingdom	**76,323**	61,517
Portugal	**811**	897
USA	**58**	90
China	**4**	3
	77,196	62,507

6 Operating Costs

	2026 £'000	2025 £'000
Raw materials and consumables	**25,328**	23,251
Staff costs	**27,851**	24,574
Other administrative expenses	**13,696**	11,997
	66,875	59,822

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

7 Profit Before Taxation
Profit for the year has been arrived at after charging/(crediting):

	2026 £'000	2025 £'000
Amortisation of intangible assets	**2,736**	2,038
Amortisation charge for the year – right-of-use assets	**951**	915
Depreciation charge for the year – tangible fixed assets	**1,155**	1,218
Fees payable to the Company's Auditor in respect of audit services:		
• Audit of Group consolidated accounts	**77**	75
• Audit of Company's subsidiaries pursuant to legislation	**282**	255
• Audit of overseas subsidiaries	**12**	18
Fees paid to the Auditor and its associates in respect of other services:		
• Audit-related assurance services	**22**	30
Currency exchange gain	**(187)**	(16)
Reorganisation costs	**443**	398
Acquisition costs	**339**	564

8 Directors' and Employees' Remuneration
Staff costs during the year were as follows:

	2026 £'000	2025 £'000
Wages and salaries (including reorganisation costs and other termination benefits £258k (FY25: £274k))	**23,532**	21,313
Social security costs	**3,323**	2,232
Share-based payment charge	**280**	338
Pension contributions	**975**	957
	28,110	24,840

Key management for the Group is considered to be the directors of the Group. Remuneration of directors is set out in the directors' remuneration report on pages 58 to 60. Total emoluments of £714k (FY25: £507k) were paid to the highest paid director during the year.

The average number of employees of the Group during the year was:

	2026 Number	2025 Number
Management/administration	**146**	123
Product development	**38**	37
Sales and marketing	**59**	62
Production	**312**	249
	555	504

8 Directors' and Employees' Remuneration continued

Share-Based Employee Remuneration

The Company has two active EMI option schemes, 'approved' and 'unapproved', which share similar features, but may be treated differently regarding taxation of the option holder. Both schemes have been approved by shareholders in general meetings. The approved scheme has been approved by HM Revenue & Customs. The options can be exercised three years after the share options are granted. Upon vesting, each option allows the holder to purchase one ordinary share. The options lapse if share options remain unexercised after a period of 10 years after the date of grant or if the employee leaves. During the year, 754,621 of such options were granted under these schemes, at exercise prices between £0.010 and £0.835. The weighted average remaining contractual life of all outstanding options under these schemes is 7.88 years.

The LTIP award made on 24 September 2025 had the following performance conditions: 50% based on growth in adjusted fully diluted earnings per share ('EPS') in the three years starting 1 May 2025 and 50% on the TSR over three years compared with a basket of 20 comparable companies.

Subject to the rules of the LTIP, vesting is on the third anniversary of the date of grant, to the extent that the performance conditions are met, with a minimum holding period of four years including the vesting period. The exercise price for these options is 1p each, being the nominal value of SDI shares.

A summary of options outstanding currently is as follows:

Scheme	Options outstanding at 1 May 2025	Granted	Lapsed	Exercised	Options outstanding at 30 April 2026	Of which exercisable	Weighted average exercise price
EMI, approved	121,800	–	–	(21,800)	**100,000**	**100,000**	**£0.230**
EMI, unapproved	1,458,622	754,621	(454,625)	–	**1,758,618**	**737,200**	**£0.824**
LTIP	1,713,748	579,191	(283,823)	–	**2,009,116**	**135,455**	**£0.010**
Total	3,294,170	1,333,812	(738,448)	(21,800)	**3,867,734**	**972,655**	**£0.386**

In accordance with IFRS 2, share-based compensation expense is calculated on the issue of share options. For options under the LTIP scheme vesting based on TSR, a Monte Carlo simulation is used to value the compensation expense. For the other options issued during the year, the compensation expense was valued using the Black Scholes model, with the following inputs:

- interest rate 3.6%-3.9%;
- dividend 0%;
- volatility 39.5%-44.3%; and
- expected life of option 3 years.

The charge for the year ended 30 April 2026 was £280k (FY25: £338k).

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

9 Pension Obligations

At the point of acquisition, LTE Scientific Limited already operated a defined benefit pension. The pension surplus continues to not be recognised as the Group does not have an unconditional right to benefit therefrom.

Defined Benefit Plan

The Group operates a funded pension plan in the UK. The plan operates on a defined benefit basis and benefits ceased to accrue with effect from 30 June 1997.

The plan exposes the Group to actuarial risks such as investment risk, longevity risk and inflation risk:

- **Investment risk –** the plan assets at 30 April 2026 are now more weighted to bonds.
- **Longevity risk –** the Group is required to provide benefits for life for the members of the defined benefit liability. Increase in the life expectancy of the member will increase the defined benefit liability.
- **Inflation risk –** a significant proportion of the defined benefit asset is linked to inflation. An increase in the inflation rate will increase the Group's liability. A portion of the plan assets are inflation-linked debt securities which will mitigate some of the effects of inflation.

Based on historical data, the Group expects contributions of £nil to be paid for 2027.

The asset not recognised for the Group's DBO is represented net of plan assets in accordance with IAS 19.131(a) and (b). It consists of the following amounts:

	2026 £'000	2025 £'000
Defined benefit obligation	**828**	802
Fair value of plan assets	**(979)**	(974)
Surplus restriction	**151**	172
Pension asset	**–**	–
Classified as:		
• Non-current asset (net) not recognised	**(151)**	(172)
	(151)	(172)

A reconciliation of the Group's DBO and plan assets to the amounts presented in the consolidated statement of financial position for each of the reporting periods is presented below:

Defined benefit obligation	2026 £'000	2025 £'000
Defined benefit obligation b/f	**802**	857
Interest	**41**	43
Benefits paid	**(76)**	(65)
Actuarial losses arising from changes in demographic assumptions	**8**	–
Actuarial gains arising from changes in financial assumptions	**(26)**	(33)
Other actuarial losses	**79**	–
Defined benefit obligation c/f	**828**	802

9 Pension Obligations continued
Defined Benefit Plan continued

Plan assets	2026 £'000	2025 £'000
Fair value of plan assets b/f	**974**	1,032
Expected return	**50**	52
Benefits paid	**(76)**	(65)
Contributions paid	**–**	15
Expenses paid	**(18)**	(28)
Actuarial gains/(losses)	**49**	(32)
Fair value of plan assets c/f	**979**	974

Plan assets can be broken down into the following categories of investments:

	2026 £'000	2025 £'000
Equities	**372**	370
Bonds	**587**	584
Cash	**20**	20
	979	974

Estimates and Assumptions
Defined Benefit Obligation

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, inflation rate and average life expectancy. The assumptions used for the valuation of the defined benefit obligation are as follows:

	2026 %/years	2025 %/years
Discount rate at date shown	**5.80%**	5.40%
Inflation	**3.00%**	2.70%
Average life expectancies:		
Male mortality at 30 April	**20.9**	20.8
Female mortality at 30 April	**23.0**	22.9
Male mortality for birth year 1960/1959	**21.5**	21.1
Female mortality for birth year 1960/1959	**23.7**	23.6
Male mortality for birth year 1975/1975	**22.1**	21.7
Female mortality for birth year 1975/1975	**24.5**	24.4

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each period end by reference to market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the DBO was measured using the defined accrued benefit method.

The weighted average duration of the defined benefit obligation at 30 April 2026 is 9 years (FY25: 10 years).

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

9 Pension Obligations continued

Plan Assets

Plan assets do not comprise any of the Group's own financial instruments or any assets used by Group companies. All equity and debt instruments have quoted prices in active markets (Level 1). Fair values of real estate investments do not have quoted prices and have been determined based on professional appraisals that would be classified as Level 3 of the fair value hierarchy as defined in IFRS 13.

Defined Benefit Plan Expenses

Amounts not recognised in profit or loss related to the Group's defined benefit plans are as follows:

	2026 £'000	2025 £'000
Net interest expense	**9**	9
	9	9

Actuarial gains/losses related to the Group's defined benefit plans are as follows:

	2026 £'000	2025 £'000
Actuarial gains/(losses) on plan assets	**49**	(32)
Actuarial losses arising from financial assumptions	**(8)**	–
Actuarial gains arising from demographic assumptions	**26**	33
Other actuarial losses	**(79)**	–
	(12)	1

No actuarial gains/losses (FY25: nil) resulting from the remeasurement of the defined benefit asset have been recognised in the consolidated statement of other comprehensive income as the pension surplus has been restricted as explained above.

Changes in the Significant Actuarial Assumptions

The calculation of the net defined benefit asset is sensitive to the significant actuarial assumptions mentioned above. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 30 April 2026:

	Assumption %/years	Defined benefit obligation £'000
Discount rate 0.5% p.a. lower	5.3%	**868**
Inflation rate 0.5% p.a. higher	3.5%	**834**
Life expectancy 1 year longer	22.5/24.7 years	**843**

The present value of the defined benefit obligation has been calculated with the same method (defined accrued benefit) as the defined benefit obligation recognised in the consolidated statement of financial position. The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely the change in any of the assumptions would occur in isolation of one another as some of the assumptions are correlated.

10 Finance Costs

	2026 £'000	2025 £'000
Loans	**1,396**	1,225
Leases and hire purchase contracts	**250**	245
	1,646	1,470

11 Taxation

	2026 £'000	2025 £'000
Current tax charge		
Current year	**2,111**	1,708
Adjustments in respect to prior periods	**(35)**	146
Deferred tax charge		
Origination and reversal of temporary differences	**(486)**	(417)
Adjustments in respect to prior periods	**30**	(13)
Total tax charge	**1,620**	1,424

Reconciliation of effective tax rate	2026 £'000	2025 £'000
Profit on ordinary activities before tax	**6,536**	5,462
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (FY25: 25%)	**1,634**	1,366
Effects of:		
Expenses not deductible	**194**	(73)
R&D expenditure credits	**(65)**	(13)
Adjustments to tax charge in respect of previous periods – current tax	**(35)**	146
Adjustments to tax charge in respect of previous periods – deferred tax	**30**	(13)
Difference in overseas tax rate	**(138)**	11
	1,620	1,424

The Group takes advantage of the enhanced tax deductions for research and development expenditure in the UK and expects to continue to be able to do so.

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

12 Intangible Assets

The amounts recognised in the balance sheet relate to the following:

	Customer relationships £'000	Other intangibles £'000	Goodwill £'000	Development costs £'000	Total £'000
Cost					
At 30 April 2024	21,910	2,814	27,060	2,535	54,319
Additions	–	–	–	641	641
Additions on acquisition	625	1,557	5,233	–	7,415
Disposals/eliminations	–	–	–	(590)	(590)
At 30 April 2025	22,535	4,371	32,293	2,586	61,785
Additions	–	13	–	1,112	1,125
Additions on acquisition	6,040	1,890	7,448	–	15,378
Disposals/eliminations	–	–	–	(45)	(45)
At 30 April 2026	**28,575**	**6,274**	**39,741**	**3,653**	**78,243**
Amortisation and impairment					
At 30 April 2024	6,024	1,674	3,206	1,375	12,279
Amortisation for the year	1,485	239	–	314	2,038
Disposals/eliminations	–	–	–	(559)	(559)
At 30 April 2025	7,509	1,913	3,206	1,130	13,758
Amortisation for the year	1,762	556	–	418	2,736
Disposals/eliminations	–	–	–	(45)	(45)
At 30 April 2026	**9,271**	**2,469**	**3,206**	**1,503**	**16,449**
Net book value					
At 30 April 2026	**19,304**	**3,805**	**36,535**	**2,150**	**61,794**
At 30 April 2025	15,026	2,458	29,087	1,456	48,027

Capitalised development costs include amounts totalling £809k (FY25: £915k) relating to incomplete projects for which amortisation has not yet begun.

12 Intangible Assets continued

Goodwill is tested for impairment in accordance with IAS 36 at the segment/divisional level, considering the group of cash generating units ('CGUs'). The only change in the assessment of cash generating units is the transfer of goodwill for Collins Walker from Industrial & Scientific Products to Laboratory Equipment on 30 April 2026.

The allocation of the carrying value of goodwill is represented below:

	2025 £'000	Reclassification £'000	Acquisitions £'000	2026 £'000
Industrial & Scientific Products	16,351	(1,725)	–	**14,626**
Industrial & Scientific Sensors	8,046	–	3,487	**11,533**
Laboratory Equipment	4,690	1,725	3,961	**10,376**
	29,087	–	7,448	**36,535**

During the year the Group acquired Severn Thermal Solutions Limited (Laboratory Equipment) and PRP Optoelectronics Limited (Industrial & Scientific Sensors). Further information is detailed in note 31.

The recoverable amount of the Group's goodwill was assessed by reference to the value in use ('VIU') calculations derived from three-year forecast cash flows and two years of extrapolated cash flows using appropriate growth rates used for that business. The cash flows range from decreases of 20% to increases of 27% on the annualisation of an acquisition's turnover. This is equivalent to a five-year forecast period, which is the maximum period expected unless a longer period is justifiable. Management's key assumption for all cash generating units and resulting cash flows is to maintain market share in their markets. Thereafter, the VIU is based on estimated long-term growth ('LTG') rates of 2% (FY25: 2%). These assumptions were applied to each business within the three divisions.

A risk-adjusted, pre-tax discount rate of 19.00% has been calculated (FY25: range between 18.50% and 19.00%).

The directors have further considered the sensitivity of the key assumptions to changes, including reduced growth rates and operating margins, and increased discount rates. The growth rates are based on economic data for the wider economy and represent a prudent expectation of growth.

Individual business carrying values were assessed if any showed indicators of impairment in accordance with IAS 36.

No impairments have been recognised across either the divisional CGUs or the individual business CGUs.

The average remaining amortisation period of intangible assets excluding goodwill is 9.2 years (FY25: 9.3 years).

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

13 Property, Plant and Equipment

	Motor vehicles £'000	Computer equipment £'000	Tools and other equipment £'000	Furniture, fixtures and fittings £'000	Building and leasehold improvement £'000	Total £'000
Cost						
At 30 April 2024	723	571	2,931	781	5,809	10,815
Additions	407	47	498	167	119	1,238
Additions on acquisition	9	–	87	2	–	98
Foreign exchange	–	–	(3)	–	–	(3)
Disposals	(276)	(14)	(282)	(112)	(17)	(701)
At 30 April 2025	863	604	3,231	838	5,911	11,447
Additions	564	89	604	119	73	1,449
Additions on acquisition	–	–	333	3	84	420
Foreign exchange	–	–	1	–	–	1
Disposals	(320)	(87)	(239)	(11)	(148)	(805)
At 30 April 2026	**1,107**	**606**	**3,930**	**949**	**5,920**	**12,512**
Depreciation						
At 30 April 2024	157	262	1,341	418	418	2,596
Charge for year	253	47	583	139	196	1,218
Disposals	(207)	(14)	(191)	(105)	(1)	(518)
At 30 April 2025	203	295	1,733	452	613	3,296
Charge for year	270	51	505	133	196	1,155
Disposals	(193)	(87)	(207)	(10)	(148)	(645)
At 30 April 2026	**280**	**259**	**2,031**	**575**	**661**	**3,806**
Net book value						
At 30 April 2026	**827**	**347**	**1,899**	**374**	**5,259**	**8,706**
At 30 April 2025	660	309	1,498	386	5,298	8,151

14 Right-of-Use Leased Assets

	Motor vehicles £'000	Property £'000	Total £'000
Cost			
At 30 April 2024	121	9,236	9,357
Additions	14	317	331
Additions on acquisition	–	405	405
Disposals	(73)	(678)	(751)
At 30 April 2025	62	9,280	9,342
Additions	–	656	656
Additions on acquisition	–	684	684
Disposals	–	(513)	(513)
At 30 April 2026	**62**	**10,107**	**10,169**
Depreciation			
At 30 April 2024	90	2,779	2,869
Charge for year	19	896	915
Disposals	(73)	(612)	(685)
At 30 April 2025	36	3,063	3,099
Charge for year	12	939	951
Disposals	–	(552)	(552)
At 30 April 2026	**48**	**3,450**	**3,498**
Net book value			
At 30 April 2026	**14**	**6,657**	**6,671**
At 30 April 2025	26	6,217	6,243

Where a lease has a total monetary value of less than £3k and a term of less than 12 months, no right-of-use assets or liabilities have been recognised on the balance sheet.

15 Leases

Lease liabilities are presented in the balance sheet as follows:

	2026 £'000	2025 £'000
Current	**1,021**	906
Non-current	**6,246**	5,935
	7,267	6,841

The Group has leases for factory buildings and offices, and for some vehicles and equipment. Apart from short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 14).

Notes to the Consolidated Financial Statements continued
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15 Leases continued
Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantial termination fee. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Furthermore, the Group must insure items of plant and machinery and incur maintenance fees on such items in accordance with the lease contracts.

The lease liabilities are secured by the related underlying assets. Total contractual undiscounted lease liabilities at 30 April 2026 were as follows:

	2026 £'000	2025 £'000
Within one year	**1,257**	1,109
Within two to five years	**3,659**	3,331
After five years	**3,441**	3,824
Total undiscounted lease liabilities	**8,357**	8,264

Lease Payments Not Recognised as a Liability
The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

16 Deferred Tax

	2026 Deferred tax liability £'000	2025 Deferred tax liability £'000
Opening (net)	**4,814**	4,697
Deferred tax liability on acquisition	**2,181**	544
Deferred tax charged in the income statement	**(456)**	(430)
Deferred tax included directly in equity	**(20)**	(44)
Foreign exchange differences	**11**	47
At 30 April (net)	**6,530**	4,814
Fixed asset temporary differences	**1,497**	1,199
Short-term temporary differences	**(490)**	(503)
Losses	**(38)**	(3)
Capital gains	**20**	20
Intangible assets	**5,541**	4,101
At 30 April (net)	**6,530**	4,814
Deferred tax asset	**(25)**	(86)
Deferred tax liability	**6,555**	4,900
At 30 April (net)	**6,530**	4,814

Deferred tax assets are recognised for tax losses available for carrying forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of £261k (FY25: £261k) in respect of losses. These losses are all pre-1 April 2017 and therefore cannot be offset against trading profits of the same trade post-1 April 2017. Total losses (provided and unprovided) totalled £1.0m (FY25: £1.0m).

The Group benefits from tax deductions related to actual gains made by employees on exercise of share options, which are different, in both magnitude and timing, from the share-based payments expense recorded in the Group's income statement (for which no tax deduction is received). A deferred tax asset is recorded for the tax deductions expected to result from future share option exercises, based on the calculated earned gains inherent in share options outstanding at period end, at the current enacted tax rate. To the extent that the deductible employee gains exceed the recorded share-based payments, the excess of the associated current or deferred tax is recognised directly in equity. Deferred tax deductions totalling £20k (FY25: £44k) have been recognised directly in equity.

17 Inventories

	2026 £'000	2025 £'000
Raw materials and consumables	**9,738**	8,625
Work in progress	**2,102**	1,348
Finished goods	**1,649**	1,106
	13,489	11,079

There is no material difference between the replacement cost of inventory and the amounts stated above.

In the year ended 30 April 2026 a total of £25,328k (FY25: £23,251k) of inventories were consumed and charged to the income statement as an expense.

18 Trade and Other Receivables

	2026 £'000	2025 £'000
Trade receivables	**13,301**	10,735
Other receivables	**556**	370
Prepayments and accrued income	**3,601**	2,011
	17,458	13,116

All amounts are short term. All of the receivables have been reviewed for potential credit losses and expected credit loss has been estimated.

A reconciliation of the movement in the expected credit loss provision for trade receivables is as follows:

	2026 £'000	2025 £'000
At 1 May	**141**	102
Charged in year	**34**	39
At 30 April	**175**	141

In addition, some of the trade receivables not provided for are past due at the reporting date. There are no indications that financial assets past due but not impaired are irrecoverable.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

19 Cash and Cash Equivalents

	2026 £'000	2025 £'000
Cash at bank and in hand	**2,897**	1,313

The Group manages its exposure to credit risk on cash and cash equivalents by maintaining deposits with reputable financial institutions that have strong credit profiles. At the reporting date, substantially all cash balances were held with banks that have long-term credit ratings of BBB+ or above from internationally recognised credit rating agencies.

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

20 Trade and Other Payables

	2026 £'000	2025 £'000
Trade payables	**4,943**	3,981
Social security and other taxes	**1,665**	1,442
Deferred consideration	**670**	645
Corporation tax payable	**1,038**	–
Other payables	**552**	635
Accruals, deferred income and contract liabilities	**6,317**	4,628
	15,185	11,331

Accruals and deferred income include an amount of £3,261k (FY25: £2,638k) in respect of contract liabilities for revenues relating to performance obligations expected to be satisfied within the next 12 months. The contract liabilities balance has increased during the year through acquisitions, as well as those advanced payments that have unwound and additional advance payments received from customers. A significant amount of the contract liabilities were recognised as revenue during the current year.

During the year, £645k deferred consideration was paid in relation to any acquisitions made (FY25: £nil) and £670k remains outstanding at the year end (FY25: £645k).

All amounts are short term. The carrying values are considered to be a reasonable approximation of fair value.

21 Provisions

	Dilapidations		Warranties	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
At 1 May	**245**	245	**104**	22
Acquisitions in the year	**–**	–	**40**	–
(Credited)/charged in the year (net)	**–**	–	**(17)**	82
At 30 April	**245**	245	**127**	104

	Total	
	2026 £'000	2025 £'000
At 1 May	**349**	267
Acquisitions in the year	**40**	–
(Credited)/charged in the year (net)	**(17)**	82
At 30 April	**372**	349

	Total	
Analysis of provision	2026 £'000	2025 £'000
Current	**127**	68
Non-current	**245**	281
	372	349

Warranties of between one and three years are given with the sales of products. There are potential costs associated with the repair of goods under these warranties which could occur at any time over the next three years of which the level of costs is uncertain. The warranty provision is based on the historical cost of warranty repairs over the last three years, and it is expected that all this expenditure will be incurred in the next financial year.

22 Borrowings

Borrowings are repayable as follows:

	2026 £'000	2025 £'000
Within one year		
Finance lease liabilities	**1,021**	906
	1,021	906
After one and within five years		
Bank finance	**26,867**	15,135
Finance lease liabilities	**2,954**	2,803
	29,821	17,938
After more than five years		
Finance lease liabilities	**3,292**	3,132
	3,292	3,132
	33,113	21,070
Total borrowings	**34,134**	21,976

Bank finance relates to amounts drawn down under the Group's bank facility with HSBC Bank plc, which is secured against all assets of the Group. On 27 November 2025, the Group renewed and expanded its committed loan facility with HSBC to £25m, with an accordion option of an additional £15m. The renewed facility has a repayment date of 27 November 2028 and is extendable for two further years. Both the accordion option and the extensions are at HSBC's discretion. The Group exercised £6m of its accordion option in early February 2026 to finance an acquisition.

At the end of the financial year the Group had drawn down £27m of its revolving credit facility (FY25: £15.1m), leaving £4.0m in headroom excluding an additional £9.0m accordion option, which is available subject to HSBC's discretion.

23 Reconciliation of Net Debt

The changes in the Group's net debt can be classified as follows:

	Cash £'000	Long-term borrowing £'000	Leases £'000	Total £'000
At 30 April 2024	(1,430)	14,600	6,877	20,047
Non-cash movement				
– Early settlement of right of use leases	–	–	(65)	(65)
– New loans for existing businesses	–	–	331	331
– New loans on acquisition	–	–	405	405
Cash movement				
– New loans	–	8,895	–	8,895
– Repayments	–	(8,360)	(706)	(9,066)
– Movement in cash	117	–	–	117
At 30 April 2025	(1,313)	15,135	6,842	20,664
Non-cash movement				
– New loans for existing businesses	**–**	**–**	**656**	**656**
– New loans on acquisition	**–**	**–**	**684**	**684**
Cash movement				
– New loans	**–**	**16,350**	**–**	**16,350**
– Repayments	**–**	**(4,618)**	**(915)**	**(5,533)**
– Movement in cash	**(1,584)**	**–**	**–**	**(1,584)**
At 30 April 2026	**(2,897)**	**26,867**	**7,267**	**31,237**

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

24 Share Capital

	2026 £'000	2025 £'000
Authorised		
1,000,000,000 (FY25: 1,000,000,000) ordinary shares of 1p each	**10,000**	10,000
Allotted, called up and fully paid 104,573,126		
(FY25: 104,551,326) ordinary shares of 1p each	**1,046**	1,046

25 Earnings per Share

The calculation of the basic earnings per share is based on the profits attributable to the shareholders of SDI Group plc divided by the weighted average number of shares in issue during the period. All profit per share calculations relate to continuing operations of the Group.

	Profit attributable to shareholders £'000	Weighted average number of shares	Earnings per share amount in pence
Basic earnings per share:			
Year ended 30 April 2026	**4,916**	**104,564,824**	**4.70**
Year ended 30 April 2025	4,038	104,551,326	3.86
Dilutive effect of share options:			
Year ended 30 April 2026		**2,445,692**	
Year ended 30 April 2025		1,546,045	
Diluted earnings per share:			
Year ended 30 April 2026	**4,916**	**107,010,517**	**4.59**
Year ended 30 April 2025	4,038	106,097,371	3.81

At the year end, there were 920,424 (FY25: 1,546,045) share options which were anti-dilutive but may be dilutive in the future.

26 Contingent Liabilities

Performance guarantees totalling £16k (FY25: £16k) are held by the bank. These would become payable by the Group if, once the customer has placed an order, the Group fails to deliver goods to the customer.

27 Related Party Transactions and Controlling Related Party

Transactions with directors are disclosed within the directors' remuneration report and note 8.

The Company is not required to disclose transactions with its wholly owned subsidiaries.

Unless otherwise stated, none of the transactions incorporated in these financial statements include any special terms or conditions. There is no ultimate controlling party.

28 Financial Risk Management Objectives and Policies

Financial Instruments

The Group uses various financial instruments, including loans and leasing arrangements, and has certain assets and liabilities which are denominated in foreign currencies. The main purpose of the financial instruments is to raise finance for the Group's operations. The existence of these financial instruments and other financial assets and liabilities exposes the Group to a number of financial risks, primarily interest rate risk and currency risk.

Interest Rate Risk

The Group finances its operations through a mixture of retained profits, short-term and long-term bank borrowings and shareholders' equity. The Group has an exposure to interest rate fluctuations on its borrowings which are generally linked to SONIA. An increase in SONIA of 1% would result in an increase in interest costs of approximately £270k (FY25: £203k) annually, based on the loan outstanding at 30 April 2026.

Currency Risk

A large proportion of the Group's monetary assets (principally bank balances and trade receivables) and liabilities (principally borrowings) are denominated in Dollars and Euros but held in entities with Sterling as the functional currency. An adverse movement in exchange rates could lead to losses on these positions. At 30 April 2026 an adverse movement in the Dollar of 5% would result in a reduction in the Group's equity and profit or loss of £31k (FY25: £27k). An adverse movement in the Euro of 5% would result in a reduction in the Group's equity and profit or loss of £101k (FY25: £85k). An adverse movement in Chinese Yuan of 5% would result in a reduction in the Group's equity and profit or loss of £17k (FY25: £20k).

The carrying amount of the Group's Dollar, Euro and CNY-denominated monetary assets with a differing functional currency at the reporting date is as follows:

	Assets	
	2026 £'000	**2025 £'000**
US Dollars	**651**	558
Euros	**2,007**	1,784
Chinese Yuan	**348**	410

In addition to this, significant proportions of the Group's revenue, purchases and overhead costs are transacted in foreign currencies, mainly Dollars and Euros. The Group does not currently attempt to hedge its exposure using derivative instruments.

Credit Risk

The Group's exposure to credit risk is limited to the carrying amount of cash deposits and trade and other receivables recognised at the balance sheet date of £20,190k (FY25: £14,645k). Risks associated with cash deposits are limited as the banks used are reputable with quality external credit ratings.

The principal credit risks lie with trade receivables. To manage credit risk, credit limits are set for customers based on a combination of payment history and third-party credit references. Details of overdue trade receivables are provided below. All of the receivables have been reviewed for potential credit losses, and expected credit loss has been estimated, as set out in note 18. The simplified approach has been adopted to calculate the level of expected credit loss provision in the year with a 20% allowance applied to those debtors due between 90 days and 120 days and a 50% allowance applied to those debtors greater than 120 days old.

Notes to the Consolidated Financial Statements continued
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28 Financial Risk Management Objectives and Policies continued

Liquidity Risk

Liquidity risk is the risk that the Group might be unable to meet its obligations and arises from trade and other payables. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecasts and actual cash flows.

The Group's financial liabilities have contractual maturities as summarised below:

	Current		Non-current	
At 30 April 2026	**Within 6 months £'000**	**Between 6 and 12 months £'000**	**Between 1 and 5 years £'000**	**Later than 5 years £'000**
Trade and other payables	**14,149**	**–**	**–**	**–**
Borrowings	**–**	**1,021**	**29,822**	**3,292**

	Current		Non-current	
At 30 April 2025	**Within 6 months £'000**	**Between 6 and 12 months £'000**	**Between 1 and 5 years £'000**	**Later than 5 years £'000**
Trade and other payables	11,332	–	–	–
Borrowings	–	906	17,938	3,312

	2026		2025	
Ageing of receivables:	**Gross £'000**	**Provision £'000**	**Gross £'000**	**Provision £'000**
Less than 1 month	**8,301**	**–**	6,623	–
Past due 1–3 months	**3,947**	**(3)**	3,674	(137)
Past due 3–6 months	**554**	**(20)**	566	(38)
Past due 6–12 months	**284**	**(20)**	56	(9)
Past due greater than 12 months	**201**	**(132)**	–	–
	13,287	**(175)**	10,919	(184)

29 Summary of Financial Assets and Liabilities by IFRS 9 Category

The carrying amounts of the Group's financial assets and liabilities as recognised at the balance sheet date of the years under review may also be categorised as follows:

Balance sheet headings	Financial assets at amortised cost 2026 £'000	Non-financial assets 2026 £'000	Financial liabilities at amortised cost 2026 £'000	Financial liabilities measured at fair value through profit and loss 2026 £'000	Non-financial liabilities 2026 £'000	Total balance sheet heading 2026 £'000
Cash and cash equivalents	**2,897**	–	**–**	**–**	**–**	**2,897**
Trade and other receivables	**13,575**	**2,090**	**–**	**–**	**–**	**15,665**
Borrowings – current	**–**	**–**	**(1,021)**	**–**	**–**	**(1,021)**
Borrowings – non-current	**–**	**–**	**(33,113)**	**–**	**–**	**(33,113)**
Trade and other payables – current	**–**	**–**	**(11,813)**	**(670)**	**(793)**	**(13,276)**
Total	**16,472**	**2,090**	**(45,947)**	**(670)**	**(793)**	**(28,848)**

Balance sheet headings	Financial assets at amortised cost 2025 £'000	Non-financial assets 2025 £'000	Financial liabilities at amortised cost 2025 £'000	Financial liabilities measured at fair value through profit and loss 2025 £'000	Non-financial liabilities 2025 £'000	Total balance sheet heading 2025 £'000
Cash and cash equivalents	1,313	–	–	–	–	1,313
Trade and other receivables	10,997	1,090	–	–	–	12,087
Borrowings – current	–	–	(906)	–	–	(906)
Borrowings – non-current	–	–	(21,070)	–	–	(21,070)
Trade and other payables – current	–	–	(9,244)	(645)	(665)	(10,554)
Total	12,310	1,090	(31,220)	(645)	(665)	(19,130)

The fair values of the financial assets and liabilities at 30 April 2026 and 30 April 2025 are not materially different from their book values.

30 Capital Management Policies and Procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern;
- to provide an adequate return to shareholders; and
- to be in a position to make acquisitions ('buy and build' strategy)

The Group monitors capital by tracking and forecasting its net debt to EBITDA ratio as required by its bank facility covenant. The Group has historically acquired companies using a combination of cash on hand, increased borrowing, issue of shares to the sellers, and new equity share placings, taking care to retain adequate liquidity reserves.

The Group has not paid dividends but will keep its dividend policy under review.

Notes to the Consolidated Financial Statements continued
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31 Business Combinations

Acquisition of Severn Thermal Solutions Limited

On 6 June 2025, the Company acquired 100% of the share capital of Severn Thermal Solutions Limited, a company incorporated in England and Wales, for a consideration payable in cash.

The assets and liabilities acquired were as follows:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Assets			
Non-current assets			
Intangible assets	–	1,491	1,491
Property, plant and equipment	16	–	16
Right-of-use assets	45	–	45
Total non-current assets	61	1,491	1,552
Current assets			
Inventories	250	–	250
Trade and other receivables	2,992	–	2,992
Cash and cash equivalents	869	–	869
Liabilities			
Trade and other payables	(270)	–	(270)
Borrowings – Lease commitments	(45)	–	(45)
Corporation tax liability	(489)	–	(489)
Deferred tax liability	–	(372)	(372)
Net assets acquired	3,368	1,119	4,487
Goodwill			3,961
Consideration and cost of investment			8,448
Fair value of consideration transferred			
Cash paid			5,683
Less: cash acquired			(869)
Net cash paid in year (see cash flow)			4,814
Non-cash item: acquired receivable netted on consolidation against SDI loan payable			2,765
Cash acquired			869
			8,448

Severn Thermal Solutions Limited are a designer and manufacturer of high temperature furnace systems and environmental chambers for advanced material processing and testing.

Severn Thermal Solutions Limited contributed £1,837k revenue and approximately £563k to the Group's profit before tax for the period between the date of acquisition and the balance sheet date, not including £247k of acquired intangible asset amortisation.

If the acquisition of Severn Thermal Solutions Limited had been completed on the first day of the financial year, the additional impact on group revenues for the period are estimated to have been £230k, increased group profit before tax of £114k, before an additional £22k of amortisation expense.

The goodwill of £3,961k arising from the acquisition relates to the assembled workforce and to expected future profitability, synergy and growth expectations.

31 Business Combinations continued

Acquisition of Severn Thermal Solutions Limited continued

A third-party expert performed a detailed review of the acquired intangible assets and recognised acquired customer relationships, orderbook and brand. The customer relationships intangible asset was valued using a multi-period excess earnings methodology. The estimated fair value of the customer relationships therefore reflects the present value of the projected stream of cash flows that are expected to be generated by existing customers going forwards, net of orders on hand at the date of acquisition. Key assumptions are the discount rate and attrition rate. Values of 12.5% and 20% were selected. After consulting with management to discuss their findings, management agreed with the inputs used and results obtained.

The deferred tax liability has been calculated on the amortisable intangible assets using the current enacted statutory tax rate of 25%.

The last financial year for Severn Thermal Solutions Limited was to 30 September 2025. The current financial year has been shortened by five months to 30 April 2026 to align with that of SDI Group plc.

Acquisition of PRP Optoelectronics Limited

On 12 February 2026, the Company acquired 100% of the share capital of PRP Optoelectronics Limited, a company incorporated in England and Wales, for a consideration payable in cash.

The assets and liabilities acquired were as follows:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Assets			
Non-current assets			
Intangible assets	441	5,999	6,440
Property, plant and equipment	404	–	404
Right-of-use assets	639	–	639
Total non-current assets	1,484	5,999	7,483
Current assets			
Inventories	1,106	–	1,106
Trade and other receivables	1,084	–	1,084
Cash and cash equivalents	3,362	–	3,362
Liabilities			
Trade and other payables	(1,606)	–	(1,606)
Borrowings – Lease commitments	(639)	–	(639)
Corporation tax	(525)	–	(525)
Deferred tax liability	(205)	(1,604)	(1,809)
Net assets acquired	4,061	4,395	8,456
Goodwill			3,487
Consideration and cost of investment			11,943
Fair value of consideration transferred			
Cash paid			11,273
Less: cash acquired			(3,362)
Net cash paid in year (see cash flow)			7,911
Cash acquired			3,362
Deferred payment			670
			11,943

PRP Optoelectronics Limited are a designer and manufacturer of custom high performance microLEDs, LED light engines and monolithic LEDs for a range of applications within the avionics, defence and industrial sectors.

PRP Optoelectronics Limited contributed £1,278k revenue and approximately £420k to the Group's profit before tax for the period between the date of acquisition and the balance sheet date, not including £203k of acquired intangible asset amortisation.

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2026

31 Business Combinations continued

Acquisition of PRP Optoelectronics Limited continued

If the acquisition of PRP Optoelectronics Limited had been completed on the first day of the financial year, the additional impact on group revenues for the period are estimated to have been £3,835k, increased group profit before tax of £1,260k, before an additional £609k of amortisation expense.

The goodwill of £3,487k arising from the acquisition relates to the assembled workforce and to expected future profitability, synergy and growth expectations.

A third-party expert performed a detailed review of the acquired intangible assets and recognised customer relationships and related assets, comprising Avionics customer relationships, the Avionics order book and non-Avionics customer relationships. These assets were valued using a multi-period excess earnings methodology. The estimated fair values therefore reflect the present value of the projected stream of cash flows expected to be generated by existing customers and committed orders. The Avionics customer relationships were valued using a discount rate of 16.0%, and a probability of contract renewal assumptions (rather than an attrition assumption), based on the expectations of supporting the underlying defence programmes. The Avionics order book was valued separately using a discount rate of 10.5%, with no attrition rate applied. Furthermore, the non-Avionics customer relationships were valued using a discount rate of 15.5% and an attrition rate of 20.0%. After consulting with management to discuss their findings, management agreed with the inputs used and results obtained.

The deferred tax liability has been calculated on the amortisable intangible assets using the current enacted statutory tax rate of 25%.

The last financial year PRP Optoelectronics Limited before the acquisition completed was to 31 December 2025 and the current financial year has been extended by four months to 30 April 2027 to align with that of SDI Group plc.

Company Balance Sheet
as at 30 April 2026

	Note	2026 £'000	2025 £'000
Non-current assets			
Property, plant and equipment	4	**98**	72
Investments	5	**85,768**	69,484
Deferred tax asset	6	**211**	110
		86,077	69,666
Current assets			
Trade and other receivables	7	**6,894**	12,925
Cash		**479**	281
		7,373	13,206
Creditors: amounts falling due within one year	8	**(13,623)**	(15,519)
Net current liabilities		**(6,250)**	(2,313)
Total assets less current liabilities		**79,827**	67,353
Provisions for liabilities	6	**–**	(18)
Creditors: amounts falling due after more than one year	9 & 10	**(26,867)**	(15,135)
Net assets		**52,960**	52,200
Capital and reserves			
Called up share capital	11	**1,046**	1,046
Share premium account		**10,863**	10,858
Share-based payment reserve		**1,014**	902
Merger relief reserve		**424**	424
Profit and loss account		**39,613**	38,970
Shareholders' funds		**52,960**	52,200

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the financial year was £455k (FY25: £4,628k).

The financial statements were approved and authorised for issue by the Board of directors on 29 July 2026.

Stephen Brown
Chief Executive Officer

Amitabh Sharma
Chief Financial Officer

Company registration number: 06385396

Company Statement of Changes in Equity
as at 30 April 2026

	Share capital £'000	Merger reserve relief £'000	Share premium reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total £'000
At 30 April 2025	1,046	424	10,858	902	38,970	52,200
Shares issued	**–**	**–**	**5**	**–**	**–**	**5**
Share-based payment transfer	**–**	**–**	**–**	**(168)**	**168**	**–**
Share-based payments	**–**	**–**	**–**	**280**	**–**	**280**
Transactions with owners	**–**	**–**	**5**	**112**	**168**	**285**
Tax in respect of share options	**–**	**–**	**–**	**–**	**20**	**20**
Profit for the year	**–**	**–**	**–**	**–**	**455**	**455**
Total comprehensive income	**–**	**–**	**–**	**–**	**475**	**475**
At 30 April 2026	**1,046**	**424**	**10,863**	**1,014**	**39,613**	**52,960**

	Share capital £'000	Merger reserve relief £'000	Share premium reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total £'000
At 30 April 2024	1,046	424	10,858	968	33,894	47,190
Shares issued	–	–	–	–	–	–
Share-based payment transfer	–	–	–	(404)	404	–
Share-based payments	–	–	–	338	–	338
Transactions with owners	–	–	–	(66)	404	338
Tax in respect of share options	–	–	–	–	44	44
Profit for the year	–	–	–	–	4,628	4,628
Total comprehensive income	–	–	–	–	4,672	4,672
At 30 April 2025	1,046	424	10,858	902	38,970	52,200

Notes to the Company Financial Statements
for the year ended 30 April 2026

1 Principal Accounting Policies

Basis of Preparation
The separate financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements are prepared under the historical cost convention.

Accounting Judgements and Estimates
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the consolidated financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Sources of Estimation Uncertainty
Carrying Value of Investments

The carrying value of investments is assessed based on the current trading performance, the expected future performance and net assets of the investment. If actual results differ or changes in expectations arise, impairment charges may be required which would adversely impact the parent company results. See note 12 to the Group accounts for a summary of the key assumptions for the value in use calculations.

Disclosure Exemptions Adopted
In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- a statement of cash flows and related notes;
- the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions entered between two or more members of the Group as they are wholly owned within the Group;
- disclosure of key management personnel compensation;
- capital management disclosures;
- presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period;
- the effect of future accounting standards not adopted;
- certain share-based payment disclosures;
- disclosures in relation to impairment of assets; and
- financial instrument disclosures under IFRS 9.

Investments
SDI Group plc qualifies for merger relief under the Companies Act 2006 section 612 and has recorded the investment in Synoptics Limited at the nominal value of the shares issued, less provision for impairment. The shares issued on acquisition of Opus Instruments Limited also qualified for merger relief under the Companies Act 2006 section 612 and so the premium has been classified as a merger relief reserve. All other investments are recorded at cost, less any provision for impairment.

Property, Plant and Equipment
Property, plant and equipment is stated at cost, less accumulated depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives, as follows:

Computer equipment	3 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount when an indicator of impairment is identified. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Share Options
SDI Group plc regularly issues share options to employees, including to employees of portfolio companies. The fair value of the employee services received in exchange for the grant of options is recognised as an expense which is written off to the income statement over the vesting period of the option. The amount to be expensed is determined by reference to the fair value of the options at the grant date adjusted for the number expected to vest. The expense relating to these options is recognised in the relevant portfolio company income statement. The carrying value of the investment in those subsidiaries is increased by an amount equal to the value of the share-based payment charge attributable to the option holders in the respective subsidiaries if considered material.

Notes to the Company Financial Statements continued
for the year ended 30 April 2026

1 Principal Accounting Policies continued
Taxation
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group or it is probable that reversal will not occur in the foreseeable future. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary difference can be utilised.

The carrying value of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow part or all of the assets to be recovered.

Deferred tax is calculated using tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

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

Financial Instruments
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that results in a residual interest in the assets of the Company after deducting all its financial liabilities. Equity instruments do not include a contractual obligation to deliver cash or other financial asset to another entity.

Any instrument that does have the obligation to deliver cash or another financial asset to another entity is classified as a financial liability. Financial liabilities are presented under creditors on the balance sheet.

Pension
The pension costs charged against profits represent the amount of the contributions payable to the defined contribution scheme in respect of the accounting period.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date.

Equity
Equity comprises the following:

- 'Share capital' represents the nominal value of equity shares.
- 'Merger reserve relief' represents the difference between the parent company's cost of investment and the portfolio company's share capital and share premium where a Group reorganisation qualifies as a common control transaction.
- 'Share premium account' represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- 'Share-based payment reserve' represents equity-settled share-based employee remuneration until such share options are exercised. The equity component of convertible loan stock, if any, is also included. On conversion of the loan stock the equity component is transferred into the retained earnings reserve.
- 'Retained earnings' represents retained profits.

2 Employee Remuneration

Remuneration in respect of directors paid by the Company was as follows:

	2026 £'000	2025 £'000
Emoluments	**1,922**	1,331
Social security costs	**262**	130
Pension	**30**	23
	2,214	1,484

The current year emoluments include £36k of share-based payment costs which relate to other Group companies.

During the year, no directors (FY25: no directors) exercised options over the ordinary shares of the Company realising no gain on exercise (FY25: £nil).

Details of directors' interest in the shares and options of the Company are provided in the directors' remuneration report on pages 58 to 60. The highest paid director's aggregate entitlements were £714k (FY25: £507k). This included Company pension contributions of £15k (FY25: £15k) made to a money purchase scheme. On 30 April 2025 the highest paid director held a total of 1,290,128 share options (FY25: 786,720 share options).

Key management for the Company is considered to be the directors of the Company. Employer's National Insurance in respect of directors was £262k (FY25: £130k). This has increased due to the potential gain on share options that will be exercised.

Share-Based Employee Remuneration

Further details of the Company's share-based remuneration are set out in note 8 to the consolidated financial statements. The share-based payment expense for the Company totalled £280k (FY25: £338k).

3 Auditor's Remuneration

Auditor's remuneration attributable to the Company is as follows:

	2026 £'000	2025 £'000
Fees payable to the Company's Auditor for the audit of the financial statements	**47**	45

4 Property, Plant and Equipment

	Right-of-use assets £'000	Computer equipment £'000	Total £'000
Cost			
At 30 April 2025	–	72	72
Additions	**–**	**26**	**26**
Disposals	**–**	**–**	**–**
At 30 April 2026	**–**	**98**	**98**
Depreciation			
At 30 April 2025	–	–	–
Charge for year	**–**	**–**	**–**
Disposals	**–**	**–**	**–**
At 30 April 2026	**–**	**–**	**–**
Net book value			
At 30 April 2026	**–**	**98**	**98**
At 30 April 2025	–	72	72

Notes to the Company Financial Statements continued
for the year ended 30 April 2026

5 Investments
Investments in Group undertakings

	2026 £'000
Cost and net book amount at 30 April 2025	**69,484**
Additions (see note 31 of Group accounts)	**20,391**
Impairment	**(1,110)**
Return on capital	**(2,997)**
Cost and net book amount at 30 April 2026	**85,768**

In accordance with IFRS requirements, the Parent Company has carried out a review of the carrying value of investments in subsidiaries, as well as the recoverability of intercompany account balances at year end. Having completed the impairment reviews, the Parent Company has booked a total impairment of £1.1m against the carrying value of Monmouth Scientific. This does not impact upon the Group's reported results.

Details of the investments are as follows:

Subsidiary undertakings	Country of incorporation	Holdings	% of voting rights	Nature of business
Synoptics Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Atik Cameras Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Atik Cameras Unipessoal Lda	Portugal	Share quotas	100%	Design and manufacture
Opus Instruments Limited	England and Wales	Ordinary shares	100%	Dormant
Sentek Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Astles Control Systems Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Applied Thermal Control Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Fistreem International Limited	England and Wales	Ordinary shares	100%	Dormant
Thermal Exchange Limited	England and Wales	Ordinary shares	100%	Dormant
Graticules Optics Limited	England and Wales	Ordinary shares	100%	Design and manufacture
MPB Industries Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Chell Instruments Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Monmouth Scientific Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Ducthub Limited	England and Wales	Ordinary shares	100%	Dormant
Labhub Limited	England and Wales	Ordinary shares	100%	Dormant
Scientific Vacuum Systems Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Safelab Systems Limited	England and Wales	Ordinary shares	100%	Design and manufacture
LTE Scientific Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Fraser Anti-Static Techniques Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Peak Sensors (Holding) Limited	England and Wales	Ordinary shares	100%	Holding
InspecVision Limited	Northern Ireland	Ordinary shares	100%	Design and manufacture
Collins Walker Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Scientific Digital Imaging Limited	England and Wales	Ordinary shares	100%	Dormant
Hillmead Technology Limited	England and Wales	Ordinary shares	100%	Holding
Severn Thermal Solutions Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Synoptics Inc	USA	Ordinary shares	100%	Dormant
The following companies are held by Fraser Anti-Static Techniques Limited:				
Fraser Elektrostatik GmbH	Germany	Ordinary shares	100%	Distributor
Shanghai Fraser Static Technology Co., Ltd	China	Ordinary shares	70%	Distributor
The following companies are held by Peak Sensors (Holding) Limited:				
Peak Sensors (Property) Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Peak Sensors Limited	England and Wales	Ordinary shares	100%	Design and manufacture
The following companies are held by Hillmead Technology Limited:				
PRP Optoelectronics Limited	England and Wales	Ordinary shares	100%	Design and manufacture
RGB Monolithic Limited	England and Wales	Ordinary shares	100%	Dormant
Esker Technology Limited	England and Wales	Ordinary shares	100%	Dormant

5 Investments continued

Investments in Group undertakings continued

All of the companies above have a registered office of Beacon House, Nuffield Road, Cambridge, Cambridgeshire CB4 1TF except for the following:

Atik Cameras Unipessoal Lda	Rua Horta dos Bacelos 15, 2690-390 Santa Iria de Azoia, Portugal
Monmouth Scientific Limited	Monmouth House, Peninsula Business Park, Bristol Road, Bridgwater, England TA6 4QB
Safelab Systems Limited	Airone Building, Beaufighter Road, Weston-super-Mare, England BS24 8EE
Synoptics Inc	5108 Pegasus Ct # M, Frederick, MD 21704, United States
Fraser Elektrostatik GmbH	Friedrich-Rottra-Str.66, D-79588 Efringen-Kirchen, Germany
Shanghai Fraser Static Technology Co., Ltd	Room 501 Unit 15, No. 159 Tianzhou Road, 200233 Shanghai, China PR
InspecVision Limited	10 Trench Road, Newtownabbey, County Antrim, Northern Ireland BT36 4TY

Each of the above investments has been included in the consolidated financial statements. A parental guarantee has been granted to Scientific Vacuum Systems Limited (company number 02538608), Safelab Systems Limited (company number 05336826), LTE Scientific Limited (company number 02648370), Fraser Anti-Static Techniques Limited (company number 02642741), Hillmead Technology Limited (company number 09557787), PRP Optoelectronics Limited (company number 02383612), Sentek Limited (company number 02753857), Astles Control Systems Limited (company number 02490943), Severn Thermal Solutions Limited (company number 05930613), Chell Instruments Limited (company number 02693453), Synoptics Limited (company number 01874861), Applied Thermal Control Limited (company number 03079409), MPB Industries Limited (company number 04966728), Graticules Optics Limited (company number 01395088), Monmouth Scientific Limited (company number 04716008), Atik Cameras Limited (company number 05948849), Peak Sensors (Holding) Limited (company number 10942202), Peak Sensors (Property) Limited (company number 10942852), Peak Sensors Limited (company number 03386191), InspecVision Limited (company number NI045832) and Collins Walker Limited (company number 01087370), in accordance with section 479A of the Companies Act 2006, relating to the audit of its individual accounts. Dormant companies are exempt for filing accounts under section 394 of the Companies Act 2006.

6 Deferred Tax

	2026 £'000	2025 £'000
Opening (net)	**92**	40
Deferred tax credited in the income statement	**99**	7
Deferred tax included directly in equity	**20**	45
At 30 April (net)	**211**	92
Short-term temporary differences	**236**	110
Fixed asset temporary differences	**(25)**	(18)
At 30 April (net)	**211**	92
Deferred tax asset	**236**	110
Deferred tax liability	**(25)**	(18)
At 30 April (net)	**211**	92

Deferred tax assets are recognised for tax losses available for carrying forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred tax assets of £261k (FY25: £261k) in respect of losses. Total losses (provided and unprovided) totalled £1.0m (FY25: £1.0m). These losses are all pre-1 April 2017 and therefore cannot be offset against trading profits of the same trade post-1 April 2017. The deferred tax asset relates to tax deductions for share options as they are exercised.

Notes to the Company Financial Statements continued
for the year ended 30 April 2026

7 Trade and Other Receivables

	2026 £'000	2025 £'000
Amounts owed by Group undertakings	**4,841**	11,411
Prepayments and accrued income	**625**	89
Other debtors	**108**	18
Corporation tax	**1,320**	1,407
	6,894	12,925

All debtors fall due within one year of the balance sheet date. No provisions are made for inter-group debtors as the credit risk is not significant. All amounts owed by Group undertakings are repayable on demand.

8 Trade and Other Payables: Within One Year

	2026 £'000	2025 £'000
Amounts owed to Group undertakings	**11,426**	14,395
Trade creditors	**762**	147
Social security and other taxes	**57**	46
Deferred consideration	**670**	645
Accruals and deferred income	**708**	286
	13,623	15,519

All creditors fall due within one year of the balance sheet date. All amounts owed by Group undertakings are repayable on demand.

9 Trade and Other Payables: Greater Than One Year

	2026 £'000	2025 £'000
Bank loans	**26,867**	15,135
	26,867	15,135

10 Borrowings

	2026 £'000	2025 £'000
Within one year		
Finance lease liabilities	**–**	–
	–	–
After one and within five years		
Bank loans	**26,867**	15,135
	26,867	15,135
Total borrowings	**26,867**	15,135

Bank finance relates to amounts drawn down under the Group's bank facility with HSBC Bank plc, which is secured against all assets of the Group. On 27 November 2025, the Group renewed and expanded its committed loan facility with HSBC to £25m, with an accordion option of an additional £15m. The renewed facility has a repayment date of 27 November 2028 and is extendable for two further years. Both the accordion option and the extensions are at HSBC's discretion. The Group exercised £6m of its accordion option in early February 2026 to finance an acquisition.

At the end of the financial year the Group had drawn down £27m of its revolving credit facility (FY25: £15.1m), leaving £4.0m in headroom excluding an additional £9.0m accordion option, which is available subject to HSBC's discretion.

11 Called Up Share Capital

	2026 £'000	2025 £'000
Authorised		
1,000,000,000 ordinary shares (FY25: 1,000,000,000) of 1p each	**10,000**	10,000
Allotted, called up and fully paid 104,573,126		
(FY25: 104,551,326) ordinary shares of 1p each	**1,046**	1,046

Share Options
A summary of options outstanding currently is provided in note 8 to the consolidated financial statements.

12 Related Party Transactions

Transactions with directors are disclosed within the directors' remuneration report and note 8 to the consolidated financial statements. The Company is not required to disclose transactions with its wholly owned subsidiaries.

13 Ultimate Controlling Party

The directors believe that there is no overall controlling party.

Seven-Year Summary

	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Revenue	**74,489**	66,177	65,846	67,577	49,656	35,076	24,498
Cost of purchases*	**(25,328)**	(23,251)	(24,297)	(24,810)	(17,998)	(12,206)	(7,899)
Gross profit (on materials only)*	**49,161**	42,926	41,549	42,767	31,658	22,870	16,599
Gross margin (on materials only)* %	**66.0%**	64.9%	63.1%	63.3%	63.8%	65.2%	67.8%
Other income	**568**	577	104	112	55	21	19
All other operating costs	**(38,167)**	(33,546)	(32,075)	(30,070)	(19,640)	(15,191)	(12,016)
Adjusted operating profit*	**11,562**	9,957	9,578	12,809	12,073	7,700	4,602
Reorganisation costs	**(443)**	(398)	(447)	–	(125)	(132)	(110)
Share-based payments	**(280)**	(338)	(128)	(351)	(313)	(305)	(276)
Acquisition costs	**(339)**	(564)	(155)	(331)	(341)	(179)	(58)
Impairment of intangible assets	**–**	–	–	(3,520)	–	–	–
Amortisation of acquired intangible assets	**(2,318)**	(1,725)	(1,558)	(1,795)	(1,115)	(1,153)	(647)
Operating profit	**8,182**	6,932	7,290	6,812	10,179	5,931	3,511
Net financing expenses	**(1,646)**	(1,470)	(1,627)	(970)	(295)	(287)	(254)
Profit before tax	**6,536**	5,462	5,663	5,842	9,884	5,644	3,257
Income tax	**(1,620)**	(1,424)	(1,409)	(1,939)	(2,341)	(936)	(666)
Profit for the year	**4,916**	4,038	4,254	3,903	7,543	4,708	2,591
Attributable to:							
Equity holders of the parent company	**4,909**	3,984	4,231	3,871	7,543	4,708	2,591
Non-controlling interest	**7**	54	23	32	–	–	–
Profit for the year	**4,916**	4,038	4,254	3,903	7,543	4,708	2,591
Cash generated from operations	**10,158**	12,859	9,386	10,873	14,689	11,710	5,169
Earnings per share							
Basic earnings per share	**4.70p**	3.86p	4.09p	3.80p	7.53p	4,81p	2.66p
Diluted earnings per share	**4.59p**	3.81p	4.04p	3.72p	7.23p	4.58p	2.56p
Adjusted diluted earnings per share*	**7.17p**	6.18p	5.78p	9.02p	8.71p	5.97p	3.43p

* Alternative performance measure.

Shareholder Information
SDI Group plc

Company registration number 06385396
Registered Office
Beacon House, Nuffield Road, Cambridge CB4 1TF

Directors

E K Ford	Chairman
S M Brown	Chief Executive Officer
A Sharma	Chief Financial Officer
D F Tilston	Non-executive, Senior Independent Director
L E Early	Non-executive director
A J Hosty	Non-executive director
M R M Fryer	Non-executive Director

Company Secretary
A Sharma

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HSBC Bank plc
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Cambridge CB1 2JH

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22 Station Rd
Cambridge CB1 2JD

Auditor
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15 Westferry Circus
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Tax Advisors
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Nominated Advisor and Joint Corporate Broker
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One Bartholomew Close
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Joint Corporate Broker
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Registrar
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Surrey GU9 7XX

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