

Mpac Group plc

Annual Report and Accounts 2025

Accelerated strategic growth powered by people

We create faster, more efficient automation and packaging systems

 Mpac | AUTOMATION





Mpac Group plc is an international company listed on the London Stock Exchange (symbol: MPAC), with a long and proud history of delivering innovation and excellence on a global basis. Our business is focused on the creation of manufacturing solutions that make and package the products millions of people worldwide depend on.



mpac-group.com

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Year at a glance

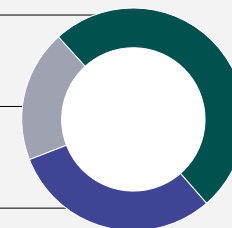
- › 2025 order intake of £150.9m (2024: £119.7m)
- › Group full year revenue £174.1m (2024: £122.4m)
- › Statutory (loss)/profit before tax of £(7.7)m (2024: £3.4m)
- › Underlying profit before tax of £13.5m (2024: £10.6m)
- › Basic (loss)/earnings per share of (31.8)p (2024: 6.0p)
- › Underlying earnings per share of 35.9p (2024: 35.2p)

REVENUE BY SECTOR

Food and beverage
£88.0m

Other
£33.2m

Healthcare
£52.9m



REVENUE BY REGION

Americas
£72.2m

Asia
£8.5m

Europe, Middle
East & Africa
£93.4m



ORDER INTAKE

£150.9m

(2024: £119.7m)

UNDERLYING PROFIT BEFORE TAX

£13.5m

(2024: £10.6m)

UNDERLYING EARNINGS PER SHARE

35.9p

(2024: 35.2p per share)

BASIC (LOSS)/EARNINGS PER SHARE

(31.8)p

(2024: 6.0p)

REVENUE

£174.1m

(2024: £122.4m)

NET ASSETS

£75.3m

(2024: £108.0m)

Who we are and what we do

We support all brands and all locations with our global operations

Mpac is a provider of product manufacturing and packaging solutions. We serve customers globally in the essential and growing sectors of healthcare and food and beverage, with engineering and services that increase automation, safety, sustainability and cost effectiveness.

Headquartered in the UK, we have strategically located manufacturing and Service hubs worldwide to provide our customers with local support and a global reach.

We are 'One Mpac', with seven connected businesses that trade under the globally respected brand names and product ranges of Lambert, Langen, Switchback, SIGA Vision, BCA and CSI Palletising. Lambert specialises in solutions for the healthcare sector. Langen and Switchback provide secondary and tertiary packaging solutions for all sectors in which we operate. BCA provide conveying and primary packaging for the food and beverage sector. CSI provide tertiary packaging solutions for all sectors in which we operate and SIGA Vision provide vision systems across all of our product ranges.

Our philosophy is 'Ingenuity without limits'

We provide packaging and automation solutions to fast-moving consumer goods customers, enabling their products to be packaged for distribution to their consumers, ensuring security, quality, sustainability and shelf appeal.

We ensure manufacturing consistency through integration; from product assembly to primary packaging, cartoning to case packing and palletisation – designed, delivered and supported globally, while protecting the wider ecosystem we all live in.

We don't just build machines however, we create automation solutions to develop and optimise manufacturing processes. Our end-to-end capabilities help our customers thrive in a changing world.

The Group leverages its engineering expertise with cutting-edge manufacturing technologies and proven machine design, and supports its customers with world class service support, delivered locally. We are a global organisation and can provide support to customers in any region.

Our sectors

Healthcare

Supporting healthcare industries as diverse as contact lenses, facial tissues and dentifrice. Mpac supplies innovative first-of-a-kind machinery as well as standard packing and testing equipment.



Food and beverage

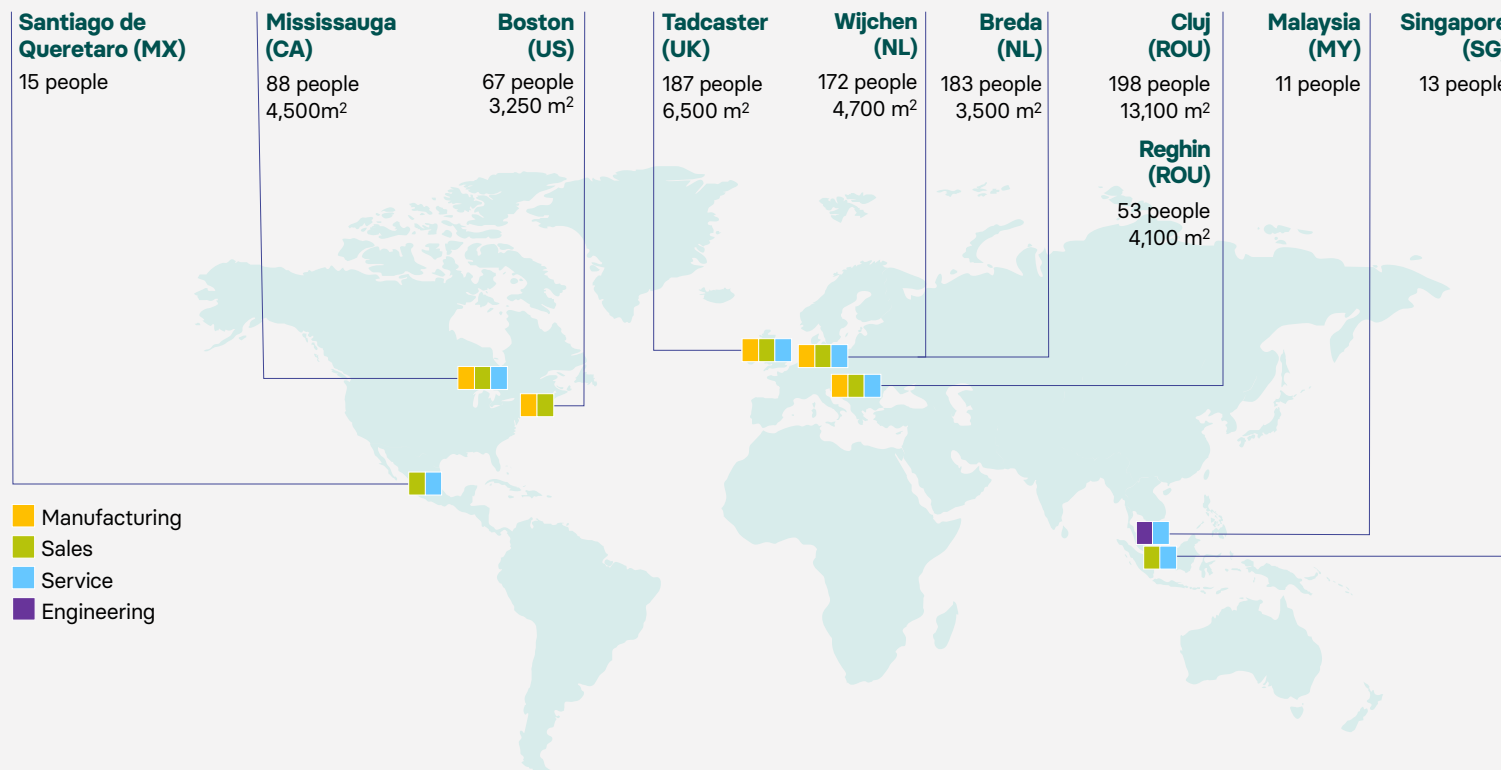
Providing innovative solutions for secondary and end-of-line packaging. Cartoning, case packing and palletising of bags, stick packs, pouches, flow wrapped products, bottles and more, to our customers' requirements.



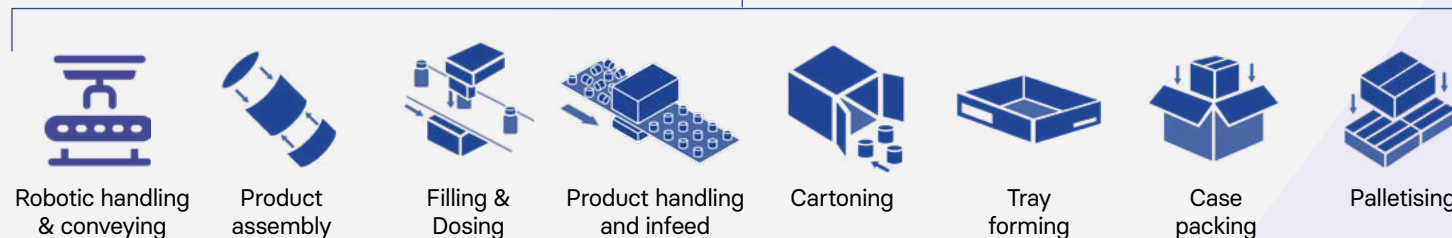


We create and service superior automation and packaging machines globally

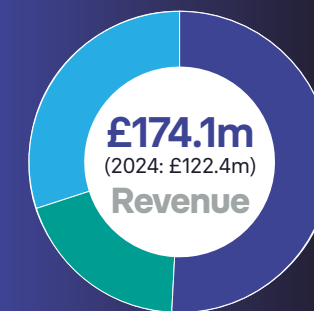
Original Equipment (OE) manufacturing combined with compelling service offerings



- Manufacturing
- Sales
- Service
- Engineering



Sales by Sector (%)



£174.1m
(2024: £122.4m)
Revenue

- Food & Beverage 51%
- Healthcare 30%
- Other 19%

6,500

Machines in service

6

Global manufacturing facilities

80

Countries served

5

Innovations centres

675

Global engineers and designers

8

Customer service hubs

Chairman's introduction



Andrew Kitchingman
Chairman

“In a year marked by continued macroeconomic uncertainty and subdued capital investment across many of our end markets, Mpac has delivered a resilient performance, albeit below our original expectations. The Board believes the Group has responded proactively and decisively to manage overheads and focus on margins in a challenging trading environment.”

Throughout the year, our customers have remained cautious, with delays in order intake and extended decision-making cycles impacting the timing of project awards. Against this backdrop, Mpac has focused on what it can control: maintaining close relationships with our customers, managing costs carefully, and preserving the strength of our balance sheet.

Despite these headwinds, we have continued to make strategic progress. We secured a number of orders with new customers, broadening our customer base, and advanced key initiatives to enhance our technology offering and operational efficiency. Our service and support revenues, including spare parts and upgrades, have remained an important source of stability, demonstrating the value of our installed base and long-term customer partnerships.

Our strategy remains to focus on the high growth Healthcare and Food & Beverage sectors, driven by innovation and a focus on software and platform developments to ensure operational leverage.

While near-term visibility remains limited, we are encouraged by a gradually improving pipeline and ongoing customer engagement. The structural drivers underpinning our markets, including automation, sustainability, and efficiency, remain firmly in place, and we believe Mpac is well positioned to benefit as confidence returns.

On behalf of the Board, I would like to thank our employees for their commitment, resilience, and professionalism during a demanding year. I would also like to thank our customers, shareholders, and other stakeholders for their continued support.

Our investment proposition remains one of organic growth, augmented by carefully selected acquisitions.

On pages 26 to 33 I discuss corporate governance and the Board's activities during the year.

Summary of results

Order intake in the year was £150.9m (2024: £119.7m) and Group revenue was £174.1m (2024: £122.4m). Order intake was impacted by customer confidence, especially in the US. Underlying profit before tax was in line with market expectations at £13.5m (2024: £10.6m).

Statutory loss before tax was £7.7m (2024 profit before tax: £3.4m), which is net of the charges associated with the impairment of the 2020 acquisition of Switchback, costs of the reorganisation and the amortisation of acquired intangible assets. Group net debt at 31 December was £47.9m reflecting the timing of orders (2024: £37.5m).

Board changes

I would like to welcome Clive Wiley, David Squires and Simon Kesterton to the Board as independent Non-Executive Directors and members of the Remuneration, Nomination and Audit Committees. Simon Kesterton is appointed Chair of the Audit Committee.

During 2025, Sara Fowler and Doug Robertson stepped down from the Board and all committees, after five and six years of service respectively. On behalf of the Board, I would like to thank Sara and Doug for their valued and considerable contribution and support to the Mpac Board.

Dividend

Having considered the trading results for 2025 and the opportunities for investment in the growth of the Group, the Board has decided that it is not appropriate to pay a final dividend. No interim dividend was paid in 2025. Future dividend payments will be considered by the Board in the context of 2025 trading performance and made when the Board believes it is prudent to do so.

Outlook

While 2025 has presented challenges, Mpac remains a strong and capable business with a clear strategy. We are confident that the actions we have taken will position the Group to deliver sustainable, long-term value as market conditions improve.

Andrew Kitchingman
Chairman
20 April 2026



Strategy: Our mission, purpose and values



OUR VALUES

INTEGRITY

We make and keep commitments. We make decisions in an ethical and transparent way. We value diversity and inclusivity. We care, respect and value others. We drive a safer, healthier and more sustainable future.

DRIVE

We act with a sense of urgency. We believe in simpler, faster, and focusing on what matters to our customers. We do not walk away from challenges. We celebrate success.

EXPERTISE

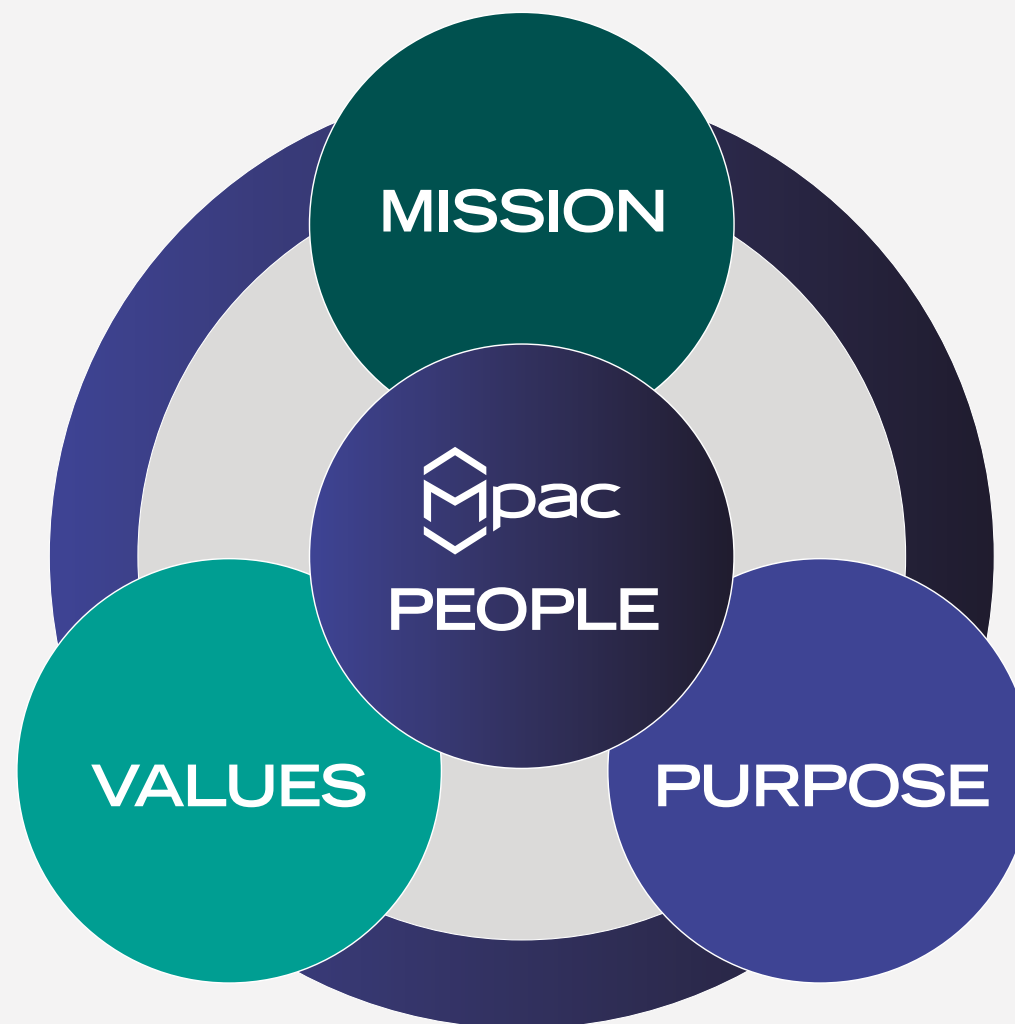
We value expertise, curiosity and shared insight. We take pride in our work, the machines that we create, and the services that we provide to our customers. We strive to continuously improve.

COLLABORATION

We work together, with our customers, and our partners; collaborating without boundaries for the collective goal.

INNOVATION

We use our expertise to push boundaries, creating exciting new tailored solutions for our customers.



OUR MISSION

We design, build and support the machines that assemble and package the products that millions of people around the world depend on.

OUR PURPOSE

Through innovative technology and exceptional service, we help our customers to provide food and beverage and healthcare across the world.

Strategy: Customer focussed business model

The 'One Mpac' business model ensures we deliver consistent high-quality services to our customers globally wherever they choose to locate a manufacturing site.

The Group offers its customers automation and packaging solutions, customised to their requirements using a portfolio of proven modules augmented with a customer specific product package handling solution.

The implementation of our 'One Mpac' business model incorporates sales, service, and operations functions. Common processes are all monitored and controlled by effective project management. Service support is provided through the life of the product at the customers' sites.

The capital equipment market is cyclical by its nature with a high need for responsiveness and flexibility to adapt to customer demands and lead time needs, seizing the opportunities as they arise.

The Group is able to exploit synergies, utilising best practice across the sites and a shared services resource in order to improve the operational efficiencies.

This creates a model whereby we can increase utilisation with the ability to expand capacity with increased demand and reduce capacity in periods of lower demand.

What we do

We design, develop software, precision engineer and manufacture high speed packaging solutions, first-of-a-kind machinery and high specification automation, secondary packing equipment and end-of-line robotics with integrated testing solutions.

We do not just build machines; we create full-line automation to develop and optimise manufacturing processes. Our end-to-end capabilities help our customers thrive in a changing world.

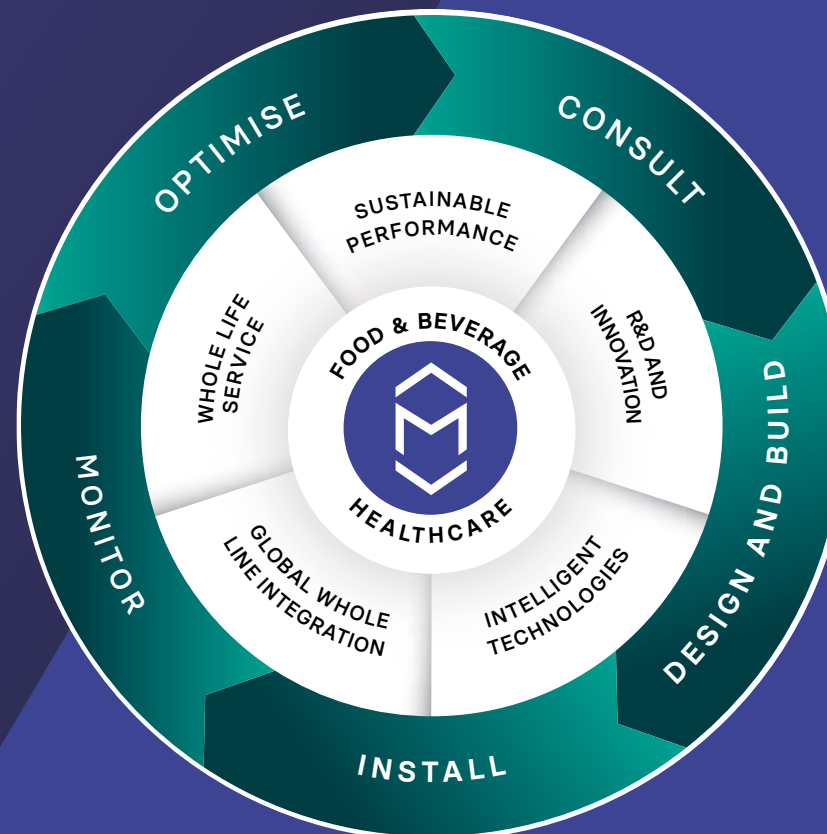
Optimise

We make sure your machine stays up-to-date with the latest modernisations and automation upgrades. This ensures minimal downtime and less risk of serious damage to your equipment throughout the lifetime of your lines.

Our bespoke whole life service options, with remote monitoring and servicing, ensure unstoppable OEE and keeps your machines in prime condition, year after year.

Monitor

With your permission, our experts can connect to your control system to give you a complete review of your machine performance. By doing so, we can predict and prevent problems to ensure consistency and compliance. We also offer you actionable insights to maximise your equipment effectiveness.



Consult

Our solutions live, breathe and evolve, and so should your business. That's why we're by your side at every stage, consulting with you to understand your challenges and solve your problems before they occur. Ingenious thinking is personal, so we take the time to listen to your needs and what you want from your machines and products.

Design and build

With your current and future needs in mind, we develop fresh ideas and design innovative machines to keep you ahead of the competition.

Install

We install your new machine at a time that suits you. To get the most out of your machine, our effective employee training reduces start-up costs and allows your equipment to reach its target performance quickly.



Strategy: Goals and priorities

GOING FOR GROWTH

Offering customers automation and packaging solutions in our target markets and growing our capacity to support customers.

OUTSTANDING CUSTOMER SERVICE

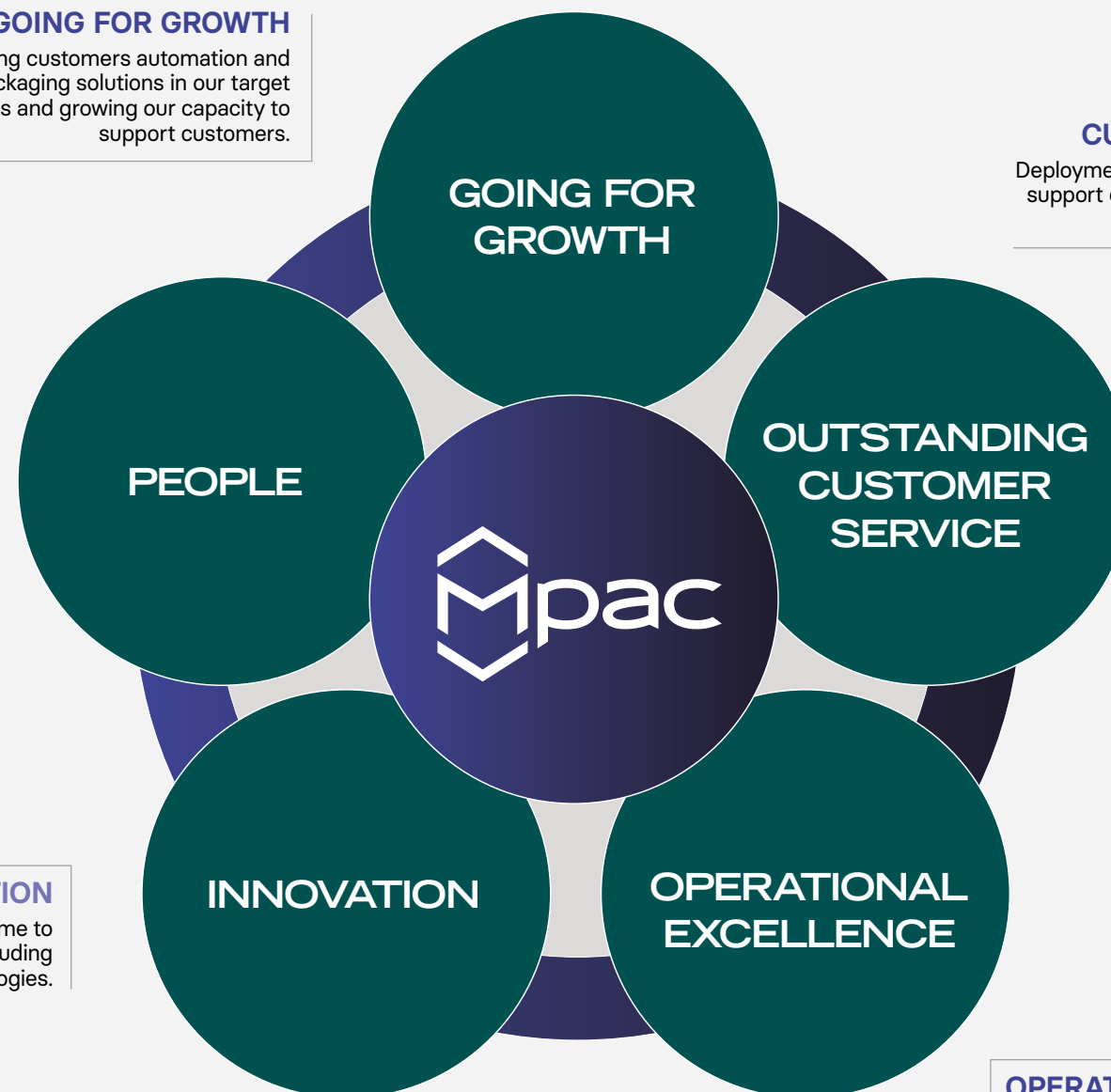
Deployment of new business tools to support our Service teams, growing our field service capacity.

PEOPLE

Increasing employee engagement, talent acquisition, development and retention.

INNOVATION

A comprehensive programme to extend our product range, including packaging technologies.



OPERATIONAL EXCELLENCE

Focussing on project execution to drive shorter lead times and on-time, in-full delivery.



Strategy: Goals and priorities

New five year strategic cycle

The Group reviewed the overall strategy in the year and demonstrated it to be a clear and solid foundation for the future prosperity of the business, whilst developing a new and revised set of strategic initiatives to deliver double digit annual growth from the Group's existing businesses and achieve a sustainable double digit return on sales. The five pillars were updated to reflect the progress made and the focus within each pillar revised to deliver the most effective long term value for the Group.

	2025 progress		Future plans	
Going for growth	<p>Customers</p> <p>As part of our strategic sales objective, we identified and prioritised key global accounts, enabling us to deliver more integrated, full-line solutions across our complete product portfolio, enhancing customer value and deepening long-term partnerships.</p>	<p>Pipeline expansion</p> <p>The prospect pipeline for each site continued to increase at a greater rate than 2024.</p>	<p>Integration</p> <p>Cross selling of fuller line solutions incorporating technology of our acquired businesses.</p>	<p>OE growth</p> <p>We will continue to focus on developing new customer relationships, focusing on in-person customer interactions to extend our prospect pipeline.</p>
Outstanding customer service	<p>US Service consolidation</p> <p>We consolidated the service business for our US customers into a single operation, covering Langen, BCA and Switchabck customers, providing a single point of contact for full line solutions.</p>	<p>Response to customers</p> <p>We are improving our service operations for our CSI and BCA customers in both scope and responsiveness, aligning them with those already established within Mpac.</p>	<p>Capacity</p> <p>Further development of the bandwidth of the technical service team and expanding the services offered to the increased installed base of CSI and BCA.</p>	<p>Vision systems</p> <p>Expansion of our vision systems offering to new OE orders and the broader install base, notably including areas where vision systems were not previously offered.</p>
Operational excellence	<p>Project execution</p> <p>We introduced key process improvement, including enhanced workflow automation. Extensive work, as part of the integration off CSI and BCA, delivered on building machines as cost effectively as possible in the right centre of excellence, increasing our gross margin by 6.2pp.</p>	<p>Consolidated US operations</p> <p>We consolidated our US operations onto a single site following the acquisition of BCA, delivering a single, efficient centre for the fulfilment of our US customer needs.</p>	<p>One Mpac</p> <p>Excellence programmes for the project management, operations and engineering teams.</p>	<p>Systems</p> <p>Implementation of Mpac business systems blueprint to CSI and BCA and alignment of best practice into the wider Group.</p>
Innovation	<p>Products</p> <p>Successful commercial launch of our Brisa cartoner, designed for frozen pizza, receiving immediate orders.</p>	<p>Mpac Replay</p> <p>Mpac Replay, our system which links machine data to video in real time and enables much fuller and faster understanding of the causes of downtime, implemented in our first sites.</p>	<p>Technology</p> <p>Develop next generation cartoning capabilities, including extending our product offering.</p>	<p>Standardisation</p> <p>Development of standard platforms for Lambert and Langen product lines and wider software engineering solutions.</p>
People	<p>Integration</p> <p>We integrated the newly acquired businesses onto Mpac's employee systems and established our Mpac Malaysia engineering base.</p>	<p>Workforce</p> <p>A more scientific approach to talent has been introduced, including the completion of talent mapping around the group and a competency framework being rolled out.</p>	<p>Talent</p> <p>Development of a comprehensive talent acquisition and retention process.</p>	<p>Workforce</p> <p>Completion of the workforce skills and competency framework.</p>



Operating review



Adam Holland
Chief Executive

“The Group delivered 2025 full year performance in line with market expectations, navigating challenging capital equipment markets characterised by macroeconomic uncertainty and geopolitical unrest. We responded promptly to lower order intake in H1, stabilising the order book in H2, and taking decisive actions to reduce our cost base. These actions, combined with the positive impact of acquisitions completed during the prior year, delivered improved margins in 2025 and prepared the Group for the year ahead.”

£150.9m

Overall Group order intake
(2024: £119.7m)

£174.1m

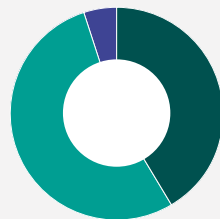
Group revenue
(2024: £122.4m)

£40.3m

Service revenue
(2024: £31.2m)

£90.0m

Order book for 2025
(2024: £118.5m)



Revenue by geography

- Americas **£72.2m**
- Europe, Middle East & Africa **£93.4m**
- Asia **£8.5m**

Introduction

2025 was a year of consolidation and disciplined execution for the Group against a backdrop of more challenging market conditions. Macroeconomic uncertainty, evolving trade dynamics and a more cautious customer investment environment led to longer decision-making cycles and delays to new capital projects across our core markets. Towards the end of 2025, quote conversion increased and the order book stabilised, albeit within an increasingly commercially competitive environment.

Following the transformational acquisitions completed in 2024, the Group's focus in 2025 has been on integration, delivery of identified synergies and aligning our enlarged operations to support long-term growth. Substantial progress has been made in integrating CSi, BCA and Siga Vision, with early benefits seen from cross-selling activity, operational collaboration, and the expansion of our global customer offering.

We continue to place customers at the centre of everything we do. Our broadening product portfolio, specialist engineering expertise and expanded global footprint enabled us to maintain strong customer engagement and develop a robust pipeline of future opportunities. Our service business remained resilient, providing a stable and increasingly important source of recurring revenue.

The Group maintained a strong focus on operational execution during the year, including careful management of the cost base, delivery of customer projects, and

continued investment in key strategic initiatives. These actions supported performance in a more demanding environment and position the Group to respond effectively as market conditions improve.

We have continued to invest in our innovation roadmap and product development capabilities, while optimising our leadership team to deliver faster, customer-focused decisions across the commercial, operational and service functions. These investments ensure that Mpac remains well positioned to capitalise on long-term structural growth drivers in automation and packaging.

While near-term market conditions remain uncertain, the Board is confident that the actions taken during 2025 have strengthened the Group's operational platform, enhanced its strategic positioning and leave it well placed to navigate challenging near-term market conditions and to deliver sustainable long-term growth.

Operational update

The Group delivered a resilient performance in 2025 against a challenging trading environment. Like-for-like (“LFL”) Original Equipment (“OE”) and Service order intake was below the prior year, reflecting softer market demand and extended customer decision-making cycles in capital projects. LFL OE revenue was also lower year-on-year, primarily due to the timing of order intake.

Despite these headwinds, the Group maintained a disciplined approach to operational delivery. Margins were supported through active cost management, improved operational efficiencies and the increasing contribution of the Service business. The benefits of the acquisitions completed in 2024, including a broader customer base and expanded capabilities, provided some mitigation against weaker market conditions.

Mpac continues to operate in large, long-term markets, underpinned by structural demand for automation and efficiency. While short-term conditions remain uncertain, the Group retains a significant opportunity to grow through increased market share. By maintaining focus on executing its long-term strategy, expanding the installed base through OE orders, growing higher-margin Service revenues and driving operational excellence across the enlarged Group, Mpac is well positioned to deliver sustainable and profitable growth over the medium to long term.

Strategic update

The Group continues to operate under a stable and consistent strategy, with increased focus during 2025 on disciplined execution. While our long-term ambitions remain unchanged, we have prioritised the delivery of strategic initiatives that strengthen the operational platform of the enlarged Group, support margin resilience and position Mpac for sustainable growth as market conditions improve.

Operating review continued

The enhanced capabilities brought by Siga Vision, alongside the broader installed base from BCA and CSi, provide a platform for future growth in Service revenues, particularly in system upgrades, optimisation, and lifecycle support.



A key focus during the year has been the integration of the businesses acquired in 2024, enabling the Group to realise identified synergies and unlock the full potential of the expanded customer offering. Solid progress has been made in aligning commercial activities, operations, and support functions across the Group, with early benefits seen in cross-selling opportunities and enhanced customer engagement.

Our strategy remains focused on our core markets of food and beverage and healthcare, where long-term demand drivers remain strong. We continue to broaden our customer base within these markets, deepen existing customer relationships by extending our product portfolio and develop our service offering, while maintaining a disciplined approach to investment and resource allocation.

Our strategy focuses on the following five pillars:

1) Customer growth

While market conditions in 2025 have been more subdued, our long-term growth ambition remains unchanged. The Group continues to target sustainable revenue growth and increased market share across its core sectors, supported by the strength of its enlarged customer base and expanding capabilities.

In the current environment, there has been an increased focus on deepening relationships with existing customers, increasing engagement levels and progressing the strong pipeline of opportunities with an increasingly broad customer base. Cross-selling across the enlarged Group remains a key mid-term strategic priority, with encouraging early traction, although conversion of opportunities has been limited by extended customer decision-making timelines.

The Group continues to invest selectively in its commercial capabilities, ensuring alignment across global sales and marketing activities. This coordinated approach is expected to support improved conversion rates and customer penetration as market conditions improve.

2) Outstanding customer service

The development of the Service business remains a core strategic priority, providing resilience through recurring revenue and supporting increased margin progression. While the proportion of revenue derived from Service has been diluted in the short term by the mix of activity following recent acquisitions, the Group remains committed to its long-term 30% target.

During 2025, the focus has been on integrating and expanding the service offering across the enlarged Group, leveraging the increased global footprint and installed base. Continued investment has been made in field service capabilities, technical expertise, and customer support infrastructure. In the US, parts fulfilment has been consolidated into a single hub in Boston Massachusetts, simplifying logistics for customers and benefiting from the acquisition of BCA in the prior year.

The enhanced capabilities and the broader installed base from the acquired businesses, BCA and CSi, provide a platform for future growth in Service revenues, particularly in system upgrades, optimisation, and lifecycle support.

3) Operational Excellence

In a more competitive and cost-conscious environment, operational excellence has been a key area of focus. The Group has prioritised improvements in project execution, cost control, and working capital management to support margin resilience and cash generation.



Synergy – Ostro build in Romania

New production model for the Langen OSTRO cartoner

- Technical leadership led by proven OSTRO platform engineer who has successfully delivered three OSTRO machines to customers
- Knowledge transfer initiated with Romanian engineers during the final assembly of a previous machine
- Pre-assembly of OSTRO machines at CSi Romania with final assembly, finishing and quality validations in Wijchen
- Model now adopted as the standard approach for upcoming OSTRO assemblies

Key advantages

Reduced lead times

through additional assembly capacity

Efficient logistics

with components sourced across Europe

Increased manufacturing flexibility

Scalable production capacity



Full line solution

The first order for a turnkey end-of-line solution for bagged breakfast cereals, from consultation to installation and monitoring with whole life service to follow

- First fully integrated system including cartoning, case packing, palletising and autonomous mobile robot transport with blue chip customer
- Integration of ancillary equipment within the full production line
- Designed to receive product from bagging machines and deliver a fully palletised output
- Collaborative engineering between multiple Mpac specialist teams with engineering and manufacturing distributed across Wijchen, Raamsdonksveer and Cluj
- Single project ownership with one customer interface

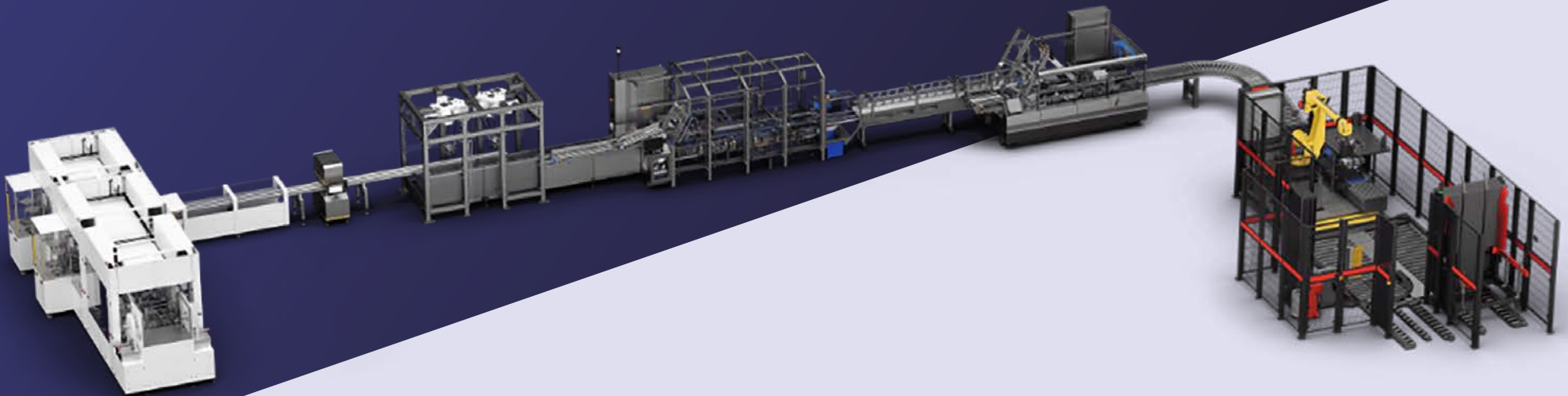
Customer value

One integrated line supplier instead of multiple vendors

Trusted supplier relationship

Local aftersales support for long-term reliability

High-volume production with flexible changeovers





Operating review continued

“We started 2026 with a lower order book, growing price competition and an increasingly uncertain geopolitical environment. The team have responded proactively, taking action to reduce costs in response to near term challenges and to position the Group to respond strongly when market conditions improve. We continue to focus on delivering the Group’s long term growth strategy, underpinned by innovation, operational excellence and outstanding customer service.”



Progress has been made in aligning operational processes across the enlarged Group, with continued deployment of common systems, including the Group’s ERP and business systems blueprint. These initiatives are expected to drive efficiencies, improve visibility, and support scalability over the medium term.

The Group continues to focus on enhancing delivery performance, reducing lead times, improving working capital, and making best use of its operational footprint and optimising its global supply chain.

In North America, the consolidation of our sites in the US during 2025 drove both cost reduction and a greater concentration of knowledge in the region, improving efficiencies and customer experience, realising cost synergies from the acquisition of BCA.

In Europe, the integration of CSi brought further cost synergy through the consolidation of electrical panel assembly in Romania, supplying subassemblies to Mpac businesses in the UK and Europe. The first Langen cartoner assemblies were also completed in Romania during the year, further improving the cost base, and setting a pathway for further operational cost reduction.

In Asia, the Group opened an Engineering office in Kuala Lumpur, Malaysia, providing engineering design support to Mpac businesses worldwide. Initial setup and engagement has been well executed, and plans are in place to expand capacity as demand grows.

4) Innovation

The Group remains committed to its innovation roadmap, recognising the importance of product development in maintaining competitive advantage. However, in the current environment, there has been a measured and disciplined approach to investment, with focus on projects that deliver clear customer value and near to medium-term returns.

In 2025 the Group launched the Brisa side-load Cartoner, securing the first customer orders for the new unit with a new customer in the food sector. The Horizon top-load Cartoner won a prestigious Red Dot product design award, recognising the innovative design features of this new model. Innovation in digital services saw the first orders for the Mpac Rewind system, and Cube Connect deployment was extended with new customers on-boarded during the year. The Lambert team began work on the first implementation of the Beckhoff XPlanar product handling system on a customer project, expected to complete in 2026.

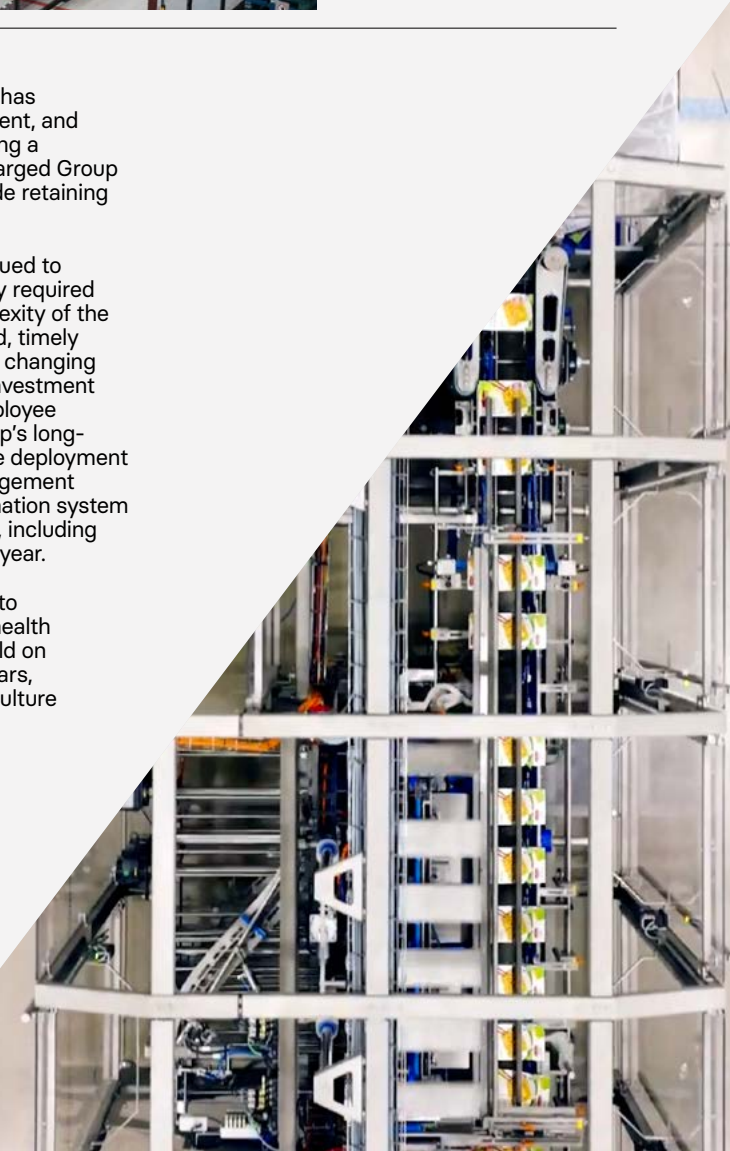
Progress has continued on key development programmes, and the Group has maintained its capability to bring new solutions to market. The broadened technology base following the 2024 acquisitions further enhances the Group’s ability to deliver integrated, full-line solutions.

5) People

During 2025, the Group’s focus has shifted to integration, engagement, and organisational alignment. Building a cohesive culture across the enlarged Group has been a key priority, alongside retaining and developing key talent.

The leadership team has continued to develop, providing the capability required to manage the scale and complexity of the Group while making empowered, timely decisions in response to rapidly changing market conditions. Continued investment in systems, processes, and employee engagement supports the Group’s long-term growth ambitions, with the deployment of the SafetyQube safety management system and Cezanne HR information system to all Group businesses in 2025, including those acquired during the prior year.

The Group remains committed to maintaining high standards of health and safety and continues to build on the progress made in recent years, embedding a proactive safety culture across all operations.



Operating review continued

The Mpac Lambert and Langen Packaging Automation teams at the 2026 MDMWest exhibition at Anaheim LA and the wider Mpac Group team at Pack Expo Las Vegas.



Environmental, Social & Governance

We are committed to continuous improvement in our Environmental, Social & Governance ("ESG") performance. Sustainability is increasingly important to our customers. Our engineered automation and packaging solutions provide customers with sustainable and environmentally sound equipment that support the global megatrends of reduction in packaging, particularly single-use plastics, reducing waste and energy use, and increasing overall equipment effectiveness. Our end-to-end capabilities help our customers to achieve their sustainability goals.

Outlook

The Group remains in line with full-year market expectations. As in previous years we expect that the result will be weighted towards the second half due to the lower opening order book, however, this is set against an increasingly uncertain market backdrop, with the full impact of the Middle East conflict on the timing of customer capital investment decisions remaining difficult to predict.

In Q1 2026, the pipeline of new prospect opportunities across all regions and sectors continued to grow. However, the current order book, which provides approximately 66% coverage of forecast 2026 revenue, has remained flat, with current year order intake impacted by increasing geopolitical uncertainty. Service revenue continues to demonstrate resilience as a short-cycle revenue stream, representing 23% of total revenue in FY 2025.

Against a backdrop of lower market volumes, price competition for OE orders has intensified, resulting in pressure on gross margins. This has been partially mitigated by cost reductions implemented in the prior year, alongside actions taken in Q1 to further reduce overhead costs.

We remain focused on managing net debt, supported by the strength of the prospect pipeline and a continued emphasis on cost management and cash collection. As previously indicated, the timing of reductions in working capital and net debt is strongly influenced by the timing of OE order intake.

We continue to operate comfortably within its banking covenants, which have been prudently aligned to a conservative view of trading conditions in 2026, ensuring ongoing compliance with the facility agreement, which is committed until September 2027.

While the near-term outlook remains uncertain, the Board is confident that the actions taken to integrate recent acquisitions, strengthen operational performance and enhance the Group's customer offering leave Mpac well positioned to benefit as market conditions improve.

Adam Holland
Chief Executive

20 April 2026





Malaysia Engineering Hub

- Expanding global engineering capacity with scalable engineering resource and improved responsiveness to our multination customers
- Access to engineering capacity at a competitive cost in a region which has a strong pool of engineering and technical talent
- Enhance collaboration across the Group, with Malaysian engineers already working on our full range of brands
- Reflects Mpac Group's ongoing investment in innovation, talent, and expertise
- Enables operational agility which can flex depending on market sentiment

Links to Mpac strategy

Customer growth

Aligns with our strategic intent to offer support to customers in all regions

Operational excellence

Expansion of our engineering capacity and capabilities supports our growth initiatives

Cost effective

Expansion in the region reflects our strategic push for lower cost operations

People

Development of our leadership and bandwidth in the region



Financial review



Will Wilkins
Chief Financial
Officer

“The Group delivered record revenue of £174.1m and underlying operating profit of £18.1m, equating to an increased ROS before interest of 10.4%”

Key Performance Indicators:

The Group uses a range of measures to monitor progress against its strategic and financial plans. The key performance indicators are presented below:

£150.9m

Overall Group order intake
(2024: £119.7m)

£174.1m

Revenue
(2024: £122.4m)

£13.5m

Underlying profit before tax
(2024: £10.6m)

7.8%

Underlying PBT return on sales
(2024: 8.7%)

£35.9p

Underlying EPS
(2024: 35.2p)

Overview

Group revenue of £174.1m (2024: £122.4m) represents an increase of 42% compared to the previous year. OE revenue increased by 47% to £133.8m (2024: £91.2m), underpinned largely by growth in EMEA. Services revenue increased to £40.3m (2024: £31.2m), attributable to the Americas and EMEA.

Overall order intake for the Group grew by 26% to £150.9m (2024: £119.7m). The closing 2025 order book, which decreased to £90.0m (2024: £118.5m), still provides good coverage over the forecast 2026 revenue. We remain vigilant to project execution risk and the operational efficiency of the business.

As anticipated, revenue and profit before tax were substantially higher in the second half of 2025 compared to the first half, supported by the timing of project execution through 2025, with full year underlying operating profit of £18.1m (2024: £12.0m), a 51% increase on 2024 and in line with market guidance.

The timing of significant prospects, particularly towards the end of 2025, led to an increase in working capital, which at the year end was £13.5m (2024: £0.4m).

Underlying operating profit increased strongly to £18.1m (2024: £12.0m) and underlying profit before tax for the year of £13.5m (2024: £10.6m), net of third-party interest charges of £4.6m (2024: £1.4m), was 27% up on 2024 and in line with market guidance.

Revenue by region: Americas £72.2m (2024: £60.3m), EMEA £93.4m (2024: £46.9m) and Asia £8.5m (2024: £15.2m).

Revenue by sector: Food & Beverage £88.0m (2024: £52.1m), Healthcare £52.9m (2024: £43.7m) and Other £33.2m (2024: £26.6m).

Individual OE contracts, and, to a lesser extent, contracts within the Service business, can be large. Accordingly, a few significant orders can have a disproportionate impact on the growth rates seen in individual sectors and regions from year to year.

Original equipment

OE order intake of £110.8m (2024: £87.0m) was 27% above the prior year due to the full year effect of the acquisitions made in 2024.

OE revenues of £133.8m (2024: £91.2m) were 47% ahead of the prior year.

OE revenue generated in the Americas region was 21% above the prior year at £54.2m (2024: £44.9m).

In EMEA, OE revenue in the year was £73.7m (2024: £33.8m), 118% above the prior year. OE revenue in Asia was £5.9m (2024: £12.5m) representing a 53% decrease against the prior year.

Service

Order intake for the Service division was 23% up on the prior year at £40.1m (2024: £32.7m). Service revenue of £40.3m (2024: £31.2m) was 29% above the prior year.

Service revenue in the Americas was 17% above the prior year at £18.0m compared to £15.4m in 2024. EMEA revenue in the year was £19.7m compared to £13.1m in 2024 and Asia revenue in the year was £2.6m compared to £2.7m in 2024.

Statutory Key Performance Indicators:

The statutory measures relating to the underlying Key Performance Indicators above are as follows:

(£7.7m)

(Loss)/profit before tax
(2024: £3.4m)

(31.8)p

Basic (Loss)/EPS
(2024: 6.0p)



Operating results

Gross profit was £63.2m (2024: £36.8m) and underlying selling, distribution, administration costs and other operating income amounted to £45.1m (2024: £24.8m).

Underlying operating profit was £18.1m (2024: £12.0m). Underlying profit after tax was £10.8m (2024: £7.9m) and statutory loss for the year was £9.5m (2024: statutory profit of £1.4m).

Non-underlying items merit separate presentation in the consolidated income statement to allow a better understanding of the Group's financial performance, by facilitating comparisons with prior periods and assessments of trends in financial performance. The majority of non-underlying items in the year related to the closure of the Cleveland site and the associated impairment of purchased goodwill, totalling £13.6m.

Pension costs, acquisition-related items, reorganisation costs and property transactions are considered non-underlying items as they are not representative of the core trading activities of the Group and are not included in the underlying profit before tax measure reviewed by key stakeholders. Details of non-underlying items incurred in the period are disclosed in note 5.

Net financing expenses were £2.5m (2024: £nil). Tax on underlying profit before tax was £2.7m (2024: £2.7m). The tax charge on the Group's loss before tax was £1.8m (2024: £2.0m).

Dividends

Having considered the opportunities for investment in the growth of the Group, the Board has decided that it is not appropriate to pay a final dividend. No interim dividend was paid in 2025. Future dividend payments will be considered by the Board in the context of future growth opportunities and when the Board believes it is prudent to do so.

Cash, treasury and funding activities

Net cash at the year-end was £9.6m (2024: £18.2m) with £57.5m of borrowings drawn at the year-end (2024: £55.7m). Net cash inflow before acquisition and reorganisation costs was £6.2m (2024: £5.6m), including an increase in working capital of £13.7m (2024: £7.4m decrease) and defined benefit pension payments of £0.2m (2024: £2.3m). Reorganisation and acquisition costs of £2.7m (2024: £1.4m) were paid in the year. Net taxation payments were £1.9m (2024: £1.6m). Capital expenditure on property, plant and equipment was £0.6m (2024: £1.9m), and capitalised product development expenditure was £4.1m (2024: £3.1m). Net current liabilities at the end of the year were £32.5m (2024: £26.2m) and net assets at the year-end were £75.3m (2024: £108.0m).

The Group entered into a three-year funding agreement with HSBC in 2024, which provided the Group with a £35.0m revolving credit facility ("Facility") to support future growth and for the 2024 acquisitions. The Facility also provides several other opportunities to proactively manage the Group's cash and ensure that the Group is well placed to react to opportunities, both organic and acquisition related, as they arise. Additionally, the Group entered into a two-year term-loan agreement for the value of £12.0m. The Group utilised £41.8m of these combined facilities at the end of the year and repaid £4.9m of the term loan in line with its terms.

There were no significant changes during 2025 in the financial risks, principally currency risks and interest rate movements, to which the business is exposed, and the Group treasury policy remains unchanged. The Group does not trade in financial instruments and enters into derivatives (mainly forward foreign exchange contracts) solely for the purpose of minimising currency exposures on sales or purchases in currencies other than the functional currencies of its various operations.

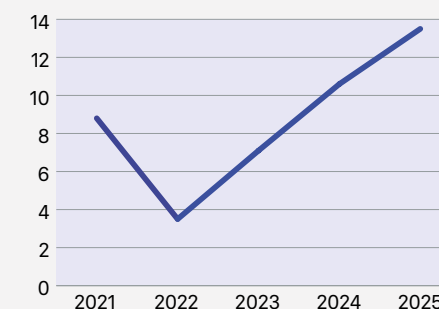
Reconciliation of underlying profit before tax to profit before tax

	2025 £m	2024 £m
Underlying profit before tax	13.5	10.6
Non-underlying items		
Defined benefit pension scheme – other costs and interest	0.3	–
Acquisition costs	–	(3.5)
Reorganisation costs (Cleveland)	(3.4)	–
Impairment of intangible assets (Cleveland)	(8.4)	(1.0)
Impairment of fixed and leased assets (Cleveland)	(1.8)	–
Customer contract cancellation	(1.9)	(0.6)
Acquired intangible asset amortisation	(6.0)	(2.1)
Non-underlying items total	(21.2)	(7.2)
(Loss)/profit before tax	(7.7)	3.4

Revenue (£m)



Underlying profit before tax (£m)



Underlying operating return on sales (%)



Net assets (£m)



Financial review continued

Working capital

The Group continues to experience high levels of working capital across the Group and is focused upon managing both commercial terms and project execution to reduce the level over the course of 2026.

The timing and phasing of project execution, as well as the integration of CSI and BCA into the Group, has meant that working capital closed at £13.5m, representing a £13.1m increase from the prior year.

Pension schemes

The Group is responsible for defined benefit pension schemes in the UK and the USA in which there are no active members. The Company is responsible for the payment of a statutory levy to the Pension Protection Fund.

Positively, the UK scheme purchased a buy-in policy from Aviva in the year for £249m, securing the benefits of all members of the UK scheme and almost entirely eliminating the risks to the Group from the scheme. After the purchase of the policy, the IAS 19 valuation of the UK scheme at 31 December 2025 showed a surplus of £7.6m (£5.7m net of deferred tax), compared with a surplus of £39.4m (£29.8m net of deferred tax) at 31 December 2024. The scheme is anticipated to hold a small surplus of up to £5m which will be returned upon the eventual wind-up of the scheme. The process of moving the scheme to buy-out and subsequent wind up, including GMP equalisation, is progressing according to plan and within the forecast budget.

The net valuation of the USA pension schemes at 31 December 2025, with total assets of £6.7m, showed a deficit of £1.4m, a decrease of £0.1m from 31 December 2024, caused primarily by the fall in the value of the US dollar.

The aggregate expense of administering the pension schemes was £1.7m (2024: £1.4m). The net financing income on pension scheme balances was £2.0m (2024: £1.4m).

The UK scheme's funding agreement foresaw the potential for the buy-in purchase and causes contributions to be held in escrow. The escrow account can only be used by the scheme in the unlikely event that a deficit arose. £2.3m was held in the escrow account at the year end and included in other debtors on the Group's balance sheet

Equity

Group equity at 31 December 2025 was £75.3m (2024: £108.0m). The movement arises mainly from the loss for the year of £9.5m, a net actuarial loss in respect of the Group's defined benefit pension schemes of £24.4m and changes in the translation and hedging reserves of £1.5m; all figures are stated net of tax where applicable.

Will Wilkins
Chief Financial Officer

20 April 2026





Principal risks and uncertainties

The Board regularly considers the main risks that the Group faces and how to mitigate those risks. The principal risks and uncertainties to which the business is exposed are summarised as follows.

Risk	Mitigation	2025 Movement
POLITICAL, ECONOMIC AND MARKET CYCLES		
<p>The Group is potentially affected by global political and local and global economic cycles and changes in a number of industrial sectors, including Healthcare and Food and Beverage industries. Such potential changes include those arising as a consequence of changing economic factors and volatility, governmental activities, such as escalating political tensions, regulation and taxation or as a consequence of competitive developments within the packaging machinery market.</p>	<p>Customers, suppliers, and Group operations are geographically diverse, and the Group sells a range of products and services to a number of industries in all parts of the world. Our One Mpac strategy allows the business to flex capacity between sites to help mitigate local cycles.</p> <p>The usual market cycles have been disrupted by the heightened global economic volatility, with shifts in sector demand and new opportunities being accelerated, whilst causing uncertainty and delay to project initiation in others. Mpac has benefitted from new opportunities and sought to mitigate the impacts where possible, including those from political insecurity and protectionism.</p> <p>In respect of mitigating against the impact of political unrest, Mpac maintained a wide and diverse customer and supplier base which is not dependent upon any one jurisdiction and actively manages the production location of its equipment to minimise the impact of tariffs and other risks.</p> <p>In respect of mitigating against the impact of competitive disruption, the Group actively monitors (via publicly available information) and responds to both product and competitor innovation, as well as seeking opportunities for acquisitions where aligned to its strategic objectives.</p>	<p>Increasing</p> <p>The political environment has continued to experience sudden, unpredictable changes, with the changes of regime in Europe, the Middle East, Canada and the US, continuing to delay and change customer investment intentions.</p> <p>The economic consequences of the increased political uncertainty have been particularly notable in our US and Canadian entities throughout 2025.</p> <p>The uncertainty experienced in our key markets is expected to continue into 2026, with certain markets recovering confidence whilst others experience elevated levels of disruption and uncertainty.</p>
REGULATORY CHANGE		
<p>The Group may be affected by changes in global or national regulations across any of its key sectors, examples of which include changes in regulations which significantly change the demand for our customer's products or restrictions upon/ changes to the methods of packaging and distribution.</p> <p>The Group may also be affected by changes in regulations affecting its manufacturing and distribution processes, especially in areas such as health and safety and environmental compliance.</p>	<p>The Group's products are used to produce and package a very wide range of products and restrictions or changes to any one product, especially within our key sectors where individuals are reliant upon the sector daily, provides some mitigation against sudden change.</p> <p>The Group has extensive knowledge and experience in designing machines to accept all kinds of products and packaging materials, including those with the lowest environmental impact and machines designed to minimize packaging material usage whilst maintaining the customer's product in perfect condition.</p> <p>The Group's operations are closely monitored by internal processes, emergent risk reviews and ongoing risk assessments to ensure both regulatory compliance and a safe working environment.</p>	<p>Unchanged</p> <p>The demand for new packaging and innovation in this area has continued unabated, to the benefit of the Group.</p> <p>The proposed new EU Packaging Directive may change the packaging market in Europe but represents a positive opportunity for Mpac Group as we support our customers on their journey to a more sustainable future.</p>



Principal risks and uncertainties continued

Risk	Mitigation	2025 Movement
<p>LOSS OF TRADING PARTNERS</p> <p>The Group faces the general risk of trading partners, including both customers and suppliers, ceasing to operate or trade with Mpac; the loss of any such partner could have an adverse effect on the Group's operating results and financial condition, including potentially affecting the viability of a subsidiary company. A number of customers operate in countries which may face a higher degree of political risk than others.</p>	<p>The Group has a diversified base of customers. In certain years sales to a single customer may be more than 15% of Group revenue, although the sales would typically be both original equipment and service, and to a number of different geographic regions. The Group regularly reviews its trading relationships with suppliers with the aim of ensuring that alternative sources of supply are available.</p>	<p>Customers – Unchanged Suppliers – Unchanged</p> <p>The Group continues to enjoy a diverse, blue chip customer base, so the impact of a loss of a single customer is limited. Our customers have deferred a number of projects from 2025 due to the uncertain economic outlook but these have not been cancelled or awarded to alternative suppliers.</p> <p>Suppliers may be at greater risk of failure than our customers, though no material supplier failures have been suffered in the period.</p>
<p>LARGE ONE-OFF PROJECTS</p> <p>The Group undertakes large, one-off projects for its customers each year. Several risks follow from the nature of this type of business, including the potential for cost over-runs and delays in performing the contract, with a consequent impact on cash flows and profits. Also, the Group is prone to potentially large fluctuations in business levels, as demand can be volatile.</p>	<p>The Group utilises good project management practices, including regular technical and commercial reviews of its major projects. Resource capacity is regularly reviewed, alongside reviews of order prospects lists. The Group continually reviews its project management performance to ensure emergent risks are managed and mitigated.</p> <p>Our strategy allows the business to flex capacity between sites to help manage fluctuations in business levels and demand.</p>	<p>Unchanged</p> <p>The Group has not accepted any larger than usual projects recently, minimising the risk of a single large project having a material impact.</p> <p>The Group continues to utilise strong contract management processes which have ensured that the Group has partially mitigated and contained the risks from cost over-runs and delays. The Group continues to focus on plans to flex and optimise our staff and factory resources to best manage expected growth.</p>
<p>LOSS OF A KEY FACILITY</p> <p>The Group operates a number of sites around the world and the loss of any one of them would interrupt a revenue stream and could potentially have an adverse effect on the Group's operating results and financial condition.</p> <p>The Group, and the Group's customers and suppliers, may also be affected by sudden restrictions in global logistics.</p>	<p>Disaster recovery plans are in place for each site. IT infrastructures are designed to have minimal inter dependence across the Group, thereby not exposing a number of facilities to the failure of one central system.</p> <p>The diverse locations and common skill sets around the Group, along with the Group's investments in communication technology, means that production could be moved from one site to another at short notice if a site or its region were unable to function for a period of time.</p>	<p>Unchanged</p> <p>The Group's sites have demonstrated resilience to remain operational in changing circumstances and the active programme to build in the most appropriate location has widened the capabilities of every site.</p> <p>Whilst the closure of the Cleveland site has reduced these options in the US, the Boston location has considerable scope to expand as required and the Canadian operation has seamlessly adopted the ongoing service and support roles previously located at the site.</p> <p>Appropriate contractual protections continue to be included in the Group's contracts to mitigate the direct financial cost of such an event.</p>



Risk	Mitigation	2025 Movement
EXCHANGE RATE MOVEMENTS		
<p>The majority of the Group's trading is conducted outside of the UK and in currencies other than sterling. Consequently, its financial performance is affected by fluctuations in foreign exchange rates, particularly due to changes in the relative values of the US dollar, Canadian dollar, euro, and sterling.</p>	<p>The Group has a wide supply base in different countries and monitors the relative values of currencies in making purchasing decisions. The Group enters into forward foreign exchange contracts to minimise currency exposures on sales and purchases in other than the functional currencies of its operations.</p>	<p>Unchanged Volatility in the foreign exchange markets has continued at an elevated level, particularly affecting the US\$.</p> <p>The use of foreign-currency borrowing, cash pooling, hedging, short quote validity periods and matching of supply locations to customers continues to minimise the impact.</p>
IT SECURITY		
<p>The Group holds sensitive data relating to its employees, customers, and suppliers as well as intellectual property and financial data. Should security infringements occur the Group risks loss of customers, disruption of normal operations, fines, and reputational damage.</p>	<p>The Group continually reviews the effectiveness of its IT security controls in consultation with external experts and invests in industry best practice security software. The security arrangements of the Group's IT assets prevent unauthorised access to core IT hardware. IT infrastructures are designed to have minimal inter dependence across the Group. Cyber security user training is employed as a final line of defence.</p>	<p>Unchanged The organisation and resource available to malicious actors seeking to breach IT security continues to develop rapidly.</p> <p>The Group maintains best practice in this area and there has been no significant change in the period.</p>
AVAILABILITY OF FUNDING		
<p>The banking facilities and/or the willingness of investors prove insufficient for the needs of the Group to meet its growth objectives.</p>	<p>The Group has access to a £35.0m revolving credit facility ("RCF") with HSBC committed to September 2027, a £12.0m Term Loan and a £13m overdraft facility. The RCF was fully drawn at the year end whilst the Term Loan amortises quarterly and stood at £7.5m at the year end.</p> <p>The overdraft has been drawn as required and provides flexibility. The Group maintains suitable headroom through the use of cash and overdraft facilities.</p> <p>The Group maintains a close relationship with its banks, ensuring that the facilities and the covenants attached to them are regularly reviewed to ensure they remain appropriate to support the business.</p> <p>It is considered that the Group has sufficient cash resources to carry on in operational existence for the foreseeable future, providing a buffer against the Group being constrained by restricted availability of funding.</p>	<p>Increased The HSBC facilities plus available free cash are expected to provide the Group with adequate funding to meet its longer term strategic objectives and operating capital requirements. The utilisation of the facilities is greater than in previous periods and there is no guarantee that additional facilities would be available if required at a reasonable cost.</p>



Principal risks and uncertainties continued

Risk	Mitigation	2025 Movement
LIABILITIES OF THE GROUP SPONSORED DEFINED BENEFIT PENSION SCHEMES		
<p>The Group is responsible for the funding of a defined benefit pension scheme in the UK, which pays a levy to the Pension Protection Fund of an amount outside the control of the Group, as well as three smaller such schemes in the USA.</p> <p>An insurance policy to cover the quantified liabilities of the UK pension scheme was purchased in June 2025, which will settle almost all of the liabilities in the UK scheme once the data has been validated and the impact of GMP equalisation settled.</p> <p>In future, almost all changes in the value of the liabilities of the UK scheme will be matched by an equal change in the value of the assets until the liabilities are transferred directly to the insurer ("buy-out").</p> <p>The triennial actuarial valuation of the UK scheme at 30 June 2024 identified a pre-tax surplus in the scheme of £21.1m, a funding level of 107%, which resulted in the contributions being redirected to an escrow account from 1 January 2025.</p>	<p>The purchase of an insurance policy for almost all of the liabilities of the UK scheme have significantly reduced the risk to the Group from the pension schemes, though a small risk remains in relation to the US scheme and from the finalisation of the value of the residual liabilities, largely relating to GMP equalisation, in the UK scheme.</p> <p>The schemes continue to employ liability-matching strategies to minimise the volatility of the surplus/deficit.</p>	<p>Reduced</p> <p>The transfer of the liabilities of the UK scheme to an insurer has exponentially reduced the risks to the company from pension schemes from uninsured liabilities of £245.4m at December 2024 to £15.6m at December 2025 (£7.5m in the UK and £8.1m in the US).</p> <p>The pension schemes remain at the risk of being affected by regulatory changes.</p>
LITIGATION		
<p>The Group from time to time may be subject to claims from third parties in relation to its current and past operations, which could result in legal costs and rulings against it that may have a material effect on the Group's operating results and financial condition.</p>	<p>The Group has a comprehensive risk management and review process, including contract risk management, which is aimed at minimising the risk of such claims arising because of its actions. Insurance policies are in place to cover some such incidences and third-party legal assistance is sought as required.</p>	<p>Unchanged</p> <p>No new material litigation has been commenced in the period.</p>
SUPPLY CHAIN		
<p>Timely, efficient supply of parts and purchased components is critical to our ability to deliver to our customers. Manufacturing and supply chain continuity is exposed to external events that could have significant adverse consequences, including natural catastrophes, civil or political unrest, changes in regulatory conditions, terrorist attacks and disease pandemics – this applies to our own manufacturing sites and those of our key suppliers. The inability to deliver products/solutions to customers would impact financial performance and our reputation.</p>	<p>Business continuity recovery plans are in place. We have undertaken mitigation plans for sole-source suppliers, sub-contractors and service providers to identify and qualify alternative sources of supply where appropriate.</p>	<p>Unchanged</p> <p>The integration of the recently acquired businesses has broadened the supply chain, most notably through the Romanian business, which has reduced lead times and is starting to reduce inventory levels.</p> <p>The impact of the current challenges in the Middle East on transport are unclear but are being closely monitored and early mitigating actions taken.</p>



Risk	Mitigation	2025 Movement
ETHICAL BREACHES		
<p>The Group operates in highly regulated markets requiring strict adherence to laws with risk areas including Bribery & Corruption, International Trade Laws, Human Rights, Modern Slavery and General Data Protection Regulation.</p> <p>Ethics or compliance breaches could cause harm to the Group's reputation, financial performance, customer relationships and internal morale.</p>	<p>A Group wide ethics policy, which is reviewed by the Board annually sets out the principals that the Board expects all businesses and employees within the Group to adhere to.</p>	<p>Unchanged No concerns raised in the period.</p>
CONTRACTUAL OBLIGATIONS		
<p>The Group could fail to deliver contracted solutions and/or fail in our contractual execution due to delays, technical issues or breaches by our suppliers or other counterparties.</p> <p>Production delays, quality and warranty issues could all cause unexpected losses and could potentially lead to breach of contract and expenses due to disputes and claims.</p> <p>This could lead to loss of customers and reputational damage within the industry alongside loss of revenue and profit due to higher costs, liquidated damages and/or other penalties.</p>	<p>Contracts are managed and delivered by programme management teams that regularly review risks and take appropriate action, including extensive validation processes, assessments of execution risks and tight focus upon both contract and change management.</p> <p>Review and approval processes for significant and higher-risk contracts are in place at Group level, including appropriate contract risk management processes prior to acceptance.</p> <p>Diversified nature of the Group mitigates exposure to single contracts.</p>	<p>Unchanged The stabilisation of both the Group's supply chains and labour supply has reduced the risks to the Group's ability to deliver its contractual obligations.</p> <p>The integration of the CSI and BCA product ranges into combined Mpac solutions has been carefully managed to ensure that contractual obligations are appropriately managed.</p>
SUSTAINABILITY AND CLIMATE CHANGE		
<p>The Group's operations and strategies could be deemed by stakeholders and potential investors to fail to comply with national and international targets on climate change reduction. This could lead to issues with trading and employment and financial penalties.</p>	<p>The Group's products and strategy naturally lend themselves to be well placed environmentally. We partner with our customers to drive their packaging solutions in a more environmentally friendly manner and consequently help them reduce emissions.</p>	<p>Unchanged The focus on Environmental Social and Governmental issues is unchanged. The challenge for the Group is demonstrating its place in combatting these issues. Mpac is a low generator of emissions and waste, with the greatest potential impact of the Group being in the production of operationally and energy efficient machinery.</p>
ACQUISITIONS		
<p>The Group expanded rapidly in 2024 and its strategy includes the potential for additional acquisitions in future. Should the Group either suffer a failure of due diligence prior to acquisition or a failure to successfully integrate the acquired businesses, significant shortfalls to either the ongoing business performance or assumed synergies may arise.</p>	<p>The Group has focussed upon maximising the benefits from and integrating the acquisitions made in 2024 and on ensuring that sub-optimal actions taken during prior acquisitions were not repeated. A comprehensive integration programme is nearing completion and the commercial benefits are beginning to arise.</p> <p>The Group conducts extensive due diligence through both external third parties and internally to ensure the income streams of the acquired businesses can be grown in line with the forecasts upon which the acquisitions are based. Where appropriate, warranties and representations are sought from the vendors, which may be backed by insurance. The Group also plans carefully for the integration phase.</p>	<p>Unchanged The integration programme is nearing completion and starting to deliver the benefits expected, though the economic situation has led to benefits being realised more slowly than originally forecast.</p>



Section 172 statement

Section 172(1) of the Companies Act 2006 ("S172") requires the Directors' to act in good faith and in the way that they consider to be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard to the interests of other stakeholders. The Directors should also consider the desirability of maintaining high standards of business conduct, the need to act fairly between members of the Company, the impact of the Company's operations on the community and the environment and the likely long-term consequences of their decisions.

In the table below, we set out our key stakeholder groups and how we engage with each of them. Each type of engagement is designed to foster effective and mutually beneficial relationships so that we continue to work effectively with our stakeholders.

Stakeholder group	How we engage
EMPLOYEES	<p>As at 31 December 2025, we employed 990 people in the Group, based in the UK, Canada, the United States, Mexico, the Netherlands, Germany, Romania, Singapore and Malaysia.</p> <p>Our employees bring a broad range of experience, expertise and perspective to Mpac that contributes to the delivery of our strategic objectives. The Board recognises that employees are the cornerstone of the business and develops the Group's employment policies in line with best practice and providing equal opportunities for all, irrespective of gender, age, marital status, sexual orientation, ethnic origin, religious belief or disability. Full and fair consideration is given to applications for employment from people with disabilities having regard to their aptitudes and abilities. Every reasonable effort is made to support those who become disabled, either in the same job or, if this is not practicable, in suitable alternative work.</p> <p>Emphasis is placed on training, effective communication and the involvement of employees in the development of the business. In 2025, the Group HR Director reviewed the five-year people strategy for the Group focused on three critical areas: organisation design, performance management and talent development. As a result of this review, key milestones have been established for both 2026 and the five year period to 2030.</p> <p>The Board is updated at each Board meeting on health and safety matters. There have been no significant accidents during the year.</p>
SUPPLIERS	<p>The Group has dedicated supplier managers based in both the Americas and EMEA who work closely with its suppliers to ensure that the relationships are productive for all parties.</p> <p>The Group's Modern Slavery Act statement was reviewed and updated during the year. The Group Supplier Manual, of which the Modern Slavery Statement is part, also includes the Group's Anti-Bribery and Ethics policies.</p> <p>The Group's policy is to pay suppliers in line with its standard terms except where alternative arrangements have been agreed in advance with individual suppliers. The Group does not follow any external procurement or payment code. The Group's trade creditor days outstanding at the year-end were 60.</p>
CUSTOMERS	<p>The Group has good relationships with its customers, some of whom are long-standing.</p> <p>Regular meetings and discussions are held with the customers to keep them informed of the progress of their projects and for them to provide details of any changes which they require to be made mid-project.</p>
COMMUNITIES	<p>We believe that business should be a force for good in the communities in which we operate. We aim to support and inspire our employees to make a difference in their communities.</p> <p>The responsibility for community engagement is devolved to the local business units. The Group encourages employees to be involved in charitable, educational or other social pursuits which contribute to the local community and aids local community projects through organisational support.</p>

Further details on the Company's strategy and long-term decisions are set out in the Chairman's introduction and Operating review on pages 4 to 15. Further details of our stakeholder engagement, including the impact of the Company's operations on the environment, are set out in the Directors' Report on pages 49 to 54.

Ethics policy

The Group's Ethics policy is reviewed annually and updated as necessary. The policy, which is distributed to every Group employee and is available to view on the Group's website at www.mpac-group.com, sets out the values which Mpac seeks to encourage and certain principles governing the way it does business.

The strategic report was approved by the Board and signed by Andrew Kitchingman, Chairman, on 20 April 2026.



Corporate governance

Chairman's corporate governance statement



ANDREW KITCHINGMAN
CHAIRMAN

"We are committed to excellence in corporate governance, and maintain clear policies and practices that promote good corporate governance."

As Chairman of the Company, I have pleasure in presenting the Corporate Governance Statement for 2025.

The QCA Corporate Governance Code 2023 ("QCA Code")

Sound governance is fundamental to ensuring that a Company is run effectively and responsibly, which assists in a Company's long-term success. Accordingly, the Board has chosen to follow the QCA Code since 2018. The Board confirms it is fully compliant with the 2023 QCA Code. As committed to in the 2024 Annual Report, the Company has undertaken a review of its Remuneration Policy and is recommending it to shareholders to approve at the 2026 AGM.

Due to the ever-changing nature of corporate governance, there is a need to ensure that policies and practices are kept under review to ensure that the Company meets the required standards, while also ensuring that these are in line with the growth and overall strategic plan for the Company.

The Board considers that the policies, procedures and relevant systems, which have been implemented to date, have given us a firm foundation for our governance structure.

The Company believes that during 2025 it has complied with the 10 principles set out within the QCA Code as shown in the following table.

Andrew Kitchingman
Chairman

20 April 2026



Principles of the QCA Code

Deliver Growth

1. Establish a purpose, strategy and business model which promote long-term value for shareholders.
2. Promote a corporate culture that is based on ethical values and behaviours.
3. Seek to understand and meet shareholder needs and expectations.
4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success.
5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.

Maintain a Dynamic Management Framework

6. Maintain the Board as a well-functioning, balanced team led by the Chair.
7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.
8. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.
9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.

Build Trust

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.

How the Company has complied

The strategic aims and objectives of the Group are set by the Board. The strategy is set out on pages 5 to 8 and on the Group's website.

The Company is committed to the Group operating to the highest standards of ethical behaviour. In support of the Group's business objectives, the Company strives for excellence in all it does through five key values: honesty & integrity, respect, empowerment & responsibility, delivery of commitments, and open communication. More information about the Group's Ethics Policy is available on the Company's website mpac-group.com/group-policies. An annual employment engagement survey is performed and considered by the Board.

The Annual General Meeting serves as the perfect opportunity to meet and engage with retail shareholders. When implementing the Group's strategic aims, the Board takes into account expectations of the Company's shareholders and also its wider stakeholders and social responsibilities.

Information on the Company's key stakeholders and how the Board engages with them can be found on page 24.

The responsibility for the Group's internal control and risk management systems also falls under the Board's remit.

The risks faced by the Group are regularly reviewed by the Board, which ensures that the mitigation strategies in place are the most effective and appropriate for the Group's operations. The Group regularly reviews and updates its risk register, the principal risks to the Group are disclosed on pages 19 to 23 of the Strategic Report.

In my role as Chairman, I regularly consider the operation of the Board as a whole and the performance of the Directors individually. The details of individual directors are on pages 28 to 29. There is a Board performance review carried out annually.

Directors attend seminars and industry events from time to time as appropriate to assist with training.

All appointments to the Board are on merit, but with due consideration to the need for diversity on the Board. Such appointments are made to complement the existing balance of skills and experience on the Board.

Following feedback from the 2024 Board Performance Review, the Board changed its governance structure to separate the previously combined Remuneration and Nomination Committee into two separate committees with distinct roles.

The Board carries out a formal internal review annually in respect of its performance over the previous year. The evaluation is informed by detailed questionnaires completed by each Director, which are then summarised on an anonymous basis, considered by the Board and action taken as appropriate. In line with guidance included in the 2023 QCA Code, the Board undertook its first externally facilitated review in 2024. In 2025, the review was undertaken internally and further reviews are expected to take place annually.

The Remuneration Committee is committed to ensuring that reward drives high performance and incentivises the right behaviours. In determining remuneration policy, the Committee considers the nature and complexity of the work undertaken by the Executive Directors, whether pay is competitive compared to peers, personal performance and achievement of strategic objectives. The Committee requires shares issued to Executive Directors to comply with a minimum holding period to align with shareholder interests. Further detail on the remuneration policy to be put forward for shareholder approval at the 2026 AGM can be found on page 45.

The Board recognises the importance of maintaining regular dialogue with institutional shareholders to ensure that the Group's strategy is communicated and to understand the expectations of our shareholders.

Copies of previous Annual Reports, AGM Notices and other shareholder circulars can be found on our website.

Board of Directors



Andrew Kitchingman FCA
Non-Executive Chairman

Appointment: Andrew joined the Board on 11 May 2016 as a Non-Executive Director and was appointed Chairman of the Board on 19 April 2018.

Committees: Chair of the Nomination Committee and Member of the Audit and Remuneration Committees.

Skills and experience: Andrew is a Fellow of the Institute of Chartered Accountants in England and Wales, and formerly worked in senior positions in corporate finance with a number of firms, including KPMG, Hill Samuel, Albert E Sharp, Brewin Dolphin and WH Ireland.

Key strengths:

- › Strong experience of financial control and good corporate governance
- › Expertise in equity and debt capital raising
- › Mergers & acquisitions

External appointments:

- › Chairman of H.C. Slingsby PLC
- › Non-Executive Director of Andrew Sykes Group plc
- › Chairman of British Board of Agrément
- › Treasurer of Ripon Cathedral
- › Director of London Security plc



Adam Holland
Chief Executive Officer

Appointment: Adam joined the Board as Chief Operating Officer on 1 November 2022 and was appointed Chief Executive Officer on 17 May 2023.

Skills and experience: Adam is a Chartered Engineer and Chartered Physicist, with a Masters degree in Natural Sciences from the University of Cambridge, and qualifications from Warwick Business School UK and the Tuck School of Business USA. Adam previously held a number of senior executive and company director positions in global engineering and technology companies including JCB, Siemens and Rolls-Royce plc., and in the space and defence sector at AEA Technology plc.

Key strengths:

- › Extensive Commercial and Operational experience gained from roles based in both the UK and internationally
- › Proven track record in business development
- › More than 20 years leading businesses to deliver market share growth



Will Wilkins
Chief Financial Officer

Appointment: Will joined the Board as Chief Financial Officer on 28 June 2018.

Skills and experience: Will is a Chartered Certified Accountant and, prior to his appointment, he held a variety of senior positions with the Company, including Group Financial Controller, Group Operations Director and a senior project director role. He previously held a senior financial position at BSH Home Appliances and began his career at Grant Thornton in 1992.

Key strengths:

- › Extensive experience in improving business systems, processes and controls
- › More than 25 years' proven track record as a senior finance professional with strong financial reporting discipline
- › Cross functional practical experience in operations and finance



Matthew Taylor
Independent Non-Executive Director

Appointment: Matthew joined the Board on 21 October 2021 as an independent Non-Executive Director.

Committees: Chair of the Remuneration Committee and Member of the Audit and Nomination Committees.

Skills and experience: Matthew has over 20 years of Executive and Board of Directors experience within the automotive, steel and manufacturing sectors across the world, including Belgium, the UK and Hong Kong. He has previously held several executive-level roles including CEO of J C Bamford Excavators, CEO of Edwards Vacuum and more recently CEO of Bekaert SA, a role he held until 2020.

Key strengths:

- › Extensive senior executive experience
- › Steel and Manufacturing industry experience of over 20 years
- › Strong experience of good corporate governance

External appointments:

- › Non-Executive Director of Surface Transforms plc
- › Non-Executive Director of Strip Tinning Holdings plc



Simon Kesterton
Independent Non-Executive Director

Appointment: Simon joined the Board on 1 October 2025 as an independent Non-Executive Director.

Committees: Chair of the Audit Committee and Member of the Remuneration and Audit Committees.

Skills and experience: Simon was most recently CFO of Kier Group plc, a construction and infrastructure company. He was previously Group Finance Director at RPC Group plc, a global manufacturer of plastic packaging, having held senior finance roles at IAC Group, a global automotive supplier, and at Collins & Aikman.

Key strengths:

- › Deep financial expertise
- › 24 years' experience in strategy, M&A and business transformation



David Squires
Independent Non-Executive Director

Appointment: David joined the Board on 1 October 2025 as an independent Non-Executive Director.

Committees: Member of the Audit, Remuneration and Nomination Committees.

Skills and experience: David is currently CEO of Senior plc, an engineering company, which designs and manufactures high-technology components and systems. He previously held senior positions with Cobham plc, Eaton Corporation, BAE Systems/GEC-Marconi and Hughes Aircraft Company (now RTX).

Key strengths:

- › Strong industry experience
- › 25 years' experience in engineering leadership roles



Clive Whiley
Senior Independent Director

Appointment: Clive joined the Board on 1 October 2025 as an independent Non-Executive Director. He was appointed as Senior Independent Director on 15 January 2026.

Committees: Member of the Audit, Remuneration and Nomination Committees.

Skills and experience: Clive is non-executive Chairman of Mothercare plc and STV Group plc and Senior Independent Non-Executive Director of Griffin Mining Limited. He was previously Chairman of Dignity plc and De La Rue plc, Senior Independent Non-Executive Director of Sportech plc and a Non-Executive Director of Grand Harbour Marina plc, Camper & Nicholson's Marina Investments Limited and Stanley Gibbons Group plc.

Key strengths:

- › 40 years' experience in executive and non-executive director roles
- › Strong listed company experience

External appointments:

- › Chair of Mothercare plc
- › Chair of STV Group plc
- › Senior Independent Director of Griffin Mining Limited

Corporate governance report

Board meetings

The Board has an established schedule of meetings throughout the year, with additional meetings convened when required. The Board addresses several recurring items at each Board meeting, including strategic, operational (including health & safety) and financial performance updates. The Directors maintain a dialogue between Board meetings on a variety of matters.

In addition to the regular scheduled Board meetings, a further three adhoc Board meetings were held during the year primarily to discuss matters related to the closure of the Cleveland site and Board changes. Due to the short notice given for these adhoc meetings, not all directors were able to attend each meeting. Directors unable to attend received full Board briefing packs and were given the opportunity to provide comments to the Chairman and the CEO in advance of the meetings so that their views were heard. The table below sets out the attendance record of individual Directors at the Board meetings held during 2025:

Directors	Board Meeting Attendance
A J Kitchingman	11/11
A P Holland	11/11
W C Wilkins	11/11
S A Fowler ¹	5/7
D G Robertson ²	6/6
M G R Taylor	11/11
S J Kesterton ³	3/3
D H Squires ⁴	3/3
C P Whiley ⁵	3/3

1 Sara Fowler stepped down as a Director on 01 October 2025.

2 Doug Robertson stepped down as a Director on 31 August 2025.

3 Simon Kesterton was appointed as a Director on 01 October 2025.

4 David Squires was appointed as a Director on 01 October 2025.

5 Clive Whiley was appointed as a Director on 01 October 2025.

Composition and independence of the Board

The Board currently consists of seven Directors: the Non-Executive Chairman, two Executive Directors and four Non-Executive Directors. All the Non-Executive Directors are considered independent. Details of each Director's experience and background are given in their biographies on page 28 to 29. Their skills and experience are relevant and cover areas including financial management and control, capital raising, capital goods industries, banking, engineering, strategic planning, business development, mergers and acquisitions and international management.

Appointments to the Board and re-election

The Board has delegated the tasks of reviewing Board composition, searching for appropriate candidates and making recommendations to the Board on candidates to be appointed as Directors to the Nomination Committee. During the year, three new non-executive director appointments were made. Further details on the role of the Nomination Committee including the process undertaken to identify, select and recommend the appointment of the three new non-executive directors to the Board may be found on page 38. All Directors will offer themselves for election or re-election at the 2026 AGM, in accordance with best practice in corporate governance.

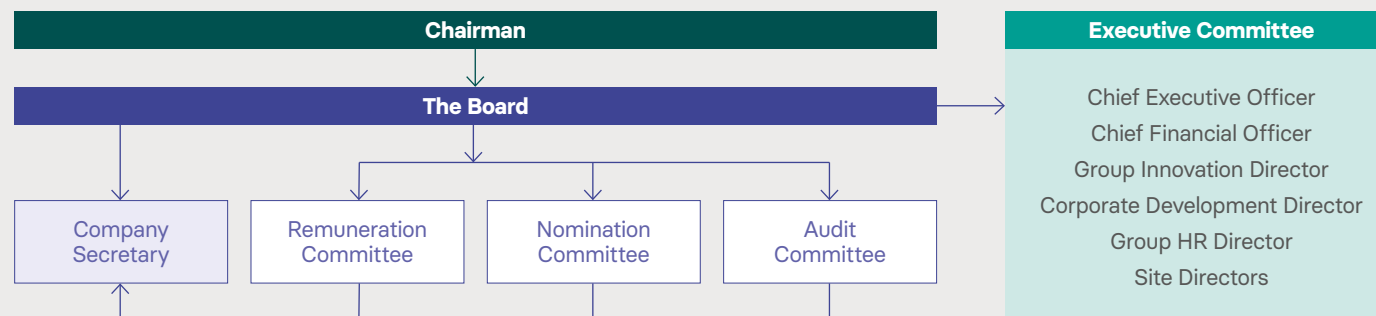
Division of responsibilities

The Chairman and Chief Executive have separate, clearly defined roles. The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company, and the Chief Executive is responsible for implementing the Group's strategy and for its operational performance.

Executive Directors

The Executive Directors are full-time employees of the Company and have entered into service agreements with the Company. Neither Executive Director holds an external non-executive directorship.

Our Board and Committee structure



The Board delegates certain responsibilities to its Committees, so that it can operate efficiently and give an appropriate level of attention and consideration to relevant matters. The Company has an Audit Committee and a combined Remuneration and Nomination Committee, both of which operate within a scope and remit defined by specific terms of reference determined by the Board. The Annual Report includes a report from each of these Committees and describes the work each Committee has undertaken during the year. All of the Board Committees are authorised to obtain, at the Company's expense, professional advice on any matter within their Terms of Reference and to have access to sufficient resources in order to carry out their duties.



Non-Executive Directors

Each of the Non-Executive Directors has entered into a letter of appointment with the Company, which sets out the duties of the Director and the time commitment expected. They are expected to commit at least 24 days per annum to their role and are specifically tasked with:

- › bringing independent judgement to bear on issues put to the Board;
- › applying their knowledge and experience in considering matters such as strategy, company performance, use of resources and standards of conduct; and
- › ensuring high standards of financial probity and corporate governance.

The Board delegates certain responsibilities to its Committees, so that it can operate efficiently and give an appropriate level of attention and consideration to relevant matters. The Company has an Audit Committee, a Remuneration Committee and a Nomination Committee. Until June 2025, the Company had a combined Remuneration and Nomination Committee which has since been split into two separate Committees with separate roles. Each Committee operates within a scope and remit defined by specific Terms of Reference determined by the Board.

These Terms of Reference are available on the Company's website. The Annual Report includes a report from each of these Committees describing the work each Committee has undertaken during the year. All of the Board Committees are authorised to obtain, at the Company's expense, professional advice on any matter within their Terms of Reference and to have access to sufficient resources in order to carry out their duties.

How the Board operates

The Board is responsible for:

- › developing Group strategy, business planning, budgeting and risk management;
- › monitoring performance against budget and other agreed objectives;
- › setting the Group's values and standards, including policies on employment, health and safety, environment and ethics;
- › relationships with shareholders and other major stakeholders;
- › determining the financial and corporate structure of the Group (including financing and dividend policy);
- › major investment and divestment decisions, including acquisitions, and approving material contracts; and
- › Group compliance with relevant laws and regulations.

The Board retains control of certain key decisions through the schedule of Matters Reserved for the Board. Anything falling outside of the schedule of Matters Reserved for the Board or the Committee Terms of Reference falls within the responsibility and authority of the Chief Executive Officer, including all executive management matters. Day-to-day management of the Company's business is delegated to the Executive Directors and in turn to senior members of the leadership team in accordance with a clear and comprehensive statement of delegated authorities.

The Board meets at regular intervals and met 11 times during the year. Directors also have contact on a variety of issues between formal meetings and there is also contact with the Executive Committee of the Group. An agenda and accompanying detailed papers, covering key business; governance issues; and reports from the Executive Directors and other members of senior management, are circulated to the Board in advance of each Board meeting. All Directors have direct access to senior management should they require additional information on any of the items to be discussed. A calendar of matters to be discussed at each meeting is prepared to ensure that all key issues are captured.

At each meeting, the Board reviews comprehensive financial and trading information produced by the management team and considers the trends in the Company's business and its performance against strategic objectives and plans. It also regularly reviews the work of its formally constituted standing Committees as described below and compliance with the Group's policies and obligations.

All Directors are expected to attend all meetings of the Board and any Committees of which they are members, and to devote sufficient time to the Company's affairs to fulfil their duties as Directors. Where Directors are unable to attend a meeting, they are encouraged to submit any comments on paper to be considered at the meeting to the Chairman in advance to ensure that their views are recorded and taken into account during the meeting.

Directors are encouraged to question and voice any concerns they may have on any topic put to the Board for debate. The Board is supported in its work by Board Committees, which are responsible for a variety of tasks delegated by the Board. There is also an Executive Committee composed of the Chief Executive Officer, Chief Financial Officer, and representatives from senior management whose responsibilities are to implement the decisions of the Board and review the key business objectives and status of projects.

The main activities of the Board during the year

During the year, the majority of the regularly scheduled meetings were held in-person, with seven meetings taking place via video conferencing. The meetings that took place via videoconferencing were mainly additional meetings called at short notice.

There are a number of standing and routine items included for review on each Board agenda. These include the Chief Executive Officer's trading update, a health and safety report, operations reports, financial reports, governance and investor relations updates. In addition, key areas put to the Board for consideration and review this financial year included:

- › approval of annual and half-year report and financial statements;
- › review and approval of budget;
- › review of results of the first externally facilitated board performance review;
- › board succession planning including new director appointments;
- › discussed and approved decision to close Cleveland site;
- › going concern and cash flow;
- › impairment review;
- › review and discussion of 5-year strategy;
- › investor relations; and
- › acquisitions and integration.



Corporate governance report continued

External advisers

The Board seeks advice on various matters from its nominated adviser Shore Capital, joint-broker Panmure Liberum Capital, and other advisers as appropriate.

Development, information and support

Directors keep their skillset up to date with a combination of attendance at industry events, individual reading and study, and experience gained from other Board roles. The Company Secretary ensures the Board is aware of any applicable regulatory and governance changes and developments and updates the Board as and when relevant.

Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Directors also have direct access to the advice and services of the Company Secretary. The Company Secretary supports the Chairman in ensuring that the Board receives the information and support it needs to carry out its role effectively.

Conflicts of interest

Under the Company's Articles, the Directors may authorise any actual or potential conflict of interest a Director may have and may impose any conditions on the Director that are felt to be appropriate. Directors are not able to vote in respect of any contract, arrangement or transaction in which they have a material interest and they are not counted in the quorum. A process is in place to identify and monitor any of the Directors' potential or actual conflicts of interest.

Board performance review

The Chairman considers the operation of the Board and performance of the Directors on an ongoing basis as part of his duties and will bring any areas of improvement he considers are needed to the attention of the Board. Last year, in line with changes to the QCA Code, the Board held its first externally facilitated Board Performance Review which was carried out by Ceredas Limited, a third party. This year the Board undertook its review internally by means of an online questionnaire for each of the Board and its Committees. The results of the 2025 Board performance review were discussed by the Board in February 2026.

The review confirmed that the Board continued to operate effectively. Key themes for further improvement included implementing and monitoring a revised remuneration policy, a greater focus on succession planning and reviewing the longer-term strategy of the Company.

Significant progress towards the actions recommended by Ceredas as part of the 2024 externally facilitated review have been made during the year. Following feedback from the review, the combined Remuneration and Nomination Committee was split into two separate committees with distinct roles which has provided greater clarity and rigour to the Company's governance structures. The work of these two new committees is included in their relevant committee reports on pages 38 and 39. The Board composition has also undergone a comprehensive review, resulting in three new appointments to the Board, strengthening the skills and experience of the Board as a whole meaning it is well-placed to lead the Company through its next phase of growth. As committed to in the 2024 Annual Report, the remuneration policy has been reviewed and a revised version is presented for shareholder approval at this year's AGM. Further detail on the updated policy is included in the Remuneration Committee report on page 45.

Accountability

The Company has in place a system of internal financial controls commensurate with its current size and activities, which is designed to ensure that the possibility of misstatement or loss is kept to a minimum. These procedures include the preparation of management accounts, forecast variance analysis and other ad-hoc reports. There are clearly defined authority limits throughout the Group, including matters reserved specifically for the Board.

Risk management and internal control

Risks throughout the Group are considered and reviewed on a regular basis. Risks are identified and mitigating actions put into place as appropriate.

Principal risks identified are set out in the Strategic report on pages 19 to 23. Internal control and risk management procedures can only provide reasonable and not absolute assurance against material misstatement. The internal control procedures were in place throughout the financial year and up to the date of approval of this report.

Financial and business reporting

The Board seeks to present a fair, balanced and understandable assessment of the Group's position and prospects in all half-year, final and any other ad-hoc reports, and other information as may be required from time to time. The Board receives a number of reports, including those from the Audit Committee, to enable it to monitor and clearly understand the Group's financial position.

Business ethics

The Board is committed to the Group operating to the highest standards of ethical behaviour. The Group's Ethics policy sets out certain principles that the Board expects all businesses within the Group to adhere to and certain values that should be embodied in the day-to-day activities of the Group. It expects all employees of the Group, led by the members of the Board and the Group's senior management, to encourage and support all other employees in acting in accordance with the policy. In support of this policy and its principles, the Board has published guidance in the Group Ethics policy, which is available on the Company's website at www.mpac-group.com/group-policies.

Whistleblowing

The Company has a whistleblowing procedure, details of which are provided to all employees. Staff may report any suspicion of fraud, financial irregularity or other malpractice to a senior manager, Executive Director, or an independent helpline. The policy is reviewed by the Audit Committee every year and updated as required. Details of any matters raised under this procedure are reported to the Audit Committee.



Shareholders

The Company welcomes contact with its shareholders and they can contact the Company via the Investors section of the website. Directors are available to discuss any matters that shareholders might wish to raise. They maintain communication with institutional shareholders, other investors and analysts through meetings, particularly following publication of the Group's interim and full-year preliminary results. The Board also regularly receives copies of analysts' and brokers' briefings.

The Company strives to provide a clear, balanced and comprehensive level of information and written material. The Company maintains a corporate website, which contains regularly updated regulatory and other information and hosts a live online presentation for existing and potential shareholders close to the announcement of the preliminary results.

The Annual Report and Accounts is a key communication document and is also available on the Company's website. The Company also issues both statutory and non-statutory regulatory news announcements throughout the year to update on financial, operational and other matters. The Company offers its larger shareholders, either directly or via its brokers, face-to-face meetings on a bi-annual basis at a minimum to present and discuss performance and other matters and obtain any feedback. These meetings are hosted by the Company's Chief Executive Officer and Chief Financial Officer. The Company also hosts a briefing for analysts, arranged by the Company's financial public relations adviser, twice a year to coincide with the announcement of its half-year and full-year financial results to present and discuss the same matters.

Annual General Meeting (AGM)

All shareholders are encouraged to attend the AGM at which the Group's activities will be considered and questions answered. The Directors are available to listen to the views of shareholders informally immediately following the AGM.

This year's AGM will be held on Thursday 18 June 2026. The Notice of Annual General Meeting is set out on pages 118 to 119 and will be available on the Company's website at www.mpac-group.com. Separate resolutions are provided on each issue so that they can be given proper consideration.

Andrew Kitchingman
Chairman

20 April 2026

Audit Committee report



SIMON KESTERTON
CHAIR OF THE AUDIT COMMITTEE

“I am pleased to present my report as Chair of the Audit Committee for the year ended 31 December 2025.”

Dear Shareholders,

Having taken over as Chair of the Audit Committee in October 2025, I am pleased to present this report covering the Committee’s work throughout the year. I would like to thank Doug Robertson for his leadership and contribution to the Committee’s work during the earlier part of the year, and to Matthew Taylor for acting as interim Chair of the Committee following Doug’s departure and prior to my appointment.

In this report I have sought to provide investors and other stakeholders with an understanding of the approach that the Audit Committee (the “Committee”) has taken to provide assurance over the 2025 Annual Report and Accounts. The Statement of Directors responsibilities in respect of the Annual Report can be found on page 55.

The Committee has continued to play a key role within the Group’s governance framework to support the Board in matters relating to financial reporting, internal control and risk management. It has focused on ensuring that the interests of the shareholders are properly protected in relation to the Group’s financial reporting and internal control by challenging the decisions and approach taken by management relating to the content, judgements and disclosures within the Company’s financial statements.

The Board directs the Committee to advise on whether the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s position and performance, business model and strategy.

The Committee receives reports from management covering the key areas of estimation and judgement underpinning the financial statements and ensures that the related disclosures reflect supporting information. It challenges management to explain and justify their interpretation. The Committee is supported in this by the external auditors who present their findings to the shareholders in the Independent Auditor’s Report.

The Committee is responsible for ensuring that the relationships between management, the external auditors and the Committee are appropriate and provides information on how the Committee assesses the independence of the external auditors in the Audit Committee Report.

As Chair I ensure that the Committee’s agenda is kept under review and that the Committee is aware of relevant developments. An internal review of the Committee’s performance was undertaken in 2025 by means of an online questionnaire. The results of the review were very positive, particularly with regard to the recent changes to the Committee composition as a result of new directors joining the Board, and consequently no key areas for improvement were identified.

Simon Kesterton
Chair of the Audit Committee

Audit committee report

The Committee met five times during 2025 and the following served as members during the year.

Committee member	Meeting attendance
Simon Kesterton – Chair ¹	1/1
Doug Robertson ²	3/3
Andrew Kitchingman	5/5
Sara Fowler ³	3/4
Matthew Taylor ⁴	5/5
David Squires ⁵	1/1
Clive Whiley ⁶	1/1

¹ Simon Kesterton was appointed as a Director and Chair of the Audit Committee on 01 October 2025.

² Doug Robertson stepped down as a Director and Chair of the Audit Committee on 31 August 2025.

³ Sara Fowler stepped down as a Director on 01 October 2025.

⁴ Matthew Taylor acted as Interim Chair of the Audit Committee from 1 September 2025 – 30 September 2025.

⁵ David Squires was appointed as a Director on 01 October 2025.

⁶ Clive Whiley was appointed as a Director on 01 October 2025.

The following regularly attend meetings:

- › the Executive Directors
- › the Group Financial Controller
- › representatives from the external auditors, PKF Littlejohn LLP (“PKF”)

Other members of the management team may also be asked to attend meetings for discussion on specific issues. The Committee also meets with the external auditors at least twice each year without management being present and the Chair also has private meetings with the audit partners at least twice per year.

The Committee is authorised to seek legal or other independent professional advice as it sees fit but has not done so during the year. Simon Kesterton was appointed as Chair of the Audit Committee on 1 October 2025. Simon is CIMA qualified with 24 years’ of experience in financial leadership roles, specialising in strategy, stakeholder management, M&A, business transformation and capital fundraising. Simon was previously CFO of Kier Group plc and Group Finance Director at RPC Group plc, and formerly held senior finance roles at IAC Group, a global automotive supplier, and at Collins & Aikman. The Board recognise Simon as having the necessary financial experience required to chair the Audit Committee. The qualifications of the other Committee members are outlined in the Directors’ biographies on pages 28 to 29. The members of the Committee are all independent non-executive directors. In addition to having extensive business experience as detailed in their biographies, members of the Committee also have extensive financial experience as recommended by the QCA Audit Committee Guide.



Main responsibilities of the Committee

The role of the Audit Committee is set out in its terms of reference which were updated and approved by the Board on 19 November 2025 and are available on the Company's website at www.mpac-group.com. The main responsibilities of the Committee are as follows:

- › Reviewing the financial statements and announcements relating to the financial performance of the Company, including reporting to the Board on the significant issues considered by the Committee in relation to the financial statements and how these were addressed;
- › Reviewing the scope and results of the annual audit and reporting to the Board on the effectiveness of the audit process and how the independence and objectivity of the auditors have been safeguarded;
- › Monitoring and assessing the role and effectiveness of the internal audit function in the context of the Company's risk management system;
- › Assessing the adequacy and robustness of the systems established to identify, assess, manage and monitor financial and non-financial risks;
- › Reviewing significant legal and regulatory matters;
- › Overseeing the Company's relationship with the external auditor;
- › Reviewing matters associated with the appointment, terms, remuneration of the external auditor;
- › Review the adequacy and security of the Company's whistleblowing arrangements, and procedures related to fraud, bribery and money laundering; and
- › Reporting to the Board on how the Committee has discharged its responsibilities.

Activities during the year

A summary of the Committee's principal activities in 2025 is set out below:

- › Review of the draft Annual Report and Accounts 2024 and draft preliminary results announcement
- › Consideration of the effectiveness of the external audit process
- › Review of the half-year results announcement and review of external auditor's memorandum
- › Review of Going Concern
- › Consideration of and approval of external audit fee quotation for 2025
- › Review and approval of the external audit plan for 2025 including the approach to auditing the newly acquired companies;
- › Review and approval of the non-audit work policy
- › Review of internal controls and risk management systems, including the 2025 internal audit plan
- › Review of Group principal risks and uncertainties

External auditor

PKF Littlejohn LLP was appointed as the Company's auditor at the annual general meeting on 17 May 2023 and was last re-appointed at the annual general meeting held on 12 June 2025. The current audit partner is Adam Humphreys who has been the signing partner two years and involved in the audit for an additional two years.

The Committee monitors the relationship with PKF to ensure that auditor independence and objectivity are maintained. They assess auditor independence by obtaining assurances from PKF that all partners and staff involved are independent of any links to the Company and confirmation that all partners and staff comply with their ethics and independence policies and procedures which are fully consistent with the FRC's Ethical Standard.

Policies for non-audit services and engagement of former employees of the external auditor

The Committee has in place policies that are reviewed annually relating to the employment of former employees of the external auditor and the engagement of the auditor, or advisers related to the auditor, on non-audit services which provide that the external auditor will not undertake any non-audit related work other than tax compliance or half year reporting services. These policies, which have been adopted formally by the Board, require, inter alia, the Committee's consent to any engagements or employment, with appropriate confirmation of independence from the auditor. It remains the Company's policy that the current auditors are not used for non-audit services and, as such, PKF Littlejohn LLP did not provide any non-audit services during 2025 other than the review of the interim financial statements, which is considered to be an audit related service.

Financial reporting

The primary role of the Committee in relation to financial reporting is to review with both management and the external auditors, and report to the Board, on the integrity of, the annual and half-year financial statements, considering amongst other matters:

- › The clarity and completeness of the disclosures, compliance with financial reporting standards and relevant financial and governance reporting requirements;
- › Areas in which significant judgements have been applied, including discussions on such matters undertaken with the external auditors; and
- › the consistency of any changes in accounting policies and practices.

In addition to the above, the Committee supports the Board in completing its assessment of the adoption of the going concern basis of preparing the financial statements. The Committee performed a robust review of the process and underlying assessment of the Group's longer-term prospects made by management. These included:

- › The review period and its alignment with the Group's strategic plans;
- › The assessment of the prospects of the Group after consideration of the Group's principal risks, current financial position, and ability to generate cash; and
- › The modelling of the financial impact of additional key scenarios which encompass the potential impact of crystallisation of one or more of the principal risks.



Audit Committee report continued

Significant issues considered by the Committee

The Committee reviews accounting papers prepared by management that provide details of significant financial reporting issues, together with reports from the external auditor prepared in conjunction with the interim and full-year results.

The significant issues considered by the Committee in respect of the period ended 31 December 2025 are set out on the following table.

Significant issue/accounting judgement identified	How it was dealt with
Revenue recognition, the application of IFRS 15 and accounting for the significant judgements around open contracts	The valuation of contracts is carefully monitored throughout the year, utilising both accounting data and inputs from all aspects of the business, to ensure contracts are always valued appropriately, with particular attention paid to contractual changes made in the course of contract performance.
Acquisition accounting	The Group carefully reviewed the valuation of the tangible assets acquired as part of the transactions in the prior year and ensured that the Group's accounting policies were applied from the point of acquisition. A review of the value of acquired assets and goodwill was completed.
Carrying value of goodwill and acquired intangible assets	The Group conducts extensive forecasting and stress testing exercises to review the carrying value of goodwill and acquired intangible assets in line with the strategic plans to ensure that the values are supportable. The impact of the Cleveland closure was carefully reviewed and resulted in the goodwill and acquired intangible assets of Switchback being fully impaired.
Pension accounting	External experts are used on an ongoing basis to value the schemes in line with IAS19 and ensure a consistent and appropriate level of disclosure.
Capitalisation and carrying value of internally developed intangible assets	Detailed reviews of assets developed internally are undertaken internally by the Group, including engineering, commercial and innovations staff, to ensure capitalisation occurs where the criteria in IAS38 are met and that the carrying values of assets capitalised in prior periods are valued appropriately.
Going concern and business disruption	The Group conducts extensive forecasting and stress testing exercises for multiple scenarios, including market disruption, currency volatility and project uncertainty, the results of which are reviewed regularly by the Board, including both realistic worst-case scenarios and tests to determine what would be required to challenge the going concern basis.
Hedging	A detailed methodology for the treatment of hedges and their determination as effective had been developed by the Group and hedges at year end are reviewed on a case-by-case to determine the hedge effective and to ensure that the requirements of IFRS9 are met.

Assessing the Annual Report

The Committee has the responsibility to assess whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Group's position on performance, business model and strategy.

The Committee made this assessment by:

- › Reviewing key messages proposed for the Annual Report;
- › Reviewing copies of the Annual Report at various stages during the drafting process to ensure the key messages were being followed and were aligned with the Company's position, performance and strategy being pursued and that the narrative sections of the Annual Report were consistent with the financial statements;
- › Ensuring that all key events and issues that had been reported to the Board in the executive Board reports during the year had been appropriately referenced or reflected within the Annual Report;
- › Reviewing how alternative performance measures were used in the Annual Report, ensuring completeness and accuracy of definitions, consistency of use, relevance to users of the Annual Report and balance with statutory metrics; and
- › Considering reports produced by both management and the external auditors on principal matters and judgements in areas underpinning the financial statements.

Internal audit

The Committee considers annually how the internal audit function operates in the Group, including its scope detailed in its Terms of Reference and whether this gives sufficient assurance that the business and controls of the Group are reviewed adequately.

The Committee also approves the internal audit work programme each year and ensures co-ordination between internal audit and the external auditor. The Committee also ensures that the internal audit function is adequately resourced and has appropriate standing within the Company, is free from management or other restriction and is able to function effectively and in accordance with relevant professional standards;

This function is part of the Group's finance department and its senior member reports to the Committee at each meeting on its activities and has direct access to the Chair as required.

Internal audit reports are produced following a site visit and completion of an internal controls adequacy assessment questionnaire (ICAQ), providing details of how the internal controls are being followed and what areas, if any, need improving and amending as appropriate. A full ICAQ was completed for the acquisition of CSi. One of the key focusses from this ICAQ was the implementation of an appropriate delegation of authority framework and this had led to several improvements.



Risk management and internal controls

The Committee is responsible for reviewing the systems of risk management and internal control and has reviewed management's progress in implementing and maintaining such control systems during the year. The Committee is satisfied that the internal control systems are operating effectively.

The Board has taken, and will continue to take, appropriate measures to ensure that the chances of financial irregularities occurring are reduced as far as reasonably possible by improving the quality of information at all levels in the Group, fostering an open environment and ensuring that financial analysis is rigorously applied. Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

The major elements of the system of internal control are as follows:

- › major commercial, strategic and financial risks are formally identified, quantified and assessed during the annual budgeting exercise and presented to and discussed with executive directors, after which they are considered by the Board;
- › there is a comprehensive system of planning, budgeting, reporting and monitoring. This includes monthly management reporting and monitoring of performance and forecasts. Monthly reviews are embedded in the internal control process and cover each principal site. Monthly reviews require the Executive Committee to consider, among other things, business development, financial performance against budget and forecast, health and safety and capital expenditure proposals, as well as a review of longer-term business development and all other aspects of the business. In addition, quarterly business reviews are carried out at each principal site and are attended by the executive directors and local management teams as appropriate;
- › there is an organisational structure with clearly defined lines of responsibility and delegation of authority;
- › each site is required to comply with defined policies, financial controls and procedures and authorisation levels which are clearly communicated;
- › a programme of internal control reviews and specific investigations is carried out. These are followed up during regular executive management visits. The internal control reviews include assessments of compliance with Group policies and procedures and findings are reported to the Committee and Board as appropriate;
- › a formal risk management audit is regularly carried out by Group personnel and external risk management consultants, which covers physical damage, environmental and health and safety risks together with business continuity issues; and
- › Formal reports including recommendations are sent to each site for action and reported back to Group management. Progress reports are issued to the Board for review and monitoring.

Policies

The Group has the following policies in place and during 2025, the Committee received briefings on the policies, including approving amendments following an annual review:

Anti-Bribery and corruption

Whistleblowing and Fraud Prevention Policies and Procedures.

The Whistleblowing policy which details the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters.

Whistleblowing and Fraud are both standing items on the Committee's agenda, and any reported incidents will be notified to the Committee. During 2025, there were no reported incidents.

Simon Kesterton

Chair of the Audit Committee

20 April 2026

Nomination Committee report



ANDREW KITCHINGMAN
CHAIR OF THE NOMINATION
COMMITTEE

“I am pleased to present the Committee’s first standalone report, further to the separation of the Remuneration and Nomination Committee into two independent committees.”

As Chair of the Nomination Committee (“the Committee”), I am pleased to present the Committee’s report.

Committee report Committee Composition and Meetings

The Committee’s members are the independent Non-Executive Directors, whose biographies are set out on pages 28 to 29.

The Terms of Reference of the Committee requires that it meets at least twice a year. During 2025, the Committee met three times as a separate Nomination Committee and once as a meeting of the combined Remuneration and Nomination Committee. There were no Nomination Committee meetings held after the appointment of Messrs Kesterton, Squires and Whiley as Directors and members of the Committee. The table below sets out the attendance record of each member of the Committee:

Member	Meeting attendance
Sara Fowler	4/4
Andrew Kitchingman	4/4
Doug Robertson ¹	2/2
Matthew Taylor	4/4
Simon Kesterton ²	0/0
David Squires ³	0/0
Clive Whiley ⁴	0/0

¹ Doug Robertson stepped down as a Director on 31 August 2025.

² Simon Kesterton was appointed as a Director on 1 October 2025.

³ David Squires was appointed as a Director on 1 October 2025.

⁴ Clive Whiley was appointed as a Director on 1 October 2025.

Additionally, the Chief Executive Officer and Human Resources Director are invited to attend meetings as necessary.

Duties and Terms of Reference

The duties of the Committee are as set out in its Terms of Reference which is available on the Company’s website at www.mpac-group.com.

The Committee is responsible for evaluating the Board’s composition, leading the search and appointment process for new directors, leading on succession planning for directors and senior executives and advising the Board on matters such as re-appointments, committee memberships and director roles.

The Committee undertook the following main items of business during the year:

- › board and senior management succession planning; and
- › recommended the appointment of three new non-executive directors.

Board Changes

In 2025, the Committee oversaw the search and appointment process for three new non-executive directors.

Prior to the establishment of a separate Nomination Committee, the combined Remuneration and Nomination Committee reviewed the Board composition and agreed to lead a search process for three new non-executive directors, appointing a sub-Committee to carry out this process on its behalf. The sub-Committee comprised of Andrew Kitchingman and Matthew Taylor, with the CFO joining the interview process due to the need to assess the financial expertise of any potential Audit Committee Chair successor, and the CEO providing advice and input as appropriate. An executive search firm provided a shortlist of candidates for the sub-Committee to review.

The sub-Committee consulted with the Company’s major shareholders on the proposed shortlist of candidates prior to interview and the timing of the proposed appointments. Following an interview process and discussion and further engagement with the Company’s shareholders, the Committee recommended the appointment of Messrs Kesterton, Squires and Whiley to the Board. These appointments bring a wealth of experience, enhancing the Board’s collective experience to support the Company in delivering future growth.

Committee Performance Review

During the year, and further to an action arising from the externally facilitated Board Performance Review in 2024, the Nomination and Remuneration Committee roles were separated.

For 2025, the annual review of the Committee was conducted internally via an online questionnaire, as part of the wider Board performance review. The results of the review indicated that succession planning should remain a key focus for the Committee in 2026 following the recent Board and executive changes. Further information on the Board Performance Review can be found in the Corporate Governance Report on page 32.

Diversity policy

The Group values diversity among its employees. In their day-to-day behaviour, employees are expected not to discriminate in their relationships with each other and with customers, suppliers and other business partners, and also to encourage others to behave in a proper manner.

Employment and promotion opportunities will be offered on the basis of merit regardless of race, colour, religion, age, gender, sexual orientation, disability and/or national origin. The Group aims to ensure freedom from harassment and bullying for all employees. It is the responsibility of each employee to act in non-discriminatory ways at all times and if an employee sees an example of possible discrimination, harassment or bullying taking place to bring those concerns to the attention of the Group’s management.

Andrew Kitchingman

Chair of the Nomination Committee

20 April 2026



Remuneration report



MATTHEW TAYLOR
CHAIR OF THE REMUNERATION
COMMITTEE

“I am pleased to present the Committee’s first standalone report, further to the separation of the Remuneration and Nomination Committee into two independent committees.”

As Chair of the Remuneration Committee (“the Committee”), I am pleased to present the Committee report for the year ended 31 December 2025.

This report details the amounts earned by the Directors in respect of the period to 31 December 2025 and is subject to an advisory shareholder vote.

Remuneration Committee report Committee Composition and Meetings

The Committee’s members are the independent Non-Executive Directors, whose biographies are set out on pages 28 to 29.

The Terms of Reference of the Committee requires that it meets at least twice a year. During 2025, the Committee met three times as a separate Remuneration Committee, and once as a meeting of the combined Remuneration and Nomination Committee taking place. The table below sets out the attendance record of each member of the Committee:

Member	Meeting attendance
Sara Fowler ¹	2/2
Andrew Kitchingman	4/4
Doug Robertson ²	1/1
Matthew Taylor	4/4
Simon Kesterton ³	2/2
David Squires ⁴	2/2
Clive Whiley ⁵	2/2

¹ Sara Fowler stepped down as a Director on 1 October 2025.

² Doug Robertson stepped down as a Director on 31 August 2025.

³ Simon Kesterton was appointed as a Director on 1 October 2025.

⁴ David Squires was appointed as a Director on 1 October 2025.

⁵ Clive Whiley was appointed as a Director on 1 October 2025.

At the Remuneration and Nomination Committee meeting held in February 2025, all four members of the committee at that time (Sara Fowler, Andrew Kitchingman, Doug Robertson and Matthew Taylor) attended.

Additionally, the Chief Executive Officer and Human Resources Director are invited to attend meetings as necessary.

Duties and Terms of Reference

The duties of the Committee are as set out in its Terms of Reference which is available on the Company’s website at www.mpac-group.com.

The Committee deals with all aspects of remuneration of the Executive Directors and certain senior managers, including reviewing and overseeing any changes to the remuneration policy.

The Committee undertook the following main items of business during the year:

- › approved executive director and executive leadership team pay increases;
- › approved the participants and maximum level of award for the 2025 short term incentive plan;
- › approved the design of the 2025-2027 Long-Term Incentive Plan;
- › set objectives and performance metrics for the 2025-2027 Long Term Incentive Plan;
- › reviewed the STIP objectives for 2026;
- › reviewed the results of a salary benchmarking exercise;
- › reviewed performance against the Long-Term Incentive Plan targets; and
- › carried out a review of the Company’s remuneration policy, the new policy of which is recommended by the Board for shareholder approval at the 2026 AGM.

Committee Performance Review

During the year, and further to an action arising from the externally facilitated Board Performance Review in 2024, the Nomination and Remuneration Committee roles were separated.

For 2025, the annual performance review of the Committee was conducted internally via an online questionnaire, as part of the wider Board performance evaluation. Following feedback provided in the review the Committee’s main focus for 2026 will be monitoring the implementation of the new remuneration. Further information on the Board Performance evaluation can be found in the Corporate Governance Report on page 32.

Remuneration report continued

2025 Remuneration report

Directors' total remuneration

The remuneration of the Executive Directors for 2025 is made up as follows:

Executive Directors' remuneration as a single figure (audited)

2025	Salary £000	All benefits ^a £000	Short-term incentive scheme ^b £000	Discretionary share scheme ^c £000	Pension ^d £000	Total £000	2024 Total £000
A P Holland	396	22	–	–	70	488	518
W C Wilkins	250	10	–	–	55	315	375

- a Benefits include: Executive Directors – car allowance payments, income replacement insurance and private medical cover.
b The performance criteria for the short-term incentive scheme is described in the Remuneration policy on page 42.
c The discretionary share scheme is described below.
d The values are the amounts contributed by the Company into the Company's Personal Pension Plans for the Executive Directors.

Mr Holland received a 14.9% pay increase, and Mr Wilkins received a 10.6% pay increase in recognition of the growth of the Group and the additional responsibility with effect from 1 January 2025.

The remuneration of the Non-Executive Directors for 2025 is made up as follows:

Non-Executive Directors' remuneration as a single figure (audited)

	2025			2024 Total £000
	Fees £000	All taxable benefits £000	Total £000	
A J Kitchingman	93	–	93	90
D G Robertson ¹	41	–	41	60
S A Fowler ²	46	–	46	60
M G R Taylor	62	–	62	60
S Kesterton ³	16	–	16	–
D Squires ⁴	16	–	16	–
C Whiley ⁵	16	–	16	–

- 1 Doug Robertson's fee is prorated as he stepped down from the Board on 31 August 2025.
2 Sara Fowler's fee is prorated as she stepped down from the Board on 1 October 2025.
3 Simon Kesterton's fee is prorated as he joined the Board on 1 October 2025.
4 David Squire's fee is prorated as he joined the Board on 1 October 2025.
5 Clive Whiley's fee is prorated as he joined the Board on 1 October 2025.

Directors' interests in shares (unaudited)

The beneficial interests of Directors holding office at 31 December 2025 and persons connected with them in the ordinary shares of the Company (excluding share options) were as follows:

	Held at 1 January 2025	Acquired in 2025	Held at 31 December 2025	Acquired in 2026	Held at 15 April 2026
A Holland ¹	17,680	10,368	28,048	–	28,048
W C Wilkins ²	91,194	5,238	51,432	–	51,432
M G R Taylor	23,000	–	23,000	–	23,000
A J Kitchingman	15,633	–	15,633	–	15,633
S Kesterton ⁵	–	–	–	2,700	2,700
D Squires ³	–	12,500	12,500	–	12,500
C Whiley ⁴	–	25,000	25,000	–	25,000

- 1 Mr Holland was awarded 6,548 ordinary shares as an exceptional award on 2 May 2025. He purchased a further 6,548 ordinary shares on 4 July 2025.
2 Mr Wilkins was awarded 5,238 ordinary shares as an exceptional award on 2 May 2025. He sold 45,000 ordinary shares on 8 May 2025.
3 Mr Squires purchased 6,250 ordinary shares on 22 October 2025 and a further 6,250 ordinary shares on 23 October 2025.
4 Mr Whiley purchased 25,000 ordinary shares on 30 September 2025.
5 Mr Kesterton purchased 2,700 ordinary shares on 30 January 2026.

No Director holds, or held at any time during the year, a beneficial interest in the Company's preference shares.

Discretionary share scheme (audited)

As disclosed in the 2024 Annual Report each Executive Director received a discretionary award in respect of performance during 2024. This award was made in May 2025. No discretionary awards have been made in respect of 2025 performance.

2025	Total £000	2024 Total ^d £000
A Holland	–	50
W C Wilkins	–	40

Shares awarded under this scheme will be required to be held for a period of two years, except to the extent that shares may be sold to meet any personal tax arising on the award.

Incentive scheme – Deferred share plan (audited)

No award under the Deferred share plan was made in 2024 or 2025.



Long Term Incentive Plan (audited)

Conditional grants under the LTIP are made on an annual basis. Details of conditional grants of Mpac Group plc ordinary shares under the LTIP for each Director who held office during the year and who is eligible to participate in the plan are as follows:

	Date of award	End of three-year performance period	Number of shares	Face value at grant (£000)	% of salary	Lapsed	Exercised	Balance
A Holland	21 May 2025	31 Dec 2027	119,247	531	134	–	–	119,247
	9 April 2024	31 Dec 2026	123,711	541	163	–	–	123,711
	2 May 2023	31 Dec 2025	192,124	452	180	(192,124)	–	–
W C Wilkins	21 May 2025	31 Dec 2027	52,301	233	93	–	–	52,301
	9 April 2024	31 Dec 2026	56,357	246	109	–	–	56,357
	2 May 2023	31 Dec 2025	76,849	181	83	(76,849)	–	–

The face value of the 2025 awards are calculated based on the closing share price on the day of grant, being 445p. None of the shares are anticipated to vest under any of the awards.

Performance Conditions

For the 2023 award:

Metric	Weighting	Performance condition	Threshold target	Stretch target
EPS	70%	Cumulative Underlying EPS to exceed 140p over the three-year period to vest in full. Vesting is reduced to 20% on a pro-rata basis if cumulative Underlying EPS is 110p over the three-year period and is reduced to nil if it fails to reach 110p.	110p	140p
ROCE	30%	Average ROCE to exceed 40% over the three-year period to vest in full. Vesting is reduced to 20% on a pro-rata basis if average ROCE is 30% over the three-year period and is reduced to nil if it fails to reach 30%.	30%	40%
Total	100%			

For the 2024 award:

Metric	Weighting	Performance condition	Threshold target	Stretch target
EPS	70%	Cumulative Underlying EPS to exceed 150p over the three-year period to vest in full. Vesting is reduced to 40% on a pro-rata basis if cumulative Underlying EPS is 125p over the three-year period and is reduced to nil if it fails to reach 125p.	125p	150p
Operating ROS	30%	Average ROS to exceed 10% over the three-year period to vest in full. Vesting is reduced to 40% on a pro-rata basis if average ROS is 8.8% over the three-year period and is reduced to nil if it fails to reach 8.8%.	8.8%	10%
Total	100%			

For the 2025 award:

Metric	Weighting	Performance condition	Threshold target	Stretch target
EPS	70%	Cumulative Underlying EPS to exceed 155p over the three-year period to vest in full. Vesting is reduced to 40% on a pro-rata basis if cumulative Underlying EPS is 140p over the three-year period and is reduced to nil if it fails to reach 140p.	140p	155p
Operating ROS	30%	Average ROS to exceed 10% over the three-year period to vest in full. Vesting is reduced to 40% on a pro-rata basis if average ROS is 9% over the three-year period and is reduced to nil if it fails to reach 9%.	9%	10%
Total	100%			

Awards will normally remain subject to a holding period of two years, commencing on the vesting date with the exception of sales to cover related personal tax liabilities. There is no minimum shareholding requirement for Executive Directors.

Matthew Taylor

Chair of the Remuneration Committee
20 April 2026



Remuneration report continued

Current Remuneration Policy

This part of the Committee's report sets out the Remuneration policy, which is designed to ensure that the remuneration packages offered, and the terms of the contracts of service, are competitive and designed to attract, retain and motivate Executive Directors of the right calibre. To achieve these goals, the Committee's policy is to establish fixed salary at around half of the total obtainable variable pay in the case of excellent performance, with recognition and reward for achieving performance targets annually and growth in the long term.

The Remuneration Policy in force during the financial year is as stated below. The policy has been amended for the 2026 financial year and is also set out below, subject to approval by shareholders at the 2026 AGM. This vote will be advisory.

Remuneration packages

The main components of the package for each Executive Director are:

i. Basic salary

Basic salary is determined by taking into account the performance of the individual and information on the rates of salary for similar jobs in companies of comparable size and complexity in a range of engineering and other technology industries.

ii. Incentive schemes

The Executive Directors participate in a short-term incentive scheme in which the minimum bonus payable is nil and the maximum bonus payable is 120% of relevant salaries. The incentive is payable wholly in cash. The targets against which performance is judged are primarily the Group's key financial performance indicators and personal objectives. The Directors' personal objectives are commercially sensitive and therefore remain, and are expected to continue to remain, confidential to the Company. In some years, the targets may be varied to reflect particular objectives determined by the Committee.

iii. Long Term Incentive Plan ("LTIP")

An LTIP, which was adopted by the Board on 10 June 2019, has been introduced to incentivise Executive Directors and certain senior managers over the longer term and encourage retention. 70% of the award of shares is based on cumulative Earnings Per Share ("EPS") performance over a three-year period. 30% of the award of shares is based on average Operating Return on Sales ("ROS") over the same three-year period. Further details of the performance conditions can be found on page 41.

An award granted under the LTIP in the form of a conditional right giving the participant a right to acquire ordinary shares in the Company at nil cost if certain conditions are met. Awards are made covering a three-year period. Awards will normally vest following the end of the three-year performance period, once it is determined whether and to what extent the performance conditions have been achieved. Awards will normally remain subject to a holding period of two years commencing on the vesting date. Standard malus, clawback and leaver provisions apply.

iv. Pensions

Directors may choose to join the Mpac Group Personal Pension Plan, which is a defined contribution scheme. Additionally, life assurance and income protection policies are put in place for the Executive Directors.

Discretionary awards

Whilst the remuneration packages for Executive Directors are designed to cover normal performance, the Remuneration Committee retain the ability to make awards of either cash or shares to recognise and incentivise performance or achievement which would not otherwise have been rewarded. Where shares are awarded, they are subject to a two year holding period, except to the extent required to settle any immediate tax liability.

Contracts of service

The Company's policy is to offer contracts of employment that attract, motivate and retain skilled employees who are incentivised to deliver the Company's strategy. These service contracts are terminable on notice of one year given by the Company and six months given by the Director. In the event of termination by the Company, the Company has the option of making a payment of liquidated damages equivalent to the value of 12 months' salary, or the balance of the period to the date of expiry if less, or of negotiating appropriate compensation reflecting the principle of mitigation. In the event of a change of control in the Company, if the Company terminates an Executive Director's contract within six months of the change of control, or if an Executive Director terminates the contract within six months of the change of control, the Company will be obliged to pay liquidated damages equivalent to the value of 12 months' salary. The purpose of the change of control clause, which is reviewed regularly, is that the contracts should provide reasonable and appropriate security to the director concerned and to the Company.

Any commitment contained within the current Directors' service contracts, or a current employee's contract of employment who is subsequently promoted to the role of Director, will be honoured even where it may be inconsistent with the Company's Remuneration policy.

The current service contracts for Mr Wilkins and Mr Holland were entered into on 22 June 2018 and 17 July 2022 respectively.

Letters of appointment

The Non-Executive Directors are not issued with a separate service contract on appointment. The terms of their appointment are set out in their letter of appointment. The Company does not make termination payments to Non- Executive Directors in the event that a Non- Executive Director's appointment is terminated by the Company.

Recruitment

The Committee reserves the right to make payments outside the Remuneration policy in exceptional circumstances. The Committee would only use this right where it believes that this is in the best interests of the Company and when it would be disproportionate to seek the specific approval of the shareholders in a general meeting.

When hiring a new Executive Director, the Committee will use the Remuneration policy to determine the Executive Director's remuneration package. To facilitate the hiring of candidates of the appropriate calibre to implement the Group's strategy, the Committee may include any other remuneration component or award not explicitly referred to in this Remuneration policy sufficient to attract the right candidate. In determining the appropriate remuneration, the Committee will take into consideration all relevant factors (including the quantum and nature of the remuneration) to ensure the arrangements are in the best interests of the Company and its shareholders.

The Committee may buy-out incentive arrangements forfeited on leaving a previous employer after taking account of relevant factors including the form of the award, any performance conditions attached to the award and when they would have vested. The Committee may consider other components for structuring the buy-out, including cash or share awards where there is a commercial rationale for this.

Where the recruitment requires the individual to relocate appropriate relocation costs may be offered.

Recruitment awards will normally be liable to forfeiture or clawback if the Executive Director leaves the Company within the first two years of their employment. Any such awards will be linked to the achievement of appropriate and challenging performance measures and will be forfeited if performance or continued employment conditions are not met.

**Termination**

The Committee reserves the right to make additional liquidated damages payments outside the terms of the Directors' service contracts where such payments are made in good faith in order to discharge an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a director's office or employment.

Non-Executive Directors

The fees of Non-Executive Directors are determined by the Board based upon comparable market levels. The Non-Executive Directors do not participate in the Company's incentive schemes and nor do they receive any benefits or pension contributions.

2025 Remuneration policy table**Salary**

Purpose and link to strategy	This is a fixed element of the Executive Directors' remuneration and is intended to be competitive and attract, retain and motivate.
Operation	Takes into account the performance of the individual and information on the rates of salary for similar jobs in companies of comparable size and complexity in a range of engineering and technology industries.
Opportunity	Salary is normally reviewed annually. Ordinarily, salary increases will be in line with increases awarded to other employees within the Group. However, increases may be made above this level at the Remuneration Committee's discretion to take account of individual circumstances such as: <ul style="list-style-type: none"> › increase in scope and responsibility; › to reflect the individual's development and performance in the role; and › alignment to market level.
Performance metrics	Not applicable, although individual performance is one of the considerations in determining the level of salary.

Benefits

Purpose and link to strategy	The benefits provided to the Executive Directors are intended to be competitive and attract and retain the right calibre of candidate.
Operation	Benefits are paid to the Executive Directors in line with market practice.
Opportunity	Benefits are set at a level which the Remuneration Committee considers: <ul style="list-style-type: none"> › are appropriately positioned against comparable roles in companies of a similar size and complexity in the relevant market; and › provide a sufficient level of benefit based upon the role and individual circumstances.
Performance metrics	Not applicable.



Remuneration report continued

Short-term incentive scheme

Purpose and link to strategy	The short-term incentive scheme is intended to reward Executive Directors for the performance of the Group in the financial year.
Operation	The Remuneration Committee reviews the financial performance of the Group following the end of each financial year and determines the payments to be made.
Opportunity	Maximum of 120% of salary.
Performance metrics	The targets against which performance is judged are primarily the Group's key performance metrics in each financial year set annually by the Remuneration Committee as well as personal objectives. In some years, the targets for the short-term incentive scheme may be varied to reflect particular objectives determined by the Remuneration Committee. The Remuneration Committee retains the ability to adjust and/or set different performance measures if events occur (such as a change in strategy, a material acquisition/ divestment of a Group business, a change in prevailing market conditions, or a change in regulation which affects the Group) which cause the Remuneration Committee to determine that the measures are no longer appropriate and that amendment is required so that they achieve their original purpose.

Long Term Incentive Plan ("LTIP")

Purpose and link to strategy	The LTIP is intended to incentivise Executive Directors and certain senior managers over the longer term in direct alignment with shareholders' interests and encourage retention.
Operation	An award granted under the LTIP in the form of a conditional right giving the participant a right to acquire ordinary shares in Company if certain conditions are met. Awards were made covering a three-year period. Awards will normally vest following the end of the three-year performance period, once it is determined whether and to what extent the performance conditions have been achieved. Awards will normally remain subject to a holding period of two years, commencing on the vesting date with the exception of sales to cover related personal tax liabilities. Standard malus, clawback and leaver provisions apply.
Opportunity	The normal maximum award, covering the rolling three-year plan period, is 300% of salary based on the value of the award at the date of grant.
Performance metrics	Performance metrics selected reflect underlying business performance. 70% of the award of shares is based on cumulative Earnings Per Share ("EPS") performance over a three-year period. 30% of the award of shares is based on average Operating Return on Sales ("ROS") over the same three-year period. In respect of the percentage of the award that relates to EPS, 40% of the award is made if EPS is 140p. 100% of the award is made if EPS is equal to or exceeds 155p. Between these two points, allocation will be on a straight-line basis pro rata. If EPS is below 140p no award will be made in respect of EPS. In respect of the percentage of the award that relates to ROS, 40% of the award is made if ROS is 9.0%. 100% of the award is made if ROS equals or exceeds 10%. Between these two points, allocation will be on a straight-line basis pro rata. If ROS is below 9.0%, no award will be made in respect of ROS.



Proposed 2026 Remuneration policy table – subject to approval by shareholders

The following table provides a summary of the key components of the remuneration package for Directors:

Base Salary

Purpose	Competitive fixed salary that attracts, retains and motivates key individuals, reflecting the Company's current scale and growth ambitions.
Operation	<p>Paid in cash.</p> <p>Salary is normally reviewed annually.</p> <p>Ordinarily, salary increases will be in line with increases awarded to other employees within the Group.</p> <p>However, increases may be made above this level at the Remuneration Committee's discretion to take account of individual circumstances such as:</p> <ol style="list-style-type: none"> (1) increase in scope and responsibility; (2) to reflect the individual's development; and (3) performance in the role; and alignment to market level.
Maximum potential value	Base salary is determined by taking into account the performance of the individual and information on the rates of salary for similar jobs in companies of comparable size and complexity in a range of engineering and other technology industries.
Performance conditions	Not applicable, although individual performance is one of the considerations in determining the level of salary.

Pension

Purpose	Supports recruitment and retention of high calibre Executive Directors.
Operation	Directors may choose to join the Mpac Group Personal Pension Plan, which is a defined contribution scheme. Alternative provision may be made where tax limits apply.
Maximum potential value	10% of salary, matched by the director via salary sacrifice.
Performance conditions	Not applicable.

Benefits

Purpose	The benefits provided to the Executive Directors are intended to be competitive and attract and retain the right calibre of candidate.
Operation	<p>Benefits are paid to the Executive Directors in line with market practice.</p> <p>Benefits are set at a level which the Remuneration Committee considers are appropriately positioned against comparable roles in companies of a similar size and complexity in the relevant market; and provide a sufficient level of benefit based upon the role and individual circumstances.</p>
Maximum potential value	<p>Life assurance, private healthcare and income protection policies are put in place for the Executive Directors.</p> <p>Car allowance or a company car.</p>
Performance conditions	Not applicable.



Remuneration report continued

Short-term Incentive Scheme (“Bonus”)

Purpose	<p>Supports a performance-based culture linking pay to performance.</p> <p>Attractive and effective structured annual cash bonus that supports recruitment and retention.</p> <p>Aligns with business performance over the near term.</p>
Operation	The incentive is payable wholly in cash.
Maximum potential value	The minimum bonus payable is nil, and the maximum bonus payable is 120% of relevant salaries.
Performance conditions	<p>The targets against which performance is judged are primarily the Group’s key financial performance indicators and personal objectives.</p> <p>The Directors’ personal objectives are commercially sensitive and therefore remain, and are expected to continue to remain, confidential to the Company.</p> <p>In some years, the targets may be varied to reflect particular objectives determined by the Remuneration Committee.</p>

Long Term Incentive Plan (“LTIP”)

Purpose	Supports recruitment and retention and aligns remuneration and business performance and shareholder interests over the long term
Operation	<p>An award granted under the LTIP in the form of a conditional right giving the participant a right to acquire ordinary shares in the Company at nil cost if certain conditions are met.</p> <p>Awards are made covering a three-year period. Awards will normally vest following the end of the three-year performance period, once it is determined whether and to what extent the performance conditions have been achieved.</p> <p>Awards will normally remain subject to a holding period of two years commencing on the vesting date. Standard malus, clawback and leaver provisions apply.</p>
Maximum potential value	<p>80% of an Executive Director’s base salary is awarded as a performance related incentive.</p> <p>20% of an Executive Director’s base salary is awarded as a Restricted Stock Unit.</p>
Performance conditions	<p>For the LTIP, the two performance measures are:</p> <p><i>Return on Capital Employed:</i> Operating profit as a percentage of capital employed, measuring the efficiency with which the Group generates profit from its invested capital.</p> <p><i>Earnings Per Share:</i> Compound annual growth in adjusted EPS over the performance period, reflecting sustainable profit progression.</p> <p>Restricted Stock Units are subject to the participant remaining an employee during the three-year vesting period and demonstrating performance and conduct satisfactory to the Remuneration Committee.</p>



Discretionary Awards

Whilst the remuneration packages for Executive Directors are designed to cover normal performance, the Remuneration Committee retain the ability to make awards of either cash or shares to recognise and incentivise performance or achievement which would not otherwise have been rewarded. Where shares are awarded, they are subject to a two-year holding period, except to the extent required to settle any immediate tax liability.

Contracts of Service

The Company's policy is to offer contracts of employment that attract, motivate and retain skilled employees who are incentivised to deliver the Company's strategy. These service contracts are terminable on notice of one year given by the Company and six months given by the Director. In the event of termination by the Company, the Company has the option of making a payment of liquidated damages equivalent to the value of 12 months' salary, or the balance of the period to the date of expiry if less, or of negotiating appropriate compensation reflecting the principle of mitigation. In the event of a change of control in the Company, if the Company terminates an Executive Director's contract within six months of the change of control, or if an Executive Director terminates the contract within six months of the change of control, the Company will be obliged to pay liquidated damages equivalent to the value of 12 months' salary. The purpose of the change of control clause, which is reviewed regularly, is that the contracts should provide reasonable and appropriate security to the director concerned and to the Company.

Any commitment contained within the current Directors' service contracts, or a current employee's contract of employment who is subsequently promoted to the role of Director, will be honoured even where it may be inconsistent with the Company's Remuneration policy.

Recruitment

The Committee reserves the right to make payments outside the Remuneration policy in exceptional circumstances. The Committee would only use this right where it believes that this is in the best interests of the Company and when it would be disproportionate to seek the specific approval of the shareholders in a general meeting.

When hiring a new Executive Director, the Committee will use the Remuneration policy to determine the Executive Director's remuneration package. To facilitate the hiring of candidates of the appropriate calibre to implement the Group's strategy, the Committee may include any other remuneration component or award not explicitly referred to in this Remuneration policy sufficient to attract the right candidate. In determining the appropriate remuneration, the Committee will take into consideration all relevant factors (including the quantum and nature of the remuneration) to ensure the arrangements are in the best interests of the Company and its shareholders.

The Committee may buy-out incentive arrangements forfeited on leaving a previous employer after taking account of relevant factors including the form of the award, any performance conditions attached to the award and when they would have vested. The Committee may consider other components for structuring the buy-out, including cash or share awards where there is a commercial rationale for this.

Where the recruitment requires the individual to relocate appropriate relocation costs may be offered.

Recruitment awards will normally be liable to forfeiture or clawback if the Executive Director leaves the Company within the first two years of their employment.



Remuneration report continued

Termination

The Committee reserves the right to make additional liquidated damages payments outside the terms of the Directors' service contracts where such payments are made in good faith in order to discharge an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a director's office or employment.

Chairman and NED fees

Purpose	Supports the appointment of high calibre NEDs.
Operation	Base fee plus reasonable expenses.
Maximum potential value	Base fees for NEDs are set with reference to comparable market levels. Additional fees may be paid for additional responsibilities, e.g. committee chair.
Performance conditions	Not applicable.

Letters of Appointment

The Chairman and Non-Executive Directors are not issued with a separate service contract on appointment. The terms of their appointment are set out in their letter of appointment. The Company does not make termination payments to Non- Executive Directors in the event that a Non-Executive Director's appointment is terminated by the Company.

Statement of consideration of employment conditions elsewhere in the Group

The Group applies the same key principles to setting remuneration for its employees as those applied to the Directors' remuneration. In setting salaries and benefits each business considers the need to retain and incentivise key employees and the impact such policy has on the continued success of the Group.



Directors' report

Reporting requirements

The following information is provided in other appropriate sections and is included in this Directors' report by reference and so is deemed to be part of it:

Information	Reported
Strategic report	Pages 1 to 24.
Directors' Remuneration Report	Pages 39 to 48.

Business review

The Directors' business review is set out as part of the Strategic report with the results of the Group being set out in the consolidated income statement on page 64 and in its related notes. The Group has overseas subsidiaries.

Going concern

The Group's activities together with the factors likely to affect its future development, performance and position are as described within the Strategic report on pages 1 to 24 in particular the Outlook section on page 14. The Directors have considered the trading outlook, including the preparation of profit, balance sheet and cash flow forecasts, for the Group for a 24-month period ending 31 December 2027, its financial resources including its cash resources and access to borrowings, as set out in note 20 to the accounts on page 90, and its continuing obligations, including to its defined benefit pension schemes, details of which are set out in note 24 to the accounts on pages 92 to 96. These forecasts have been sensitised to cover a range of credible downside scenarios, including the potential future impacts of the pandemic and the conclusions remained unchanged. "Reverse stress tests", where scenarios were run to determine the full extent of the Group's resilience to downside risks, did not challenge the Group's conclusions under any plausible scenario. Performance subsequent to the year-end suggests the forecasts remain appropriate. Having made enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors

Biographical details of the Directors currently serving on the Board and their dates of appointment are set out on pages 28 to 29.

In accordance with Section 416(1)(a) of the Companies Act 2006, the Directors who served during the year are as follows:

Executive Directors	Non-Executive Directors
Adam Holland	Andrew Kitchingman
Will Wilkins	Simon Kesterton (Appointed 1 October 2025)
	Sara Fowler (Resigned 1 October 2025)
	Douglas Robertson (Resigned 31 August 2025)
	David Squires (Appointed 1 October 2025)
	Matthew Taylor
	Clive Whiley (Appointed 1 October 2025)

The Company's approach to the appointment and replacement of Directors is governed by its Articles of Association (together with relevant legislation) and takes into consideration any recommendations of the QCA Code.

Subject to any restrictions in its Articles of Association and the Companies Act 2006, the Directors may exercise any powers which are not reserved for exercise by the shareholders.

The Company maintained Directors' and Officers' Liability Insurance cover throughout 2025. The Articles of Association of the Company permit it to indemnify the Company's officers, and officers of any associated company, against liabilities arising from conducting Company business, to the extent permitted by law. The Company's Articles of Association, together with the Directors' Service Contracts, will be available for inspection at the AGM.

Directors and Directors' interests

Directors' interests in the Company's shares as at 31 December 2025 are shown on page 40. There are no shareholding requirements for Directors.



Directors' report continued

Substantial shareholdings

At 31 December 2025, the Company had been notified, or is aware of, the following interests in the issued ordinary share capital of the Company:

	Number of ordinary shares	% of issued ordinary shares
Schroder Investment Management Limited	4,526,345	15.05%
Charles Stanley & Co. Limited	1,827,518	6.07%
FIL Limited	1,647,741	5.48%
Mr J Laverdiere	1,059,349	3.52%

Results and dividends

The Group's loss for the year was £9.5m (31 December 2024: profit of £1.4m). The Board has decided to not pay a final dividend. An interim dividend was not paid during 2025 (2024: none).

Dividends on the 6% preference shares are due for payment on 30 June and 31 December in each year and in 2025 amounted to £0.1m (2024: £0.1m).

Research and development

Group policy is to retain and enhance its market position through the design and development of specialist machinery and services. To achieve this objective, engineering and product development facilities are maintained in the UK and overseas. Research and development expenditure for the Group incurred in 2025, net of third-party income, amounted to £4.6m (2024: £3.5m), of which £0.5m (2024: £1.0m) was charged to the consolidated income statement and £4.1m (2024: £2.5m) was capitalised and included in development costs.

Share capital

Authority for the allotment of up to 3,007,327 ordinary shares was granted at the 2025 Annual General Meeting and this authority expires at the end of the 2026 AGM. This authority was not used during the year.

At 31 December 2025, the Company's issued share capital was £7,518,318.25 divided into 30,073,273 ordinary shares of £0.25 each plus 900,000 preference shares of £1.00 each. Details of movements in issued share capital in the year are set out in note 25 to the financial statements.

Resolution 14 which will be proposed as a special resolution at the Group's next Annual General Meeting, will seek the necessary authority to enable the Company to purchase for cancellation ordinary shares in the market for a period of up to 12 months from the date of the meeting, upon the terms set out in the resolution, up to a maximum number of 3,007,327 ordinary shares representing approximately 10% of the issued ordinary share capital at the date of the notice convening the Annual General Meeting.

EES Trustees International Limited is the trustee for the Company's long-term incentive arrangements for the benefit of the Group's employees. As at 31 December 2025, it did not hold any shares. However, when the Trustee does hold shares, it has agreed to waive all dividends and not to exercise voting rights in respect of those shares.

Disclosure of information to the auditor

In accordance with section 418(2) of CA2006, as far as the Directors are aware, there is no relevant audit information of which the Group's auditor is unaware, and each Director has taken all reasonable steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information to establish that the Group's auditors are aware of that information.

Auditor

PKF Littlejohn LLP was appointed as statutory auditor on 17 May 2023 and a resolution to approve their re-appointment will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting will take place on 18 June 2026. Notice of the meeting can be found on pages 115 to 119.

Political donations

The Company made no political donations during the year 31 December 2025.

Financial instruments

The financial risk management objectives of the Group, including details of the exposure of the Company and its subsidiaries to financial risks including credit risk, interest rate risk and currency risk, are provided in note 26 to the accounts on pages 98 to 105.

Sustainability policy

The Group is committed not only to compliance with environmental legislation but also to the progressive introduction of appropriate measures to limit the adverse effects of its operations upon the environment. In particular, efforts are made to minimise waste arising from operations, to recycle materials wherever possible and to consider alternative methods of design or operation.

The Group aims both to reduce its costs by these means and to promote good practice in the use of resources at sustainable levels.



Climate Related Financial Disclosures

As the Group is listed on the LSE AIM market, we fall within the Climate-Related Financial Disclosures ("CRFDs") requirement under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. The four pillars of this regime are governance, strategy, risk management, and metrics and targets.

Governance

The Board of Directors have oversight of climate related risks and opportunities. The member of the Mpac Group Executive Leadership Team ("ELT") responsible for corporate development leads the Group's ESG initiative and reports directly into the Board in relation to ESG matters. They, as well as the Group Risk Committee, are responsible for identifying, considering and managing climate-related risks and opportunities which the board then review and approve.

The Board considers climate-related matters including, but not limited to, the review and approval of the Group's ESG report, last published in April 2024 for the financial year 2023, the report for 2024 was delayed due to the acquisitions made in Q4 2024 and will be published alongside the 2025 report later in 2026. Additionally, the Board will actively participate in setting the Group's Science-Based Targets in 2027. At the time of this report no climate related performance objectives have been set. Further details of the Group's ESG initiative will be disclosed in the Group's 2024 and 2025 ESG report.

In 2025, we continued to enhance our relationship with ClimatePartner, a leading solutions provider for climate action that helps organisations calculate their carbon emissions, set strategies for reducing emissions and set emissions reduction targets.

We continued to create an inventory of and measure our Scope 1 and Scope 2 emissions and certain upstream emissions in our supply chain (Scope 3 emissions), using primary data in almost all instances. More details of the Group's emissions can be found in the Streamlined Energy and Carbon Reporting ("SECR") section of this report. In 2025 we have continued to expand our Scope 3 inventory to include a greater proportion of our supply chain. We are also exploring options to conduct product life cycle assessments on the products we supply.

Risk management

Identification, assessment and management of the group's climate-based risks and opportunities is embedded into the Board's risk management process. Our risk management strategy, detailed on page 51, is consistently applied across all risks to evaluate and identify both current and emerging risks and opportunities, including those related to climate, the risks and opportunities specifically related to sustainability and climate change are disclosed on page 23.

Climate based risks are identified both on a bottom-up basis at a site level and on a top-down basis by the Board and Executive Committee. Climate based risks are measured based on their likelihood and potential impact on the Group, which could be financial, operational disruption or reputational damage. As noted in the metrics and targets section below, we use our calculation of scope 1 & 2 carbon emissions as a tool to measure the progress made against the risks noted below.

In addition to Group level risk management, risks and opportunities are identified at a subsidiary level and reported up through the Group.

The principal climate-based risks and opportunities are summarised as follows:

Risk	Timeframe	Business Impact	Mitigation/Opportunity
Transitional The Group's operations and strategies could be deemed by stakeholders and potential investors to fail to comply with national and international targets on climate change reduction.	Medium/long term	Perceived non-compliance with climate targets could damage the Group's reputation, leading to lost trust and sales, and hinder new business relationships. It may cause investors to withdraw, increasing capital costs, and result in regulatory penalties that impact profitability.	The Group's products and strategy naturally lend themselves to be well placed environmentally. We partner with our customers to drive their packaging solutions in a more environmentally friendly manner and consequently help them reduce emissions. The challenge is demonstrating the Group's place in combating these issues. Mpac is a low generator of emissions and waste, with the greatest potential impact of the Group to reduce emissions being in the production of operationally and energy efficient machinery.
Transitional Delays in reducing carbon within our supply chain	Short, medium and long term	We depend on our suppliers to achieve their low carbon and net zero targets. The risk is that if they fail to meet these targets within the required timeframe, it could hinder our ability to meet our own goals.	Our procurement strategy remains dedicated to partnering with suppliers who share our commitment to ESG principles throughout their operations. We incorporate sustainability assessments into every strategic procurement decision.
Transitional Failure to act on climate change may impact our ability to attract and retain talent	Short, medium and long term	Attracting and retaining top talent is crucial for our future success. It's essential that our team understands and supports our sustainability commitment, recognising our efforts as credible and authentic. This is central to fulfilling our purpose as a responsible business.	We involve our colleagues in supporting our transition to net zero by offering opportunities to change their work practices. For example, we use a common engineering platform that allows engineers from different locations to collaborate on customer projects without needing to travel. Additionally, we continue to offer and support cycle-to-work and hybrid working schemes to encourage employees to reduce their carbon footprint during their commute.

We define short term as a period of less than one year, medium term as extending to 2030, and long term as reaching until 2050. The short term was selected to address immediate climate-related risks and opportunities, allowing for quick responses to urgent environmental changes. The long term was chosen to align with our vision for sustainable climate resilience and to plan for significant environmental transformations. The medium term of five years has been selected to align with the timeframe considered when setting the Group's strategy. We have assessed potential physical climate-related risks and determined that they are not material to the Group. At the time of this report none of the transitional risks above are assessed as having a material financial impact upon the Group.

Directors' report continued

Scenario analysis

In 2025 we conducted peer analysis to understand the different scenarios businesses are modelling. We have found that most comparable businesses are modelling the following 2 scenarios:

- 1.5°C by 2100:** Orderly transition to the Paris-aligned goal occurring by 2100, with temperature rising 1.5°C above pre-industrial levels.
- 4.0°C by 2100:** Failure of countries to meet their Paris-aligned goals, resulting in higher emissions and temperatures rising to an average of 4 degrees Celsius above industrial levels.

We believe the scenarios above are sufficient for giving readers an opportunity to understand the possible transformational effects of climate change. We will keep our scenarios under review and may adjust them over time to reflect the evolving environmental landscape and maintain comparability with our peers.

Our assessment of physical climate risks follows established climate scenarios, particularly the Intergovernmental Panel on Climate Change's ("IPCC") Representative Concentration Pathway ("RCP") scenarios. These scenarios offer a standardised framework for examining potential climate changes and their impacts. RCPs are utilised worldwide for climate modelling, providing access to a broad array of peer-reviewed and accepted climate datasets, and ensuring consistency across different regions.

1.5°C Degrees Scenario

We recognise that a 1.5-degree Celsius increase in global temperatures by 2100 could significantly impact our operations:

- 1. Extreme Weather Events:** We anticipate more frequent and severe weather events, such as storms and floods, which could disrupt our supply chain, delay project timelines, and potentially damage our facilities or equipment. None of our locations are any more or less prone to extreme weather events than the others and clearly detailed business continuity plans are in place across the Group. This aims to ensure that, in an extreme occurrence, the impact on our business and customers would be minimal.
- 2. Supply Chain Disruptions:** Climate changes may affect the availability and cost of materials we use in our packaging systems. For example, components sourced from regions prone to extreme weather might become more expensive or harder to obtain. The Group operates using a truly global supply-chain, thus minimising the risk of disruption caused by global warming or an extreme weather event in any specific part of the world.
- 3. Regulatory Changes:** We expect stricter environmental regulations aimed at reducing carbon emissions. These regulations could require us to adopt more sustainable practices, potentially increasing our operational costs. We believe the impact of regulatory changes relating to carbon emissions will have an immaterial impact on the Group's financial performance.

- 4. Market Shifts:** We foresee a growing demand for eco-friendly packaging solutions. By adapting our designs to be more sustainable, we can gain a competitive edge and meet changing consumer preferences. The machines that we design and manufacture are at the cutting-edge of sustainability, assisting our blue-chip customer base to transition away from single use plastic packaging to more eco-friendly packaging solutions.
- 5. Health and Productivity:** Higher temperatures could impact the health and productivity of our workforce, especially if our operations involve significant manual labour or are located in areas without adequate climate control. None of our locations have a high risk of health and productivity problems owing to rises in temperature, our locations are all modern facilities with adequate climate control, this position is regularly reviewed by the Global Head of Safety, Health, Environment and Quality.
- 6. Financial Risks:** Investors and stakeholders consider climate risks in their decisions. By demonstrating our commitment to sustainability and climate resilience, we can improve our attractiveness to investors. In 2023, we published our first ever ESG Report, which laid out the foundations for our intention to be carbon neutral by 2030, and whilst some of our short-term goals have been delayed, we are still fully committed to this goal and will be setting Science-Based Targets ("SBT's") to assist us on this journey in late 2026 and early 2027.

Our scenario analysis considers the Group as a whole and has considered all geographical locations that the Group operates in. None of our geographical locations have been identified as having a higher risk than the others. We believe that the Group's business model and strategy is resilient enough to withstand the potential impact of the 1.5 degrees scenario described above. To address these potential impacts, we are investing in sustainable materials, improving energy efficiency, and developing climate-resilient strategies. These proactive measures will help us better position our business to thrive in a changing climate.

4°C Degrees Scenario

A 4-degree Celsius increase in global temperatures by 2100 presents a far more severe scenario compared to a 1.5-degree increase. While both scenarios involve significant challenges, the 4-degree rise would lead to much more frequent and intense extreme weather events, greater disruptions to supply chains, stricter regulatory environments, and more profound shifts in market demands. Additionally, the health and productivity of the workforce would be more severely impacted, and financial risks would be heightened as investors increasingly prioritise climate resilience. However, the Group has positioned itself well to cope with these scenarios were any of them to come to fruition, the fact that Mpac operates using a truly global supply chain eases the pressure on any one location having an extreme 4-degree Celsius increase. The Group operates with a number of blue-chip customers whose markets lend resilience to this scenario, Food & Beverage and Healthcare markets will always be needed, more it could be argued, in a scenario where global temperatures reach a 4-degree Celsius increase.



Strategy

At Mpac we recognise the responsibility we have to protect our planet for current and future generations. We strive to act in ways that reduce the impact of our methods of operating as well as through the machines that we design and build for our customers. We also ensure we comply with environmental laws and regulations in all jurisdictions in which we are located.

Mpac demonstrates a steadfast commitment to product sustainability. Through a holistic approach that integrates innovative design, responsible sourcing, and efficient manufacturing processes, we ensure that the machines we produce have a reduced environmental footprint. We actively seek out eco-friendly materials, minimise waste generation, and embrace energy-efficient production methods.

Mpac designs and builds machines that assemble and package products that are essential to the lives of millions of people. Our machines are designed to ensure they achieve maximum operational efficiency for our customers, thus minimising their carbon footprint throughout their lifetime. We are in a continual dialogue with our customers to understand how we can support their journey of reduced carbon emissions in how we design and build machines for them, but also how those machines operate throughout their lifetime.

Our innovations team operates from six centres around the world, leveraging around 500 engineers and designers to develop new products that meet the emerging needs of our customers, always with sustainability at the heart of our creative process. Our product development processes focus on analysing the life cycle of our products to reduce carbon emissions throughout.

Future innovation initiatives will concentrate on minimisation of waste and emissions, sustainability partnerships and predictive maintenance advancements.

Metrics and targets

We have committed to being carbon neutral in respect of our Scope 1 and 2 emissions by 2030. Progress against this target is measured and assessed annually with the assistance of a report prepared by Climate Partner. Each site uses Climate Partner's calculation portal to collect and enter input data for each scope of emission. Climate Partner review this data and prepare a calculation of carbon emissions by scope for each site including comparative information. These reports are reviewed, and individual movements are challenged at a site level.

During 2024 we began to assess our full Scope 3 upstream emissions and establish a path to net zero. However, this is an evolving process and in 2025 our progress was slowed somewhat due to an increased focus on integrating our transformational 2024 acquisitions. The Group is still fully committed to setting these goals and establishing a path to net zero, and we will set near term targets in accordance with the Science Based Targets Initiative (www.sciencebasedtargets.org) in 2026 and into 2027. We plan to maintain our collaboration with ClimatePartner, utilising their expertise to help us to continue to refine and monitor our metrics and targets.

Our disclosures in respect of carbon emissions can be found in the Streamlined Energy and Carbon Reporting ("SECR") section of this report.

We have introduced several initiatives to progressively reduce carbon emissions over time:

- › Remote diagnostic functionality enabling service technicians to resolve machine issues without the need to travel to the customers' facility
- › Use of a common engineering platform enabling engineers from different locations to collaborate on customer projects without the need to travel
- › Installation of EV charging points
- › Transition of the company vehicle fleet to fully electric models

Streamlined Energy and Carbon Reporting ("SECR")

In accordance with disclosure requirements of Part 7A of Schedule 7 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), Mpac Group is dedicated to annually reporting the Group's emissions. Our carbon footprint calculation, performed with the assistance of Climate Partner, adheres to the methodology established by the GHG Protocol for corporate accounting.

tCO ₂ e	2025	2024
Scope 1	281.64	91.66
Scope 2	1,777.78	1,170.63
Total Scope 1 and 2	2,059.42	1,262.29
Scope 3*	5,778.11	4,020.55
Total	7,837.53	5,282.84
Scope 1 and 2 intensity kg CO ₂ e / employee ^a	2,013	2,150

^a calculated using average number of employees in the year.

How we decide what to measure

We focus on Scope 1 and Scope 2 emissions, which encompass direct emissions from owned or controlled sources and indirect emissions from the generation of purchased energy, respectively. Additionally, we measure certain upstream Scope 3 emissions, which include indirect emissions from our supply chain.



Directors' report continued

The selection of these metrics is based on their significance to our operations and their potential impact on our environmental footprint. By prioritising these areas, we aim to provide a transparent and thorough account of our climate-related performance, enabling stakeholders to make informed decisions.

Scope 1 emissions refer to direct greenhouse gas ("GHG") emissions from sources that are owned or controlled by the Group. This includes emissions from:

- › Combustion of fuels in company-owned or controlled boilers, furnaces, and vehicles.
- › Fugitive emissions, such as leaks from refrigerants or other equipment.

Scope 2 emissions refer to the indirect greenhouse gas ("GHG") emissions resulting from our consumption of purchased electricity, heat, steam, and cooling. These emissions occur at sources not owned or controlled by our organisation but are a direct consequence of our energy use.

***Scope 3 emissions** disclosed above are limited to business travel, employee commuting, generated waste and certain purchased goods and services.

The emissions in relation to electricity and gas have been calculated by the multiplication of the metered usage by the emissions level provided by the supplier, or, where this is not available, by publicly available equivalents. In the case of transport, emissions are calculated based on the distances travelled multiplied by known emissions levels of the vehicles or, where this is not available, from equivalent publicly available data.

Energy efficiency

The Group continues to focus on reducing energy consumption and carbon emissions and reviews have been undertaken and recommendations implemented. Reviews of new and evolving technologies form an integral part of a continuous operational review programme.

Travel

The Group has significantly increased the level of travel in the year, predominantly associated with the acquisitions and the consequent integration into Mpac.

Employee and other stakeholder engagement

Details of the Group's arrangements for engaging with employees, suppliers and customers are required to be disclosed in this Directors' report and are set out under the s.172 statement on page 24. Such information is incorporated into this Directors report by reference and is deemed to form part of this report.

Prism Cosec Limited
Company Secretary

20 April 2026



Statement of Directors' responsibilities

in respect of the annual report and the financial statements

The Directors are responsible for preparing the Annual Report and Accounts 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 prepared the financial statements in accordance with UK-adopted international accounting standards. 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 estimates that are reasonable and prudent;
- › state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- › prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Director in office at the date the Directors' report is approved:

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

This Responsibility statement was approved by the Board on 20 April 2026 and is signed on its behalf by:

Adam Holland
Chief Executive Officer

Will Wilkins
Chief Financial Officer

20 April 2026



Financial statements



Independent Auditor's report

to the members of Mpac Group plc

Opinion

We have audited the financial statements of Mpac Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, 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 parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- › the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- › the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and 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 parent 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 parent company's ability to continue to adopt the going concern basis of accounting included:

- › obtaining the group cash flow forecasts for the period ending 31 December 2027 and ensuring mathematical accuracy of these forecasts;
- › assessing the reasonableness of the underlying assumptions, including forecast levels of expenditure and contractual cash inflows used in preparing the forecasts. To assess the reasonableness and timings of the cash inflows and outflows, we used our knowledge of the business and compared the forecasts to the directors' previously approved budgets, historic performance and information subsequent to the year end including board minutes and management accounts;

- › comparing the cash balances in the forecast up to the date of signing the financial statements and challenging any material differences between the actuals and forecast;
- › reviewing management's sensitivity analysis and performing our own sensitivities to understand the key drivers of the forecasts. Where necessary, we have evaluated potential mitigating factors that could be actioned by management in the sensitised scenarios;
- › assessing the appropriateness of the going concern disclosures included in the financial statements against the requirements of the relevant auditing standards; and
- › recalculating borrowing covenants during the going concern period to ensure ongoing compliance and sufficient headroom in the existing borrowing facilities.

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 parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. We determined materiality for the financial statements to be:

Entity	Materiality £'000	Performance materiality at 70% (2024: 70%) £'000	Triviality threshold (5%) £'000
Group	1,650 (2024: 1,210)	1,100 (2024: 845)	80 (2024: 60)
Parent company	790 (2024: 730)	550 (2024: 510)	39 (2024: 35)

The benchmark for group materiality was selected as 1% of revenue in the year (2024: 1% of revenue). Revenue was deemed to be the most appropriate metric for group materiality as revenue growth is a key performance indicator.

The benchmark selected for the parent company materiality was 1% of the net asset value (2024: 1% of net assets), as the parent company is not revenue generating, and the significant balances in the financial statements are the investments in, and amounts advanced, to the trading subsidiaries.

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. We have set performance materiality at 70% of overall materiality for both the group and parent company (2024: 70%) as we did not identify any material errors or adjustments in the prior periods.

While performance materiality for the group financial statements as a whole was set at £1,100,000, each significant component of the group was audited to a performance materiality ranging between £200,000 and £790,000 (2024: £235,000 and £510,000), with performance materiality set at 70%. We applied the concept of materiality in planning and performing our audit and in evaluating the effects of misstatement.



Independent Auditor's report continued

Our approach to the audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, and areas subject to significant management judgement as well as greatest complexity, risk and size.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. These areas of estimation and judgement included:

- › Revenue recognition over time on long term contracts;
- › Carrying value and impairment assessment of intangible assets, including goodwill and acquired intangibles;
- › Carrying value of the investments and amounts advanced to the subsidiaries (at the parent company level);
- › Pension asset/liability calculation and assumptions used thereon; and
- › Recognition of deferred tax assets based on unutilised losses within the group.

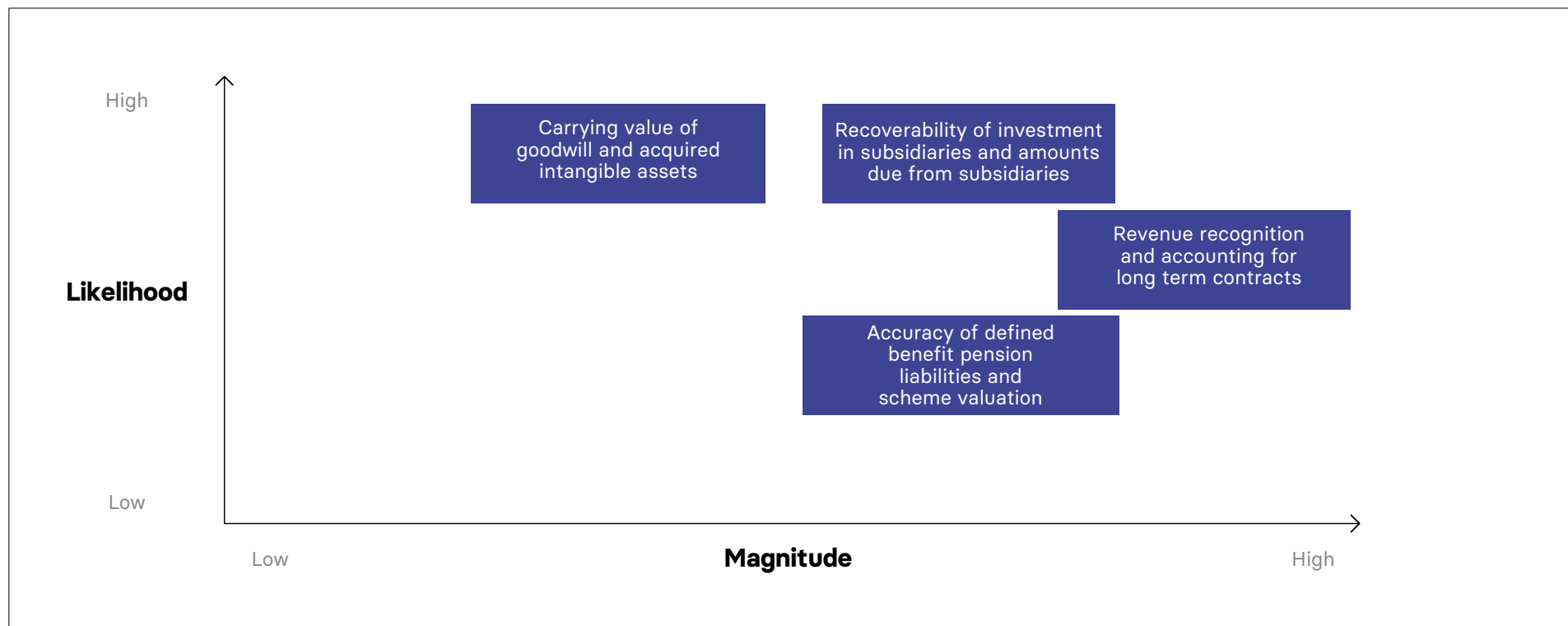
We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Of the 6 full scope components identified, 5 were audited by PKF Littlejohn LLP and one by a component auditor operating under our instruction. We interacted regularly with the component auditor team during all stages of the audit and were responsible for the scope and direction of the audit.

The key audit matters and how these were addressed are outlined below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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

Revenue recognition and accounting for long term contracts (Note 1 and Note 18)

Under ISA (UK) 240, there is a rebuttable presumption that revenue recognition is a significant fraud risk.

The group generates significant revenue through contracts with customers to design, engineer and manufacture machinery and packaging solutions. The majority of revenue is recognised over time. The group adopts an inputs based method for recognising contract revenue by estimating total material and labour costs at the outset of a contract. Revenue is then recognised over the life of the contract based on total labour hours incurred as a percentage of total expected hours.

In applying this method, management judgement and estimation is required, and there is a risk that revenue is not being recognised in accordance with IFRS 15 Revenue from Contracts with Customers.

This includes the risk that contract assets and liabilities, and contract fulfilment assets, at the year end are not accurate or complete.

Due to the level of estimation uncertainty, revenue recognition over long term contracts has been designated as a key audit matter.

How our scope addressed the matter

Our audit work in this area included the following:

General procedures:

- › Updating our understanding of the information system and related controls relevant to each material income stream.
- › Evaluating the appropriateness of the information system and the effectiveness of the design and implementation of the related controls, including those relating to the posting of employee's time to specific projects/contracts.
- › Performing a reasonableness check around the total labour hours recorded at each component versus the expected number of available labour hours (based on employee numbers and utilisation).
- › Performing a proof in total, recalculating expected revenue per contract by comparing the total contract value to labour hours incurred over the expected labour hours forecast.
- › Evaluating the revenue recognition in line with IFRS 15 'Revenue from Contracts with Customers', specifically ensuring that performance obligations are met prior to revenue being recognised and that revenue over time as well as revenue at a point in time is recognised in line with the Group's accounting policy, as well as IFRS 15. This included an assessment of the disclosures made within the financial statements.

Ongoing contracts:

- › Performing a risk assessment of the population of contracts and selecting a sample of higher-risk (value and/or complexity) contracts across the group. For the sample selected, we obtained an understanding of the contract terms, key operational or commercial/financial issues, significant judgements that impact the contract position and the appropriateness of revenue recognised during the year ended 31 December 2025.

For the sample selected for testing we:

- › Considered the appropriateness of supporting evidence and the requirements of IFRS 15 and the group's accounting policies where contracts included additional entitlements to variations and claims, both for and against the group.
- › Held discussions with the project managers to understand the project status and outstanding works remaining on the contracts, and to ensure that the financial information recorded was consistent.
- › Challenged the reasonableness of management's calculations of forecast labour hours, which included understanding the risks and outstanding works remaining on the contract, the impact of any delays or other delivery issues and the related cost assumptions and contingencies.
- › Evaluated the expected margin and revenue recognised to date against the latest contract progress.
- › Challenged the level of unbilled revenues and the adequacy of the evidence to prove recoverability through subsequent work certifications and cash collections.
- › Performed post-year-end credit note testing to identify any adjustments or reversals issued after 31 December 2025 that may indicate issues with revenue recognition, contract measurement, recoverability of balances or the accuracy of amounts recognised at year-end.

Completed contract – look back/forecasting accuracy assessment

- › Testing a sample of closed contracts and assessing management's historic forecasting accuracy by reviewing expected labour hours and margins at contract inception to actual labour hours and margins at completion.

Onerous contract review:

- › Reviewing contracts identified as potentially loss making by assessing post year end contract performance as well as future expected contract performance forecasting.

Contract asset and contract liability:

- › Testing year-end adjustments to revenue as well as the associated contract assets and contract liabilities recognised to ensure these are recognised in accordance with the stated accounting policies.
- › Recalculating contract asset and contract liability balances on a sample-by-contract basis to verify the accuracy of management's calculations and ensure that amounts recognised at year-end reflected the appropriate stage of completion and billing position.
- › Testing the recoverability of contract assets at year end with reference to post year end contract performance and customer payments.



Independent Auditor's report continued

Key audit matter

Carrying value of goodwill and acquired intangible assets (Note 12)

The group has material goodwill and acquired intangible assets arising from historic acquisitions.

The process for assessing whether an impairment exists under IAS 36 'Impairment of Assets' is complex. When carrying out the goodwill impairment review, determining the recoverable amount for the smallest identifiable part of the entity (cash-generating unit ("CGU")) requires management to make judgements over several key inputs in the models for predicting future revenue levels (discounted cash flow models).

Due to the high level of estimation uncertainty present in the impairment test and the sensitivity of the related assumptions in management's model, we identified the valuation of acquired intangibles and goodwill as a key audit matter.

Accuracy of defined benefit pension liabilities and scheme valuation (Note 24)

The group operates defined benefit pension schemes in the UK and US that provide benefits to a number of employees.

At the year end, the net defined benefit asset was £6.2m (2024: £37.9m). The total fair value of scheme assets and present value of defined benefit obligations which form the net defined benefit asset amounted to £242.1m (2024: £283.3m) and £235.9m (2024: £245.4m), respectively.

IAS 19 'Employee Benefits' describes the recognition and measurement of defined benefit pension schemes.

During the year, the pension scheme entered into a buy-in covering all known liabilities required to meet future pensions through a bulk annuity policy. The accounting for the buy in requires key accounting judgements.

Furthermore, the valuation of the schemes' liabilities at year end involves complex judgements and assumptions.

Variations in key assumptions such as discount rates or mortality rates has the ability to significantly influence the net asset/liability position of these schemes, and as such the schemes' valuations are considered to be a key audit matter.

How our scope addressed the matter

Our audit work in this area included the following:

- › Performing a walkthrough to understand management's process with regards to the impairment analysis and preparation of the value in use calculations.
- › Obtaining and reviewing management's impairment papers and value in use calculations along with related workings to support the value in use of each CGU.
- › Testing the mathematical accuracy of the value in use calculations, as well as challenging key assumptions used in the preparation of the discounted cash-flow model, including the discount rate, growth rate of expected revenue (based on orderbook) and operating profit margins.
- › Reviewing management's identification of each CGU to ensure that it is consistent with the associated intangible asset and whether the discount rates are reasonable for each CGU.
- › Assessing the accuracy of historic forecasts to actual results to evaluate management's ability to forecast the CGU's future cashflows.
- › Considering the reasonableness of cash flows included in the calculation through comparison with current year performance and historic trends. We also confirmed the consistency of the model with that being used to assess going concern.
- › Performing a sensitivity analysis on key assumptions to determine potential impact on value in use in the event of an adverse movement in assumptions.
- › Reviewing the disclosures in the financial statements in relation to the intangible assets and associated estimates.

Our audit work in this area included the following:

- › Updating our understanding of the processes surrounding the valuation of pension scheme assets and defined benefit obligations.
- › Obtaining management's valuation assessment and actuarial report and assessing the scope, competence and independence of the group's actuarial expert.
- › Using an auditor's actuarial expert to inform our challenge of the assumptions used, including discount rates, growth rates, mortality rates and the calculation methods employed in the calculation of the pension liability.
- › Challenging the underlying data and inputs used in the expert valuation, for example contributions paid into the scheme during the year.
- › Reviewing the accounting treatment for the buy in, agreeing to supporting documentation, including the fair value of the buy in policy recognised as a scheme asset and ensuring adjustments made in accordance with IAS 19 'Employee Benefits,' including the treatment of the change in asset value.
- › Testing scheme asset valuation and ownership, agreeing to corroborating external valuation and custody reports where available.
- › Reconciling the pension balances disclosed within the financial statements to management's actuarial reports.
- › Reviewing funding agreements between the pension trustees and the Group, including the latest triennial review to corroborate deficit reduction payments from the administrator.
- › Reviewing disclosures relating to pension assets and liabilities to ensure in line with IAS 19 'Employee Benefits.'



Key audit matter

Recoverability of investment in subsidiaries and amounts due from subsidiaries (Company only) (Note 15)

The recoverability of investments in subsidiaries and amounts due from subsidiaries is reliant on the future cash flows of those subsidiaries.

The carrying amount as at 31 December 2025 of investment in subsidiaries and amount due from subsidiaries amounts to £170.3m (2024: £169.2m).

Due to the degree of estimation uncertainty and judgement inherent in the value in use assessment this is considered to be a key audit matter.

How our scope addressed the matter

Our audit work in this area included the following:

- › In conjunction with our going concern and intangible asset impairment procedures, we assessed the accuracy and integrity of the projections used to determine anticipated future cashflows at an entity level, ensuring that the base case forecast is consistent with the going concern assessment.
- › Reviewing source documentation to confirm ongoing ownership of the subsidiaries.
- › Evaluating the assumptions used within the projections including the growth rates and discount rates applied beyond the going concern assessment period and whether such plans align with expectations within the industry as adjusted for the Group's specific circumstances.
- › Challenging management on the assumptions used within the projections, including the appropriateness of the inflation rate applied, movements in working capital, and whether these inputs were supportable and consistent with historic trends and market expectations.
- › Evaluating the reliability of management's projections by assessing the prior year forecasts to actual performance in the year.
- › Performing sensitivity analysis to model alternative scenarios and determine the impact on the headroom over the carrying value.
- › Comparing management's projections to actual results through the subsequent events period and performing inquiries to the date of this report.
- › Reviewing the disclosures in the financial statements in relation to the investment in subsidiaries and intercompany receivables.

The performance of a number of the subsidiaries fell below the forecast results for FY25. This decline in performance, for Mpac Lambert Limited in particular, leaves limited headroom in the forecast discounted cashflows over the carrying value of the investment and receivable, as outlined in Note 15. Under sensitised scenarios, there is negative headroom suggesting a possible indicator of impairment on these balances. While this does not give rise to an impairment at the current reporting date, continued underperformance may result in an impairment at the next reporting period end. Management have acknowledged the weaker performance and have outlined actions aimed at improving future results, including enhancing the sales order mix and securing additional repeat orders that carry higher margins. Should these initiatives not yield the expected improvement in profitability, there may be a requirement to reassess the recoverability of the investment in future periods.



Independent Auditor's report continued

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent 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 parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but 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 parent 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, and our expertise of the sector.
- › We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, UK-adopted international accounting standards, the AIM Rules for Companies, as well as local laws and regulations in the jurisdictions in which the group and parent company operate.



- › We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - conducting enquiries of management and those charged with governance regarding potential instances of non-compliance;
 - discussing with legal counsel regarding any material litigation or claims;
 - reviewing RNS announcements;
 - reviewing legal and professional fees ledger accounts for evidence of any litigation or claims against the group;
 - discussing with local management with regards to the good standing of the subsidiaries; and
 - reviewing board minutes and other correspondence from management for evidence of non-compliance.
- › 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, whether key management judgements could include management bias was identified in relation to the:
 - recognition of revenue and contract assets/liabilities in relation to the long-term contracts with customers;
 - carrying value of the investments and amounts advanced to the subsidiaries (at the parent company level);
 - carrying value of the intangible assets (goodwill and acquired intangible as well as internally generated intangibles); and
 - valuation of the pension assets/ liabilities.

We addressed these as outlined in the Key audit matters section above. The potential for management bias also existed in the recognition of deferred tax assets, valuation of the hedging arrangements and recognition of provisions in the year. Audit procedures were performed in this regard to recalculate the balances with reference to the underlying transactions and agreements.

- › 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.

- › Compliance with laws and regulations at the subsidiary level was ensured through enquiry of management, communication with local specialists and review of correspondence for any instances of non-compliance.

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 parent 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.

Adam Humphreys
(Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP
Statutory Auditor
30 Churchill Place
Canary Wharf
London E14 5RE

20 April 2026



Consolidated income statement

for the year ended 31 December 2025

	Note	2025			2024		
		Underlying £m	Non-underlying £m	Total £m	Underlying £m	Non-underlying £m	Total £m
Revenue	1	174.1	–	174.1	122.4	–	122.4
Cost of sales		(110.9)	–	(110.9)	(85.6)	–	(85.6)
Gross profit		63.2	–	63.2	36.8	–	36.8
Distribution expenses		(14.8)	–	(14.8)	(10.5)	–	(10.5)
Administrative expenses	4,5	(29.8)	(23.3)	(53.1)	(15.1)	(8.6)	(23.7)
Other operating (expense)/income	3	(0.5)	–	(0.5)	0.8	–	0.8
Operating (loss)/profit	1,4	18.1	(23.3)	(5.2)	12.0	(8.6)	3.4
Financial income	8	–	2.1	2.1	–	1.4	1.4
Financial expenses	8	(4.6)	–	(4.6)	(1.4)	–	(1.4)
Net financing (expense)/income		(4.6)	2.1	(2.5)	(1.4)	1.4	–
(Loss)/profit before tax		13.5	(21.2)	(7.7)	10.6	(7.2)	3.4
Taxation	9	(2.7)	0.9	(1.8)	(2.7)	0.7	(2.0)
(Loss)/profit for the period		10.8	(20.3)	(9.5)	7.9	(6.5)	1.4
(Loss)/earnings per ordinary share							
Basic	11			(31.8)p			6.0p
Diluted	11			(31.8)p			6.0p



Statement of comprehensive income

for the year ended 31 December 2025

	Note	Group	
		2025 £m	2024 £m
(Loss)/profit for the period		(9.5)	1.4
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss			
Actuarial (losses)/gains	24	(32.2)	5.3
Tax on items that will not be reclassified to profit or loss	9	7.8	0.9
		(24.4)	6.2
Items that may be reclassified subsequently to profit or loss			
Currency translation movements arising on foreign currency net investments		1.0	(1.6)
Effective portion of changes in fair value of cash flow hedges	26	0.2	(0.3)
Reclassified to income statement from hedging reserve		0.3	0.1
		1.5	(1.8)
Other comprehensive (expense)/income for the period		(22.9)	4.4
Total comprehensive (expense)/income for the period		(32.4)	5.8



Statements of changes in equity

for the year ended 31 December 2025

	Note	Group						Total equity £m
		Share capital £m	Share premium £m	Translation reserve £m	Capital redemption reserve £m	Hedging reserve £m	Retained earnings £m	
Balance at 1 January 2024		5.1	26.0	1.5	3.9	(0.1)	27.6	64.0
Profit for the period		–	–	–	–	–	1.4	1.4
Other comprehensive (expense)/ income for the period		–	–	(1.6)	–	(0.2)	6.2	4.4
Total comprehensive (expense)/ income for the period		–	–	(1.6)	–	(0.2)	7.6	5.8
Equity issues	25	2.4	35.8	–	–	–	–	38.2
Total transactions with owners, recorded directly in equity		2.4	35.8	–	–	–	–	38.2
Balance at 31 December 2024		7.5	61.8	(0.1)	3.9	(0.3)	35.2	108.0
Loss for the period		–	–	–	–	–	(9.5)	(9.5)
Other comprehensive (expense)/ income for the period		–	–	1.0	–	0.5	(24.4)	(22.9)
Total comprehensive (expense)/ income for the period		–	–	1.0	–	0.5	(33.9)	(32.4)
Equity-settled share-based transactions	25	–	–	–	–	–	(0.3)	(0.3)
Total transactions with owners, recorded directly in equity		–	–	–	–	–	(0.3)	(0.3)
Balance at 31 December 2025		7.5	61.8	0.9	3.9	0.2	1.0	75.3



	Note	Company						Total equity £m
		Share capital £m	Share premium £m	Translation reserve £m	Capital redemption reserve £m	Hedging reserve £m	Retained earnings £m	
Balance at 31 January 2024		5.1	26.0	–	3.9	–	31.6	66.6
Profit for the period		–	–	–	–	–	2.5	2.5
Other comprehensive (expense)/ income for the period		–	–	0.6	–	–	6.0	6.6
Total comprehensive (expense)/ income for the period		–	–	0.6	–	–	8.5	9.1
Equity issues		2.4	35.8	–	–	–	–	38.2
Balance at 31 December 2024		7.5	61.8	0.6	3.9	–	40.1	113.9
Loss for the period		–	–	–	–	–	(4.2)	(4.2)
Other comprehensive (expense)/ income for the period		–	–	1.1	–	–	(24.5)	(23.4)
Total comprehensive (expense)/ income for the period		–	–	1.1	–	–	(28.7)	(27.6)
Equity-settled share based transactions	25	–	–	–	–	–	(0.3)	(0.3)
Balance at 31 December 2025		7.5	61.8	1.7	3.9	–	11.1	86.0



Statements of financial position

as at 31 December 2025

	Note	Group		Company	
		2025 £m	2024 £m	2025 £m	2024 £m
Non-current assets					
Intangible assets	12	108.4	117.4	0.3	0.7
Property, plant and equipment	13	4.7	5.8	0.2	0.2
Investment property	14	0.8	0.8	0.8	0.8
Right-of-use assets	27	9.3	9.4	0.4	0.3
Investments	15	–	–	63.8	63.8
Amounts owed by group undertakings	15	–	–	106.5	105.4
Employee benefits	24	7.6	39.4	7.6	39.4
Deferred tax assets	16	3.5	5.3	–	–
		134.3	178.1	179.6	210.6
Current assets					
Inventories	17	16.2	15.9	–	–
Trade and other receivables	19	60.7	59.4	6.7	5.3
Current tax assets	10	0.8	0.8	–	0.8
Cash and cash equivalents	21	9.6	18.2	5.7	0.5
		87.3	94.3	12.4	6.6
Current liabilities					
Lease liabilities	27	(2.8)	(2.2)	(0.1)	(0.1)
Interest-bearing loans and borrowings	20	(51.5)	(41.2)	(46.1)	(40.0)
Trade and other payables	22	(61.7)	(72.1)	(53.2)	(45.5)
Current tax liabilities	10	(2.2)	(2.2)	–	–
Provisions	23	(1.6)	(2.8)	–	–
		(119.8)	(120.5)	(99.4)	(85.6)
Net current liabilities		(32.5)	(26.2)	(87.0)	(79.0)
Total assets less current liabilities		101.8	151.9	92.6	131.6
Non-current liabilities					
Interest-bearing loans and borrowings	20	(6.0)	(14.5)	(4.4)	(7.9)
Employee benefits	24	(1.4)	(1.5)	–	–
Other payables	22	(1.4)	(1.3)	–	–
Deferred tax liabilities	16	(9.5)	(19.1)	(1.9)	(9.6)
Lease liabilities	27	(8.2)	(7.5)	(0.3)	(0.2)
		(26.5)	(43.9)	(6.6)	(17.7)
Net assets		75.3	108.0	86.0	113.9
Equity					
Issued capital	25	7.5	7.5	7.5	7.5
Share premium		61.8	61.8	61.8	61.8
Reserves		4.1	3.6	3.9	3.9
Retained earnings		1.9	35.1	12.8	40.7
Total equity		75.3	108.0	86.0	113.9

The Company has taken the exemption conferred by s.408 of the Companies Act 2006 not to publish the income statement of the Company with these consolidated accounts. The Company loss for the year was £4.2m (2024: £2.5m profit). These financial statements were approved by the Directors on 20 April 2026 and signed on their behalf by:

Adam Holland
Director

Will Wilkins
Director

Registered number: 124855



Statements of cash flow

for the year ended 31 December 2025

	Note	Group		Company	
		2025 £m	2024 £m	2025 £m	2024 £m
Operating activities					
Operating (loss)/profit		(5.2)	3.4	(6.2)	–
Non-underlying items included in operating (loss)/profit	5	23.3	8.6	5.4	4.5
Amortisation of internally developed intangible assets	12	1.0	1.0	0.4	0.5
Depreciation	13,27	3.3	2.3	0.1	0.1
Pension payments to scheme	24	(0.2)	(2.3)	–	(1.9)
Pension payments to escrow	24	(2.3)	–	(2.3)	–
Working capital movements:					
– (increase)/decrease in inventories		(0.4)	1.3	–	–
– (increase)/decrease in contract assets		(7.9)	3.6	–	–
– decrease/(increase) in trade and other receivables		9.5	2.0	(2.6)	4.4
– (decrease)/increase in trade and other payables		(8.5)	0.6	(3.7)	0.6
– decrease in provisions		(2.1)	(0.2)	–	–
– decrease in contract liabilities		(4.3)	(14.7)	–	–
Cash flows from continuing operations before reorganisation		6.2	5.6	(8.9)	8.2
Acquisition and reorganisation costs paid		(2.7)	(1.4)	(0.2)	(1.1)
Cash flows from operations		3.5	4.2	(9.1)	7.1
Taxation paid		(1.9)	(1.6)	–	–
Cash flows from operating activities		1.6	2.6	(9.1)	7.1
Investing activities					
Capitalised development expenditure	12	(4.1)	(3.1)	–	(0.2)
Acquisition of property, plant and equipment	13	(0.6)	(1.9)	–	–
Proceeds from sale of property, plant and equipment		0.2	0.4	–	–
Loans with subsidiaries		–	–	14.8	(73.7)
Net cash flow on acquisition of subsidiaries	31	(1.0)	(54.9)	–	–
Cash flows used in investing activities		(5.5)	(59.5)	14.8	(73.9)
Financing activities					
Interest paid		(4.2)	(1.2)	(2.7)	(1.0)
Proceeds from borrowings		0.2	38.5	0.2	38.5
Proceeds from equity raise	25	–	28.4	–	28.4
Repayment of term loans		(4.9)	–	(4.9)	–
Principal elements of lease payments		(2.0)	(1.2)	(0.1)	–
Cash flows (used in)/from financing activities		(10.9)	64.5	(7.5)	65.9
Net (decrease)/increase in cash and cash equivalents	21	(14.8)	7.6	(1.8)	(0.9)
Cash and cash equivalents at 1 January		18.2	11.0	0.5	0.4
Effect of exchange rate fluctuations on cash held		(1.4)	(0.4)	(0.6)	1.0
Cash and cash equivalents at 31 December		2.0	18.2	(1.9)	0.5
		Group		Company	
		2025 £m	2024 £m	2025 £m	2024 £m
Cash and cash equivalents as at 31 December comprise:					
Cash at bank and in hand		9.6	18.2	5.7	0.5
Bank overdrafts		(7.6)	–	(7.6)	–
		2.0	18.2	(1.9)	0.5

Accounting policies

The significant accounting policies as set out below apply to both the Group and Company financial statements, as appropriate.

Basis of accounting

Mpac Group plc (the "Company") is a company incorporated and domiciled in the UK. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group).

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis except that derivative financial instruments, principally forward foreign exchange contracts, are stated at fair value and non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with international accounting standards requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from these estimates. Revisions to these estimates are made in the period in which they are recognised.

The accounting policies, presentation and methods of computation applied by the Group and Company in these financial statements are in the main consistent with those applied in the 2024 financial statements. No new accounting standards have been adopted in the year.

IFRS 16 Leases

The Group leases various factories, equipment and cars. Rental contracts are typically made for fixed periods of three to five years for equipment and 10-20 years for properties. These may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. An assessment of how likely it is for the option to extend the lease to be exercised is performed and if it is determined that the lessee is reasonably certain to exercise the option then the term covered by the option is included in the lease term.

Leases are recognised as a right-of-use asset and a corresponding liability at the lease commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

IFRS 16 requires the capital element of the leases to be disclosed as a financing cost, with the amortisation of the assets being treated as a non-cash item.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (where they exist within a lease):

- › fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- › variable lease payments that are based on an index or a rate;
- › amounts expected to be payable by the lessee under residual value guarantees;
- › the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- › payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost, comprising the following:

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of workshop equipment, office furniture and machines.

Derivative financial instruments

The Group's derivative financial instruments are measured at fair value and are summarised below.

The Group uses forward foreign exchange contracts to mitigate exchange rate exposure arising from forecast trade receivables in currencies other than the functional currency of the operating entity.

Hedge effectiveness is determined at inception of the hedge relationship and at every reporting year end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two.

The critical terms of the foreign currency forwards entered into exactly match the terms of the hedged item.

Hedge ineffectiveness may arise if the critical terms of the forecast transaction no longer meet those of the hedging instrument, for example, if there was a change in the timing of the forecast transactions from what was initially estimated.



The hedged items and the hedging instrument are denominated in the same currency and, as a result, the hedging ratio is always one to one. All forward exchange contracts had been designated as hedging instruments in cash flow hedges under IFRS 9.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in the income statement.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to the income statement. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Non-underlying items and alternative performance measures

Non-underlying items are income and expenditure that, because of the nature of the item, merit separate presentation in the income statement to allow a better understanding of the Group's financial performance by facilitating comparisons with prior periods and assessments of trends in financial performance.

Non-underlying items may include, but are not limited to, the impact on the income statement of the Group's defined benefit pension schemes including administration charges and pension interest, acquisition or disposal costs and the amortisation or impairment of acquired intangible assets, significant reorganisation costs, profits or losses arising on discontinued operations, significant impairments of tangible or intangible assets and related taxation. The Group elects to include costs relating to the defined benefit pension scheme in non-underlying items as there are less than ten active employees of the Group in the scheme, so the costs would be immaterial to the Group should the scheme not exist.

Accordingly, the Group uses alternative performance measures ("APMs"), in addition to those reported under IFRS, as management believe these measures enable the users of these financial statements to better assess the underlying trading performance of the Group. The APMs used include underlying operating profit, underlying profit before tax and underlying earnings per share.

A full breakdown of non-underlying items is provided in note 5 to the financial statements, and a reconciliation of underlying profit back to the closest IFRS measure is provided as part of note 11, which also includes a reconciliation of underlying EPS back to its closest IFRS measure.

Recent accounting developments

IFRS18 has been issued which will affect the presentation of the primary financial statements from 1st January 2027. The detailed impact of the standard will be assessed over the course of 2026.

Going concern

The Group's activities together with the factors likely to affect its future development, performance and position are described within the Operating review on pages 9 to 15, Financial review on pages 16 to 18 and in the Principal risks and uncertainties on pages 19 to 23.

The Directors have considered the trading outlook of the Group and Company for a 24 month period ending 31 December 2027, its financial position, including its cash resources and access to borrowings, as set out in the Financial review on pages 16 to 18 and in note 20 to the accounts on page 90, and its continuing obligations, including to its defined benefit pension schemes, details of which are set out in note 24 to the accounts on pages 92 to 96. Having made due enquiries, the Directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future.

For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The Group financial statements comprise the consolidated results of the Company and all of its subsidiary companies together with the Group's share of the results of its associated companies on an equity accounting basis. A separate income statement dealing only with the results of the Company has not been presented in accordance with section 408 of the Companies Act 2006.

A subsidiary is a company controlled, directly or indirectly, by the Group. Control is the power to govern the financial and operating policies of the subsidiary company so as to obtain benefits from its activities. A subsidiary's results are included in the Group financial statements from the date that control commences until the date that control ceases.

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

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises the:

- › fair values of the assets transferred;
- › liabilities incurred to the former owners of the acquired business;
- › fair value of equity interests issued by the Group;
- › fair value of any asset or liability resulting from a contingent consideration arrangement; and
- › fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.



Accounting policies continued

The excess of the:

- › consideration transferred;
- › amount of any non-controlling interest in the acquired entity; and
- › acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the date the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the statement of financial position date.

The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from the translation of foreign operations, and of related qualifying hedges, are taken directly to the translation reserve. They are released into the income statement upon disposal.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the subsidiary or associated undertaking at the date of acquisition.

Goodwill is recognised as an asset and is not amortised but is reviewed for impairment at least annually on the basis of its value in use. Any impairment is recognised immediately through the income statement and is not subsequently reversed. Impairment losses recognised are allocated first to reduce the carrying value of the goodwill the business relates to, and then to reduce the carrying value of the other assets of that business on a pro-rata basis.

Annual impairment reviews of goodwill are undertaken and are determined from value in use calculations for each cash generating unit ("CGU") using cash flow projections based on the latest three-year plan approved by the Board. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes to selling prices and direct costs during the period and are consistent with external sources of information and the Board's view of long-term growth. Cash flows beyond the period of the projections are extrapolated at growth rates that do not exceed the long-term average growth rate for the relevant countries. The discount rate applied to the cash flow forecasts for each CGU is based on a market participant's pre-tax weighted average cost of capital of between 13.1% to 15.7%, dependent on the CGU being assessed (2024: 13.6% to 14.4%).

On disposal of a subsidiary or associated undertaking, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Research and development

Research and development and related product development costs are charged to the income statement in the year in which they are incurred unless they are specifically chargeable to and recoverable from customers under agreed contract terms or the expenditure meets the criteria for capitalisation.

Where the expenditure relates to the development of a new product for which the technical feasibility and commercial viability of the product is identified, where development costs can be measured reliably and where future economic benefits are probable, development costs are capitalised and amortised over their useful economic lives, up to a maximum of ten years. The expenditure capitalised includes costs of materials, direct labour and an appropriate proportion of overheads. Such intangible assets are assessed for indicators of impairment at least annually and any impairment is charged to the income statement.

Other intangible assets

Other intangible assets are valued at cost less accumulated amortisation and impairment charges and amortised on a straight-line basis over their estimated useful economic life which is set on an item by item basis. All intangible assets are tested for indicators of impairment at least annually and any impairment is charged to the income statement.

The estimated useful economic lives of the Group's intangible assets are as follows:

Acquired intangible assets	– 8 to 10 years
Product development	– 3 to 10 years
Software development	– 5 years



Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and any provision for impairment in value.

Depreciation is provided on a straight-line basis to write off the cost, less the estimated residual value, of property, plant and equipment over its estimated useful life.

The annual depreciation rates used are as follows:

Freehold land	– nil
Freehold buildings	– 3% on cost or deemed cost
Leasehold property	– over life of lease
Plant and machinery	– 8% to 25%
Fixtures, fittings and vehicles	– 10% to 33%

The carrying value of property, plant and equipment is reviewed at least annually for indicators of impairment. Any change in value arising from impairment is charged or credited (up to the carrying value prior to any previous impairment) to the income statement for the year.

The useful lives and residual value of the Group's fixed assets are reviewed at least annually.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost. Depreciation is based on cost less residual value over its estimated useful life. Where the expected residual value exceeds cost no depreciation is provided. Investment property is valued annually for monitoring purposes only.

Investments

Investments in subsidiary undertakings are held at cost less provision for any impairment in value. The carrying value of investments in subsidiary undertakings are reviewed at least annually for indicators of impairment.

Revenue and contracts

Revenue

Revenue represents income derived from contracts for the provision of goods and services by the Group and its subsidiary undertakings to customers in exchange for consideration in the ordinary course of the Group's activities.

Revenue is recognised in the Consolidated Income Statement when the performance obligations in the contract with the customer are met.

Performance obligations

A proportion of the Group's contracts recognised over time comprise a variety of promises within the contracts, including, but not limited to, design and engineering, procurement, machinery testing, delivery, installation and commissioning and after sales services.

Under IFRS 15, the Group must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- › the customer benefits from the item either on its own or together with other readily available resources; and
- › it is separately identifiable (i.e. the Group does not provide a significant service integrating, modifying or customising it).

It is the Group's judgement that the vast majority of promises included within contracts to customers are not distinct because a customer cannot benefit from certain promises being fulfilled without others; therefore, promises are bundled into set performance obligations. For the majority of contracts, design, procurement, engineering and manufacture are considered to be one performance obligation, installation and commissioning are considered to be one performance obligation and after sales contracts are generally negotiated and entered into at a later date and considered to be a separable performance obligation.

Where contracts include more than one performance obligation, the transaction price is allocated on a relative stand-alone selling price basis. The stand-alone selling price is normally determined based on the observable price of a good or service when the Group sells that good or service separately in similar circumstances and to similar customers. If an observable price is not available, the stand-alone selling price is determined based on an expected cost plus margin approach.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by the parties to the contract.

The transaction price is calculated after taking into account variable consideration. Variable consideration includes, but is not limited to rebates and penalties.

In determining the transaction price, variable consideration linked to potential penalties or rebates arising under the terms of a contract is included only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration is estimated using the "most likely amount" method.

Product warranties are included as part of the standard terms and conditions of the majority of contracts; however, are not sold separately and; therefore, do not constitute a separate performance obligation. Product warranty provisions are accounted for based on historical data and a weighting of all possible outcomes against their associated possibilities.



Accounting policies continued

Revenue and profit recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the Group determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- › the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs;
- › the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- › the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

With the exception of the supply of spare parts, installation services and certain other service-based contracts, all of Mpac's contracts are accounted for over time. Supply of spare parts and installation services are recognised once the supply or service is complete. Those recognised over time satisfy the third criteria, above.

For each performance obligation to be recognised over time, the Group recognises revenue using an input method, based on labour hours incurred in the period. Labour hours have been selected as the most faithful depiction of progress (and hence the transfer of goods and services) as this most accurately reflects how Mpac provides value to the customer. Mpac delivers innovative, efficient, and technically robust solutions, with the time allocated to projects of Mpac engineers and technicians being the main driver to bring projects to fruition. Material costs incurred are not considered to be proportionate to the Group's progress in satisfying progress on contracts for which revenue is recognised over time and therefore revenue in respect of materials is recognised at an amount equal to the cost of goods used to satisfy the performance obligation. Material costs are recognised on contracts as incurred.

Revenue and attributable margin are calculated by reference to reliable estimates of the total labour hours and labour hours to be incurred, after making suitable allowances for technical and other risks. Revenue and associated margin are therefore recognised progressively as labour hours are incurred, and as risks have been mitigated or retired. The Group has determined that this method faithfully depicts the Group's performance in transferring control of the goods and services to the customer.

If the over time criteria for revenue recognition are not met, revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example, on delivery.

Contract modifications

The Group's contracts are often amended for changes in customers' requirements and specifications. A contract modification exists when the parties to the contract approve a modification that either changes existing or creates new enforceable rights and obligations. The effect of a contract modification on the transaction price and the Group's measure of progress towards the satisfaction of the performance obligation to which it relates is recognised in one of the following ways:

1. prospectively as an additional, separate contract;
2. prospectively as a termination of the existing contract and creation of a new contract; or
3. as part of the original contract using a cumulative catch-up.

The majority of the Group's contract modifications are treated under 3 (for example, a change in the specification of the distinct goods or services for a partially completed contract), although the facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract-by-contract and may result in different accounting outcomes.

Costs to obtain a contract

The Group does not typically incur costs to obtain contracts that it would not have incurred had the contracts not been awarded, such as sales commission.

Costs to fulfil a contract

Contract fulfilment costs in respect of over time contracts are expensed as incurred. Contract fulfilment costs in respect of point in time contracts are accounted for under IFRS 15.95 and are recognised as contract fulfilment assets providing they:

- › are not within the scope of other standards;
- › relate directly to a contract (or an anticipated contract);
- › generate or enhance resources that will be used in satisfying performance obligations in the future; and
- › are expected to be recovered from the customer.

Contract fulfilment assets are expensed at the point the corresponding revenue is recognised.

Where assets have been recognised in respect of costs to fulfil a contract, these are tested for impairment under IFRS 15.

Contract assets

A contract asset is a right to consideration conditional on something other than the passage of time. Contract assets are tested for impairment under IFRS 9.

Contract liabilities

The contract liabilities represent the obligation to transfer goods or services to a customer for which consideration has been received, or consideration is due, from the customer.



Inventories

Inventories includes raw materials, work in progress and finished goods recognised in accordance with IAS 2 in respect of contracts with customers which have been determined to fulfil the criteria for point in time revenue recognition under IFRS 15. Inventories are stated at the lower of cost, including all relevant overhead expenditure, and net realisable value.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term fixed deposits, and for the statements of cash flows they also include bank overdrafts. Short-term deposits all have a maturity of less than 3 months from the date of acquisition.

Share capital

When share capital is repurchased, the amount of consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

Preference share capital is classified as a liability as dividend payments are not discretionary.

Dividends on the preference shares are disclosed as interest charges, are recognised as a liability and are accounted for on an accruals basis. Dividends on ordinary shares are only recognised in the period in which they are paid.

Where shares are issued in exchange for cash, the proceeds received from the equity raise are recognised as an increase in equity, specifically under Share Capital and Share Premium. The nominal value of the shares are recorded in Share Capital and any excess over the nominal value will be credited to Share Premium.

Any incremental costs directly attributable to the equity raise, including legal, underwriting and advisory fees, will be recognised as reduction in equity, in line with IAS 32.

Where shares are issued for non-cash consideration to a third party (such as in connection with an acquisition), these are valued at the prevailing share price at the date of issue, notwithstanding any valuation applied within the transaction documents. Any excess of the market value over the nominal value of the shares is credited to Share Premium.

Financial instruments

IFRS 9 *Financial instruments* requires the classification of financial instruments into different types for which the accounting requirement is different. The Group has classified its financial instruments as follows:

- › short-term fixed deposits, principally comprising funds held with banks and other financial institutions;
- › trade and other receivables are held at amortised cost;
- › trade and other payables are held at amortised cost;
- › borrowings are classified as other liabilities held at amortised cost; and
- › derivatives, comprising forward foreign exchange contracts and the deferred contingent consideration on acquisition are classified as instruments with fair value through profit or loss.

Financial instruments are initially measured at fair value. Their subsequent measurement depends on their classification:

- › loans and receivables and other liabilities are held at amortised cost; and
- › instruments that are measured at fair value through profit or loss. Changes in fair value are included in the income statement unless the instrument is included in a cash flow hedge.

The Group applies cash flow hedge accounting to forward foreign exchange contracts, held to reduce the exposure to movements in the future value of foreign currency receipts and payments.

For those contracts included in an effective cash flow hedging relationship, changes in the fair value of the hedging instrument are recognised in other comprehensive income and taken to equity. When the hedged forecast transaction occurs, amounts previously recorded in equity are recognised in the income statement. Any ineffectiveness in the hedging arrangement is included in the income statement.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets, recording the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the lifetime credit losses, the Group uses its historical experience, external indicators and forward looking information to calculate the expected losses. Refer to note 26 for further details.

Post-retirement and other employee benefits

The Group and Company account for pensions and other post-retirement benefits under IAS 19 Employee benefits.

For defined benefit schemes, the net obligation is calculated separately for each scheme by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of the schemes' assets (at bid price) is deducted. The liability discount rate is either the yield at the statement of financial position date on AA credit rated bonds that have maturity dates approximating to the terms of the obligations or by a cash flow matching method reflecting the duration of the liabilities, whichever more accurately reflects the schemes' pattern of cash flows. Insurance policies are valued at the same value as the liabilities they match. The calculations are performed by qualified actuaries using the projected unit credit method. The expense of administering the pension schemes and financing income/expense of the schemes are recognised in the income statement. Past service costs/credits and curtailment costs/credits are recognised in the periods in which they arise. Actuarial gains and losses are recognised in the period in which they arise in other comprehensive income.

Payments to defined contribution schemes are charged to the income statement as incurred.

The net obligation in respect of long-term service benefits, other than pension plans, is the amount of the future benefit that employees have earned in return for their service in the current and prior periods. Obligations are measured at their present value.



Accounting policies continued

Share-based payments

The Group has applied the requirements of IFRS 2 *Share-based payments*.

The Group issues equity-settled share-based payments to certain employees. These are measured at their fair value at the date of grant and are expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest, and adjusted for the effect of non-market related conditions.

Charges made to the income statement in respect of share-based payments are credited to retained earnings.

Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Interest receivable

Interest receivable is recognised in the income statement using the effective interest method as defined in IFRS 9 Financial instruments.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in the statements of comprehensive income, or to items recorded directly in equity in which case it is recorded directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable 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 and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally 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 deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill; the initial recognition of other assets and liabilities that affect neither the taxable profit nor the accounting profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been 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 in other comprehensive income, in which case the deferred tax is also dealt with 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.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Operating segments

An operating segment is a component of the Group that is engaged in business activities from which it may earn revenues and incur expenses, and for which discrete financial information is available. All operating segments' results are regularly reviewed by the Group's chief operating decision maker, which is the Board of Directors, in order to assess performance and make decisions about the allocation of resources to each segment.

Errors

Where errors are discovered in respect of prior periods, adjustments are made in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and revised statements are presented as required. Where adjustments are made, the heading at the top of the note will state 'Restated' and a separate note detailing the nature, amount of correction and a reconciliation between the balances provided. Where appropriate, a statement of financial position for the opening position will be presented.



Notes to the accounts

1. Revenue and operating segments

All revenue information is prepared in accordance with the Group accounting policies shown on pages 73 to 74.

The following is a description of the principal activities, separated by reportable segments, from which the Group generates its revenue. The Board identifies the reportable segments as the ones for which it regularly reviews financial information to assess their performance and make decisions around strategy and resource allocation.

Original Equipment ("OE")

The OE segments of the Group principally generate revenue from the make, pack and test of high-speed packaging solutions, first-of-a-kind machinery and high specification automation, packaging equipment and at line instrumentation solutions. The typical length of a contract for OE Equipment is 4 to 12 months but may be up to 48 months. The contracts are accounted for over time unless the installation and commissioning consideration of the contract is a distinct performance obligation that could be undertaken by a third party, in which case the contract is disaggregated with the equipment consideration recognised over time and the installation consideration is recognised at a point in time. Where contracts are recognised over time, the consideration recognised is based on an estimate of labour costs completed at the statement of financial position date as a proportion of total expected labour costs for the contract.

Service

The Service segment of the Group generates revenue from sales of spare parts and providing service engineers and support staff to customers enabling them to maximise the benefits of their high-speed packaging solutions, first-of-a-kind machinery and high-specification automation, secondary packaging equipment, end-of-line robotics and at line instrumentation solutions. Service contracts are usually short-term contracts and either have a fixed price or are based on time and materials.

The Group's revenue reflects the basis of the Group's management and internal reporting structure. A commentary on the performance of the operating segments during the year is provided in the Operating review on pages 9 to 15.

In the following table, revenue is disaggregated by primary geographical market, major product lines, sector and timing of revenue recognition.

Disaggregation of revenue

	2025 £m	2024 £m
Sector		
Healthcare	52.9	43.7
Food and beverage	88.0	52.1
Other	33.2	26.6
Total	174.1	122.4
Timing of revenue recognition		
Products and services transferred at a point in time	41.7	29.1
Products and services transferred over time	132.4	93.3
Total	174.1	122.4

The Group disaggregates revenue of OE and Service, together with the regional split, Americas, EMEA and Asia Pacific.

Information regarding the results of each operating segment is included overleaf. Performance is measured based on underlying segment gross profit. Unallocated items comprise distribution and administrative expenditure. The unallocated items are excluded from segment profit or loss as they are not region specific.



Notes to the accounts continued

1. Revenue and operating segments continued

The measurement of segment assets and liabilities excludes central items that are not allocated to the regions. Unallocated items comprise mainly of goodwill and acquired intangible assets, net debt/funds (excluding the lease liabilities), pension assets/liabilities, taxation balances and net liabilities attributable to the Group's Head Office.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

Segment information

	2025			2024		
	OE £m	Service £m	Total £m	OE £m	Service £m	Total £m
Revenue						
Americas	54.2	18.0	72.2	44.9	15.4	60.3
EMEA	73.7	19.7	93.4	33.8	13.1	46.9
Asia Pacific	5.9	2.6	8.5	12.5	2.7	15.2
Total	133.8	40.3	174.1	91.2	31.2	122.4
Gross profit	43.4	19.8	63.2	21.7	15.1	36.8
Selling, distribution and administration			(45.1)			(24.8)
Underlying operating profit			18.1			12.0
Unallocated non-underlying items included in operating profit			(23.3)			(8.6)
Operating (loss)/profit			(5.2)			3.4
Net financing (expense)/income			(2.5)			–
(Loss)/profit before tax			(7.7)			3.4

	2025			2024		
	Segment assets	Segment liabilities	Segment net assets/(liabilities)	Segment assets	Segment liabilities	Segment net assets
Americas	17.0	(12.5)	4.5	31.7	(20.2)	11.5
EMEA	80.7	(118.3)	(37.6)	85.0	(139.7)	(54.7)
Asia	2.9	(1.1)	1.8	2.0	(0.8)	1.2
Total	100.6	(131.9)	(31.3)	118.7	(160.7)	(42.0)
Unallocated net assets			106.6			150.0
Total net assets			75.3			108.0



1. Revenue and operating segments continued

Geographical information

	By location of customer			
	2025 £m	2025 %	2024 £m	2024 %
Revenue				
UK	17.0	10	15.1	12
Europe (excl. UK)	69.5	40	29.1	24
Africa and Middle East	6.9	4	2.7	2
USA	47.4	27	52.7	43
Americas (excl. USA)	24.9	14	7.6	6
Asia Pacific	8.4	5	15.2	13
	174.1	100	122.4	100

The contract balances that relate to the revenue traded above are disclosed in note 18.

	By location of assets	
	2025 £m	2024 £m
Non-current assets		
UK	22.6	60.0
Canada and USA	15.7	26.1
Europe (excl. UK)	94.7	89.9
Rest of the world	0.1	0.1
	133.1	176.1

2. Major customers

In 2025, the Group generated 18.8% (2024: 19.6%) of revenue from two customers. The most significant customer accounted for 9.4% (2024: 12.2%) of Group revenue. The sales constituted both equipment and service, and were spread across a number of different geographic regions.

3. Other operating expense/(income)

	2025 £m	2024 £m
Research and development costs (expensed as incurred)	1.3	1.0
Research and development UK tax credit	(0.8)	(1.8)
	0.5	(0.8)



Notes to the accounts continued

4. Operating (loss)/profit

	2025 £m	2024 £m
Operating (loss)/profit is arrived at after charging/(crediting):		
Amortisation of software and product development (Note 12)	1.0	1.0
Depreciation of owned assets (Note 13)	1.4	1.1
Depreciation of right of use assets (Note 27)	1.9	1.2
Employee benefits (Company £3.7m; 2024: £2.6m) (Note 6)	63.9	40.9
Cost of inventories recognised as an expense	78.0	48.5
Distribution and transport costs	2.8	1.6
Operating lease charges (Note 27)	–	–
Sales, marketing and office expenses	14.8	8.9
Product development expensed	1.3	1.0
Administrative expenses	29.8	15.1
Non-underlying amortisation of acquired intangible assets (Note 12)	6.0	2.1
Other non-underlying items (Note 5)	17.3	6.5
Fees payable to the Company's auditor for the audit of the Company's annual Financial Statements	0.1	0.1
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation	0.6	0.6
Other fees paid to the current auditor		
– audit related assurance services*	–	–
– taxation compliance or other services**	–	–

* Audit related assurance services include £45,000 (2024: £35,000) for the review of the half-year report.

** The current auditor does not provide non-audit services to the Group.

5. Non-underlying items

	2025 £m	2024 £m
Non-underlying items		
Acquisition costs	–	(3.5)
Reorganisation and site closure costs (Cleveland)	(3.4)	–
Amortisation of acquired intangible assets	(6.0)	(2.1)
Impairment of intangible assets (Cleveland)	(8.4)	(1.0)
Impairment of fixed and leased assets (Cleveland)	(1.8)	–
Customer dispute	(1.9)	–
Freyr contract termination costs	–	(0.6)
Defined benefit pension schemes administration costs	(1.8)	(1.4)
Total non-underlying operating expenditure	(23.3)	(8.6)
Net financial income on pension scheme balances	2.1	1.4
Total non-underlying expense before tax	(21.2)	(7.2)
Deferred tax on acquired intangible amortisation	1.1	–
Deferred tax on pension scheme costs and financial income	(0.2)	0.7
Total non-underlying expense after tax	(20.3)	(6.5)

The Group uses alternative performance measures (“APMs”), in addition to those reported under IFRS, as management believe these measures enable the users of financial statements to assess the underlying trading performance of the business. The APMs used include underlying operating profit, underlying profit before tax and underlying earnings per share. These measures are calculated using the relevant IFRS measure as adjusted for non-underlying income/(expenditure) listed above.

These measures are not defined by UK IAS and therefore may not be directly comparable to similar measures adopted by other companies. These alternative performance measures should be considered in addition to, and are not intended to be a substitute for or superior to, UK IAS measures but provide useful information on the performance of the Group and underlying trends.



6. Employee information

	Period end		Average	
	2025	2024	2025	2024
The number of people employed by the Group was:				
Americas	174	220	201	173
EMEA	773	783	781	380
Asia Pacific	24	14	20	14
Head Office	19	20	21	20
Total	990	1,037	1,023	587

	Period end		Average	
	2025	2024	2025	2024
The number of people employed by the Company in EMEA was:				
	19	20	21	20

	Group		Company	
	2025	2024	2025	2024
Employment costs were:				
Wages and salaries	51.7	32.9	2.9	2.0
Social security costs	7.8	5.6	0.4	0.3
Employee benefits				
– defined contribution schemes	4.4	2.4	0.4	0.3
– equity-settled share-based transactions	–	–	–	–
	63.9	40.9	3.7	2.6

The costs of the defined benefit pension schemes are disclosed in note 24.

£3.6m of employment costs were capitalised in the year in relation to product development (2024: £2.1m) and are therefore not included in the above.

7. Emoluments of Directors and interests in shares

Information on the emoluments of the Directors (page 40), together with information regarding the beneficial interests of the Directors and persons connected with them in the ordinary shares of the Company, is included in the Remuneration report on pages 39 to 48.



Notes to the accounts continued

8. Net financing (expense)/income

	2025 £m	2024 £m
Financial income:		
Amounts receivable on cash and cash equivalents	–	–
Net interest received on pension scheme balances	2.1	1.4
	2.1	1.4
Financial expenses:		
Preference dividends paid	(0.1)	(0.1)
Interest on borrowings	(4.0)	(1.1)
Lease interest (IFRS 16)	(0.5)	(0.2)
	(4.6)	(1.4)
Net financing (expense)/income	(2.5)	–

Net interest received on pension scheme balances is included in non-underlying items.

9. Taxation

	2025 £m	2024 £m
Tax charge/(credit):		
Current tax	1.8	2.7
Deferred tax	–	(0.7)
Total	1.8	2.0

Included within the total taxation is a tax credit of £0.9m (2024: tax credit of £0.7m) attributable to the non-underlying items set out in note 5.

Reconciliation of effective tax rate

	2025 £m	2024 £m
(Loss)/profit before tax	(7.7)	3.4
Income tax using the UK corporation tax rate of 25.00% (2024: 25.00%)	(1.9)	0.9
Change in deferred tax rate on pension surplus	–	(0.7)
Tax adjustments related to prior periods	–	0.8
Tax effect of expenses that are not deductible in determining taxable profit	1.4	1.0
Change in unrecognised deferred tax assets	2.6	0.1
Foreign tax charged at higher rates than UK corporation tax rate	(0.3)	(0.1)
Total charge/(credit)	1.8	2.0

The main rate of UK corporation tax is 25% (2024: 25%) as enacted in the Finance Act 2022. The rate of deferred tax liability arising from the surplus in respect of the UK defined benefit pension scheme reduced from 35% to 25% with effect from 1 April 2024.

In view of probable timing of the utilisation of brought forward losses, deferred tax assets have not been recognised on tax losses and timing differences in respect of the Group companies in the UK.



9. Taxation continued

Factors that may affect future tax charges

No changes to future tax rates have been announced which are anticipated to affect the Group's tax rate. Closing deferred tax balances have therefore been valued at 25% (2024: 25%).

Deferred tax (credit)/charge on items in other comprehensive (expense)/income

	2025 £m	2024 £m
Arising from actuarial (losses)/gains	(7.8)	1.6
Arising from the change in tax rate	-	(2.5)
Total	(7.8)	(0.9)

10. Current tax assets and liabilities

Current tax assets of £0.8m (2024: £0.8m) and current tax liabilities of £2.2m (2024: £2.2m) for the Group, and current tax assets of £nil (2024: £0.8m) and current tax liabilities of £nil (2024: £nil) for the Company, represent the amount of income taxes recoverable and payable in respect of current and prior periods.

11. Earnings per share

Basic (loss)/earnings per ordinary share

The calculation of basic loss per ordinary share of (31.8)p (2024: earnings of 6.0p) is based upon the loss for the year of £9.5m (2024: profit of £1.4m) and the weighted average number of ordinary shares in issue during the year. The weighted average number of shares excludes shares held by the employee trust, if any, in respect of the Company's deferred share plan arrangements.

Diluted (loss)/earnings per ordinary share

The calculation of diluted loss per ordinary share is based upon the loss for the year of £9.5m (2024: profit of £1.4m) and the diluted weighted average number of ordinary shares in issue during the year. The calculation of diluted loss per ordinary share from continuing activities is based upon the loss for the period from continuing activities of £9.5m (2024: profit of £1.4m). For diluted loss per ordinary share, the weighted average number of shares includes the diluting effect, if any, of own shares held by the employee trust. Where a loss is made in a period, the basic and diluted loss per share will be equal.

	2025	2024
Weighted average number of ordinary shares (non-diluted) at 31 December	30,073,273	22,551,963
Effect of own shares and shares conditionally granted under the LTIP	-	60,486
Weighted average number of ordinary shares (diluted) at 31 December	30,073,273	22,612,449

Underlying and diluted underlying earnings per share

Underlying earnings per ordinary share and diluted underlying earnings per ordinary share, which are calculated on profit before non-underlying items, amounted to 35.9p (2024: 35.2p) in respect of underlying earnings per share and 35.9p (2024: 35.1p) in respect of diluted underlying earnings per share.

The calculations of underlying earnings per ordinary share and diluted underlying earnings per ordinary share are based upon an underlying profit for the period of £10.8m (2024: £7.9m) which is calculated as follows:

	2025 £m	2024 £m
(Loss)/profit for the period	(9.5)	1.4
Non-underlying items (net of tax)	20.3	6.5
Underlying profit for the period	10.8	7.9



Notes to the accounts continued

12. Intangible assets

	Group					Company			
	Goodwill £m	Acquired intangible assets £m	Product development £m	Software development £m	Assets under construction £m	Total £m	Software development £m	Assets under construction £m	Total £m
Cost:									
Balance at 1 January 2024	13.2	13.7	6.0	3.9	–	36.8	2.1	–	2.1
Additions	–	–	2.5	0.6	–	3.1	0.2	–	0.2
Acquired through business combinations	60.9	33.8	–	–	–	94.7	–	–	–
Disposals	–	–	–	–	–	–	–	–	–
Reclassification	–	–	–	–	–	–	–	–	–
Impairment	–	–	(1.0)	–	–	(1.0)	–	–	–
Retranslation	–	(0.2)	(0.2)	(0.1)	–	(0.5)	–	–	–
Balance at 31 December 2024	74.1	47.3	7.3	4.4	–	133.1	2.3	–	2.3
Additions	0.5	–	3.6	0.5	–	4.6	–	–	–
Disposals	–	–	–	–	–	–	–	–	–
Impairment	(7.5)	(2.4)	(0.5)	–	–	(10.4)	–	–	–
Retranslation	1.3	1.0	0.2	0.1	–	2.6	–	–	–
Balance at 31 December 2025	68.4	45.9	10.6	5.0	–	129.9	2.3	–	2.3
Amortisation and impairment losses:									
Balance at 1 January 2024	–	7.3	3.5	2.0	–	12.8	1.2	–	1.2
Amortisation for the period	–	2.1	0.4	0.6	–	3.1	0.4	–	0.4
Disposals	–	–	(0.1)	–	–	(0.1)	–	–	–
Reclassification	–	–	–	–	–	–	–	–	–
Retranslation	–	–	(0.1)	–	–	(0.1)	–	–	–
Balance at 31 December 2024	–	9.4	3.7	2.6	–	15.7	1.6	–	1.6
Amortisation for the period	–	6.0	0.4	0.6	–	7.0	0.4	–	0.4
Disposals	–	–	–	–	–	–	–	–	–
Impairment	–	(1.4)	–	–	–	(1.4)	–	–	–
Retranslation	–	–	0.1	0.1	–	0.2	–	–	–
Balance at 31 December 2025	–	14.0	4.2	3.3	–	21.5	2.0	–	2.0
Carrying amounts:									
At 31 December 2024	74.1	37.9	3.6	1.8	–	117.4	0.7	–	0.7
At 31 December 2025	68.4	31.9	6.4	1.7	–	108.4	0.3	–	0.3

The amortisation for development costs is included in cost of sales in the consolidated income statement.

The carrying amounts of goodwill are £5.7m (2024: £5.7m) in respect of Mpac Lambert (acquired in 2019) and £9.3m (2024: £10.1m) in respect of Boston Conveyor & Automation (acquired in 2024). Goodwill carrying amount in respect of CSi Palletising (acquired in 2024) was increased to £53.4m (2024: £50.8m) due to the post acquisition assessment completed in the year. The carrying value of goodwill in respect of Switchback Group (acquired in 2020) was impaired to £nil (2024: £7.5m) as a result of the Cleveland site closure. The Group tests goodwill at least annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the goodwill have been determined based on value in use calculations, using cash flow projections from the Group's mid-range plan, the key assumptions included within this mid-range plan that affect the value in use calculations are revenue growth, margin growth and working capital requirements. These assumptions have been sensitised (as per Investments – note 15) as part of current year testing.

The discount and growth rates within these assumptions are estimated using a pre-tax weighted-average cost of capital ("WACC") that are indicative of current market assessments of the time value of money, based on risks specific to the market in which the Group operates. The primary reasons for differences in the rates between the CGUs are the differences in underlying risk-free rates and cost of debt across the geographical regions in which the Group's CGUs are located.



12. Intangible assets continued

The calculation uses pre-tax cash flow projections from the 3 year mid-range plan for the period ending 31 December 2028. At the end of the discrete budget period, a terminal value is calculated based on terminal growth rate assumptions for each CGU. The WACC and terminal growth rates assessed for each CGU are 15.2% & 2.5% for the UK, 15.7% & 2.0% for the Netherlands and 14.2% to 14.3% & 2.5% for the Americas, respectively.

13. Property, plant and equipment

	Group				Company			
	Land and buildings £m	Plant and machinery £m	Fixtures, fittings and vehicles £m	Total £m	Land and buildings £m	Fixtures, fittings and vehicles £m	Total £m	
Cost:								
Balance at 1 January 2024	2.2	2.5	5.5	10.2	–	0.7	0.7	
Acquired through business combinations	0.7	0.5	0.7	1.9	–	–	–	
Additions	0.1	0.2	1.1	1.4	–	–	–	
Disposals	–	(0.8)	(0.7)	(1.5)	–	–	–	
Retranslation	–	(0.1)	(0.2)	(0.3)	–	–	–	
Balance at 31 December 2024	3.0	2.3	6.4	11.7	–	0.7	0.7	
Additions	–	0.1	0.5	0.6	–	–	–	
Disposals	–	(1.6)	(1.8)	(3.4)	–	(0.1)	(0.1)	
Impairment	(0.3)	–	–	(0.3)	–	–	–	
Retranslation	–	–	0.3	0.3	–	–	–	
Balance at 31 December 2025	2.7	0.8	5.4	8.9	–	0.6	0.6	
Depreciation:								
Balance at 1 January 2024	0.4	1.3	4.4	6.1	–	0.4	0.4	
Charge for the period	0.1	0.4	0.6	1.1	–	0.1	0.1	
Disposals	–	(0.4)	(0.6)	(1.0)	–	–	–	
Retranslation	–	(0.1)	(0.2)	(0.3)	–	–	–	
Balance at 31 December 2024	0.5	1.2	4.2	5.9	–	0.5	0.5	
Charge for the period	0.3	0.5	0.6	1.4	–	–	–	
Disposals	–	(1.6)	(1.8)	(3.4)	–	(0.1)	(0.1)	
Impairment	(0.1)	–	–	(0.1)	–	–	–	
Retranslation	0.1	–	0.3	0.4	–	–	–	
Balance at 31 December 2025	0.8	0.1	3.3	4.2	–	0.4	0.4	
Carrying amounts:								
At 31 December 2024	2.5	1.1	2.2	5.8	–	0.2	0.2	
At 31 December 2025	1.9	0.7	2.1	4.7	–	0.2	0.2	



Notes to the accounts continued

14. Investment property

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Balance at 1 January 2024 and 31 December 2024	0.8	0.8	0.8	0.8
Balance at 31 December 2025	0.8	0.8	0.8	0.8

Investment property is shown at cost. The fair value of the investment property at 31 December 2025 is £1.2m (2024: £1.2m) and has been arrived at on the basis of a valuation carried out by independent valuers, Thompson Wilson Ltd (2024: Wilks Head & Eve LLP). The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

15. Investments

Cost of shares in subsidiaries

	2025 £m	2024 £m
Balance at 1 January	63.8	63.8
Movement in year	–	–
Balance at 31 December	63.8	63.8

The Company's subsidiary undertakings are shown in note 32.

Impairment review of investments

The Group tests the carrying value of investments at least annually or more frequently if there are indications that the value might be impaired.

The recoverable amounts of the carrying value have been determined based on value in use calculations, using cash flow projections from the Group's mid-range plan, the key assumptions included within this mid-range plan that affect the value in use calculations are revenue growth, margin growth and working capital requirements. These assumptions have been prudently sensitised as part of current year testing. The discount and growth rates within these assumptions are estimated using a pre-tax weighted-average cost of capital ("WACC") that are indicative of current market assessments of the time value of money, based on risks specific to the market in which the Group operates. The primary reasons for differences in the rates between the investments are the differences in underlying risk-free rates and cost of debt across the geographical regions in which the Group's investments are located. The calculation uses pre-tax cash flow projections from the 3 year mid-range plan for the period ending 31 December 2028. At the end of the discrete budget period, a terminal value is calculated based on terminal growth rate assumptions for each investment.

The WACC and terminal growth rates assessed for each investment are 15.2% & 2.5% for the UK, 15.7% & 2.0% for the Netherlands and 14.2% to 14.3% & 2.5% for the Americas, respectively. In respect of Mpac Lambert, the recoverable amount exceeds the carrying amount by £2.1m. If the WACC was increased by more than 1%, without any other changes, the carrying amount would equal the recoverable amount. Mpac Lambert is forecasting a 43% growth in revenue for the 2026-2029 period over 2025. If the revenue growth was reduced to 34%, without any other changes, the carrying amount would equal the recoverable amount. The forecast is considered achievable due to management changes, investments in product development and the execution of a revised strategy.

Amounts owed by Group undertakings

Amounts owed by Group undertakings for the Company are not repayable within 12 months of the year end of these financial statements.

A rate of interest of 2% above the HSBC base rate of the prevailing currency has been charged on the loans, resulting in an interest receivable of £2.4m in the year for the Company.



16. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Employee benefits	–	–	(1.9)	(9.6)	(1.9)	(9.6)
Tax losses / (gains)	3.5	5.3	(0.1)	(0.1)	3.4	5.2
Acquired intangible assets	–	–	(7.5)	(9.4)	(7.5)	(9.4)
Deferred tax assets/(liabilities)	3.5	5.3	(9.5)	(19.1)	(6.0)	(13.8)
Net deferred tax assets/(liabilities)	3.5	5.3	(9.5)	(19.1)	(6.0)	(13.8)

Company	Assets		Liabilities		Net	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Employee benefits	–	–	(1.9)	(9.6)	(1.9)	(9.6)
Deferred tax liabilities	–	–	(1.9)	(9.6)	(1.9)	(9.6)
Net deferred tax liabilities	–	–	(1.9)	(9.6)	(1.9)	(9.6)

Deferred tax is measured at the rates that are expected to apply in the period when the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

No deferred tax is recognised on the unremitted earnings of £7.5m (2024: £10.0m) for overseas subsidiaries and associates. As the earnings are continually reinvested by the Group, no tax is expected to be payable on them in the foreseeable future.

The deferred tax shown in relation to employee benefits is payable upon a return of any surplus to the Company by the scheme and would not be available for offset against other corporate tax assets. A provision for this tax has been recognised to ensure that the Company only recognises amounts due to it after all applicable deductions as required under IFRIC 14. The net amount expected to be due is as shown in Note 24.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of temporary differences arising in certain subsidiary companies.

These assets are only recognised to the extent that it is probable that taxable profits will be available against which the deferred tax asset can be utilised. At the year end, the Group had £11.9m of unrecognised deferred tax assets (2024: £8.8m) and the Company had £4.4m of unrecognised deferred tax assets (2024: £3.5m) which would become recoverable if the relevant companies were to make sufficient profits in the future. Under current tax legislation, these tax assets expire as follows:

Expiry	Group	
	2025 £m	2024 £m
10 to 20 years	–	–
No expiry date	11.9	8.8
	11.9	8.8



Notes to the accounts continued

16. Deferred tax assets and liabilities continued Movement in temporary differences during the year

Group	Balance at 1 January 2025 £m	Recognised in profit or loss £m	Investment tax credits utilised	Recognised in other comprehensive income/(expense) £m	Acquired as part of CSI and BCA acquisition £m	Balance at 31 December 2025 £m
Employee benefits	(9.6)	(0.1)	–	7.8	–	(1.9)
Corporation tax losses	5.2	(1.8)	–	–	–	3.4
Acquired intangible assets	(9.4)	1.9	–	–	–	(7.5)
	(13.8)	0.0	–	7.8	–	(6.0)

Group	Balance at 1 January 2024 £m	Recognised in profit or loss £m	Investment tax credits utilised	Recognised in other comprehensive income/(expense) £m	Recorded on acquisition £m	Balance at 31 December 2024 £m
Employee benefits	(11.4)	0.9	–	0.9	–	(9.6)
Corporation tax losses	2.2	(0.4)	–	–	3.4	5.2
Acquired intangible assets	(1.3)	0.4	–	–	(8.5)	(9.4)
	(10.5)	0.9	–	0.9	(5.1)	(13.8)

Company	Balance at 1 January 2025 £m	Recognised in profit or loss £m	Recognised in other comprehensive income/(expense) £m	Balance at 31 December 2025 £m
Employee benefits	(9.6)	(0.1)	7.8	(1.9)
	(9.6)	(0.1)	7.8	(1.9)

Company	Balance at 1 January 2024 £m	Recognised in profit or loss £m	Recognised in other comprehensive income/(expense) £m	Balance at 31 December 2024 £m
Employee benefits	(11.4)	0.9	0.9	(9.6)
	(11.4)	0.9	0.9	(9.6)

17. Inventories

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Work in progress and raw materials	9.3	9.0	–	–
Finished goods	6.9	6.9	–	–
	16.2	15.9	–	–

An amount of £0.2 (2024: £0.1m) has been charged in the year in respect of inventory write-downs. Finished goods are stated net of a provision for obsolete and slow-moving inventory of £0.6m (2024: £0.8m).



18. Contract assets and liabilities; contract fulfilment assets

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers traded over time.

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Receivables, which are included in 'Trade and other receivables'	17.5	17.5	–	–
Contract assets	24.4	17.7	–	–
Contract liabilities	(25.7)	(29.3)	–	–

	Group		Company	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognised which is included in the contract liability balance at the beginning of the period	–	29.3	–	–
Increases due to cash received, excluding amounts recognised as revenue during the period	–	(25.7)	–	–
Transfers from contract assets recognised at the beginning of the period to receivables	(17.7)	–	–	–
Increases as a result of changes recognised in the measure of progress	24.4	–	–	–

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The Group applies the practical expedient in paragraph 94 of IFRS 15 and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

The Group's contracts with customers are predominantly for one year or less, accordingly the Group applies the practical expedient in paragraph 63 of IFRS 15 and does not adjust the promised amount of consideration for the effects of any financing component.

Contract fulfilment assets

These assets are recognised under paragraph 95 of IFRS 15 in respect of expenditure incurred which will satisfy future performance obligations.

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Contract fulfilment assets	2.2	0.6	–	–

19. Trade and other receivables

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Current assets:				
Contract assets – see note 18	24.4	17.7	–	–
Contract fulfilment assets – see note 18	2.2	0.6	–	–
Trade receivables	21.2	28.8	–	–
Amounts owed by Group undertakings	–	–	3.3	3.5
Other receivables	5.8	2.9	2.4	0.3
Prepayments and accrued income	6.9	8.9	0.7	0.7
Foreign currency derivatives	0.2	0.5	0.3	0.8
	60.7	59.4	6.7	5.3

Trade receivables are stated net of a provision for doubtful debts, details of which are disclosed in note 26.



Notes to the accounts continued

20. Interest-bearing loans and borrowings

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Current liabilities:				
Repayable in less than one year	51.5	41.2	46.1	40.0
Non-current liabilities:				
Repayable between one and five years	5.1	13.6	3.5	7.0
Repayable in more than five years	0.9	0.9	0.9	0.9
	57.5	55.7	50.5	47.9

The Group has the following interest bearing loan and borrowing facilities:

- › a £7.5m (2024: £12.0m) term loan repayable in quarterly instalments with a final repayment date of 30 September 2027. Interest at a margin of 2.75% above the HSBC base rate of the prevailing currency is charged on this loan.
- › a £35m term revolving capital facility. Interest at a margin of 2.75% above the HSBC base rate of the prevailing currency is charged on this loan. The facility is committed until 30 September 2027 but individual drawings under the facility are repayable on demand.
- › a £13m multi-currency overdraft facility. Interest at a margin of 2.75% above the HSBC base rate of the prevailing currency is charged on the utilised amount of this facility.
- › €6.0m vendor loans and €3.5m of deferred consideration in connection with the acquisition of CSi Palletising. €4.5m was outstanding at the end of the year, repayable by 28 November 2026. Deferred consideration is repayable in two equal instalments, the first was paid on 1 January 2026 and the final repayment is due on 1 January 2027.
- › 6% preference shares are disclosed as interest bearing loans repayable in more than five years as they have no redemption date.

Interest at a margin of 2.75% above the HSBC base rate of the prevailing currency is charged, generating an expense of £4.0m (2024: £1.1m) that has been recognised as part of the underlying finance expense in the income statement. Interest is charged at 10% the vendor loans, no interest is charged on the deferred consideration.

An interest rate of 6% is charged on the loan repayable in more than five years, generating an expense of £0.1m (2024: £0.1m) that has been recognised as part of the underlying finance expense in the income statement.

The term loan and the revolving capital facility, both provided by HSBC, are secured by a fixed and floating charge over all of the Group's assets.

Preference shares

The preference shares carry a fixed cumulative preferential dividend at the rate of 6% per annum and on the winding-up of the Company entitle the holders to repayment of the capital paid up thereon (together with a sum equal to any arrears or deficiency of the fixed dividend calculated to the date of the return of capital and to be payable irrespective of whether such dividend has been declared or earned or not) in priority to any payment to the holders of the ordinary shares. The preference shares do not entitle the holders to any further participation in the profits or assets of the Company.

The preference shareholders are not entitled to receive notice of or to attend or vote at any general meeting unless either:

- › at the date of the notice convening the meeting, the dividend on the preference shares is six months in arrears (for this purpose the dividend on the preference shares is deemed to be payable half-yearly on 30 June and 31 December); or
- › the business of the meeting includes the consideration of a resolution for the winding-up of the Company, or for reducing its share capital or for sanctioning a sale of the undertaking, or any resolution directly and adversely affecting any of the special rights or privileges attached to the preference shares.

There were no arrears in the payment of preference dividends at the statement of financial position date. Preference dividends paid amounted to £0.1m (2024: £0.1m).



21. Reconciliation of net cash flow to movement in net funds

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Net (decrease)/increase in cash and cash equivalents	(14.8)	7.6	(2.4)	0.1
Change in net funds resulting from cash flows	(14.8)	7.6	(1.6)	(0.9)
Translation movements	(1.4)	(0.4)	(0.8)	1.0
Movement in net funds in the period	(16.2)	7.2	(2.4)	0.1
Opening net (debt)/funds	(47.2)	(4.1)	(47.7)	(8.8)
Movement in interest-bearing loans and borrowings:				
Revolving credit facility	0.5	(27.0)	0.5	(27.0)
Term loan	4.5	(12.0)	4.5	(12.0)
Vendor loans and deferred consideration	0.8	(7.8)	–	–
Movement in lease liabilities under IFRS 16:				
Non-cash movement	(3.6)	(4.6)	(0.2)	–
Cash movement	2.3	1.1	0.1	–
Closing net debt	(58.9)	(47.2)	(45.2)	(47.7)
Analysis of net debt:				
Cash and cash equivalents – Current assets	9.6	18.2	5.7	0.5
Interest-bearing loans and borrowings – Current liabilities	(51.5)	(41.2)	(46.1)	(40.0)
Interest-bearing loans and borrowings – Non current liabilities	(6.0)	(14.5)	(4.4)	(7.9)
Lease liabilities	(11.0)	(9.7)	(0.4)	(0.3)
Closing net debt	(58.9)	(47.2)	(45.2)	(47.7)

22. Trade and other payables

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Current liabilities:				
Contract liabilities – see note 18	25.7	29.3	–	–
Trade payables	18.2	25.2	0.7	1.5
Amounts owed to Group undertakings	–	–	49.7	39.5
Other taxes and social security	2.3	1.4	–	–
Other payables due within 1 year	5.7	7.2	1.0	2.7
Accruals and deferred income	9.7	8.7	1.5	1.0
Foreign currency derivatives	0.1	0.3	0.3	0.8
Current liabilities: Trade and other payables	61.7	72.1	53.2	45.5
Other payables due after 1 year	1.4	1.3	–	–



Notes to the accounts continued

23. Provisions

Group	2025 £m	2024 £m
Balance at 1 January	2.8	0.9
Provisions created in the year	1.4	0.2
Acquired through business combinations	–	2.3
Utilised during the year	(2.6)	(0.6)
Unused amounts reversed	–	–
Balance at 31 December	1.6	2.8

Provisions are based on historical data and a weighting of all possible outcomes against their associated possibilities. Group provisions relate primarily to product warranties. Except for specific identifiable claims, they are generally utilised within one year of the statement of financial position date.

24. Employee benefits

Defined contribution pension schemes

The Group operates a number of defined contribution pension schemes for employees. Contributions to these schemes are recognised as an expense in the consolidated income statement as they fall due.

Defined benefit pension schemes

The Group is responsible for defined benefit pension schemes in the UK and the USA. All schemes are funded by Group companies as necessary, at rates determined by independent actuaries and as agreed between the trustees of the schemes and the sponsoring company.

The defined benefit pension schemes are administered by bodies that are legally separate from the Group. The trustees of the schemes are required by law to act in the interest of the schemes and of all relevant stakeholders in the schemes. The trustees of the schemes are responsible for the investment policies in respect of the assets of the schemes.

The pension schemes typically expose the Group to certain risks. These include the risk of investment under-performance, a fall in interest rates, an increase in life expectancy and an increase in inflation.

UK pension scheme

The Group operated one defined benefit pension scheme in the UK in which future accruals ceased in November 2012. The assets of the scheme are held separately from those of the Company and it is funded by the Company as necessary in order to ensure that the scheme can meet the expected benefit obligations. The funding policy is to ensure that the assets held by the scheme in the future are adequate to meet expected liabilities, allowing for future increases in pensions. The only assets of the scheme which are invested in the Company are an interest in the cumulative preference shares of the Company with an estimated current market value of £0.2m.

The most recent formal actuarial valuation of the scheme was carried out as at 30 June 2024 using the projected unit credit method. The market value of the scheme assets at that date was £290.2m and the funding level was 107.8% of liabilities, which represented a surplus of £21.1m. The principal terms of the funding agreement between the Company and the Fund's Trustees, which is effective until 31 December 2035, but is subject to reassessment every three years, are that the Company will continue to pay a sum of £2.0m per annum to the scheme escrow account (increasing at 2.1 per cent. per annum).

The funding agreement focuses the scheme and the company on achieving risk transfer to an alternative arrangement which the Company would not be liable for the performance of. For this reason, the scheme used the majority of its assets to purchase a bulk annuity policy from Aviva for its known liabilities in June 2025. The final price of this policy is being resolved by the scheme and its advisers. This policy does not, at this stage, represent a transfer of liabilities to Aviva, so is treated as an asset of the scheme, in line with para 112 of IAS19. Settlement is expected to occur at the end of the buyin/buyout process.

Based on annual tests, as the funding level on a technical provisions basis exceeded 103%, contributions have been redirected to an escrow account from 1 January 2025, which can only be used by the scheme to either enable risk transfer or remedy a future deficit arising and would be returned to the Company should risk transfer be achieved without the funds being required. Should the funding level reach 110% of technical provisions (including the value of the escrow account), contributions cease. Agreement has been reached with the scheme to continue these contributions to the escrow account throughout 2026. As the contributions were held in the escrow account, no contributions to the scheme were made during the year (2024:£1.9m). £2.4m of contributions are currently held within the escrow account, held within 'Other Debtors' on the Group and Company balance sheet.

As there is no longer a deficit in the scheme, there is no deficit recovery period. The surplus is recognised as the Group has concluded that it has an unconditional right to a refund of any surplus once all member benefits have been paid. The Group's judgement is based on legal advice that the Trustee of the scheme is unable to either trigger wind up of the scheme or enhance member benefits without the Group's consent.



24. Employee benefits continued

The Company accounts for pension costs under IAS 19 Employee benefits and the valuation used has been based on detailed actuarial valuation work carried out as at 30 June 2025, updated by the Company's actuary to assess the value of the liabilities of the scheme at 31 December 2025. Scheme assets are stated at their market value at 31 December 2025.

USA pension schemes

In the USA, the Group has three defined benefit pension schemes, all of which are closed to future accrual. Formal independent actuarial valuations of the USA pension schemes were carried out as at 1 January 2025 using the projected unit credit method. The valuations under IAS 19 at 31 December 2025 have been based on these actuarial valuations, updated for conditions existing at the year end.

Employer contributions of £0.2m (2024: £0.4m) were paid during the year.

Assumptions

The key financial assumptions used to calculate scheme liabilities and the financing expense on pension scheme balances are as follows:

	UK (Company)		USA	
	2025	2024	2025	2024
Discount rate	5.4%	5.4%	5.1%	5.4%
Inflation rate				
– CPI	2.6%	2.8%	n/a	n/a
– RPI	3.0%	3.3%	n/a	n/a
Increases to pensions in payment				
– final salary benefits	2.6%	2.8%	n/a	n/a
– career average benefits	2.0%	2.1%	n/a	n/a

The assumptions relating to longevity underlying the pension liabilities of the defined benefit pension schemes at the statement of financial position date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting an individual to live for a number of years as follows:

	UK scheme	USA schemes
Current pensioner aged 65 – male	20.8 years	21.3 years
Current pensioner aged 65 – female	22.7 years	23.2 years
Future retirees currently aged 45 upon reaching age 65 – male	22.1 years	20.0 years
Future retirees currently aged 45 upon reaching age 65 – female	24.1 years	22.7 years

At 31 December 2025, the weighted average duration of the defined benefit obligation in the UK scheme was 10 years (2024: 11 years) and in the USA schemes was 7 years (2024: 7 years).

Significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, inflation rate and mortality. The sensitivity analysis below has been determined assuming that all other assumptions are held constant. The UK scheme sensitivity to these changes fell sharply due to the purchase of the bulk annuity policy.

Changes in values of pension schemes' liabilities before tax as at 31 December 2025

	UK scheme	USA schemes
0.25% change in discount rate	£0.2m	£0.2m
0.25% change in inflation rate	£0.1m	n/a
Change in life expectancy by one year on average	£11.2m	£0.3m

The change in the asset value for the UK scheme would change by an equal amount as the liabilities in respect of a change in life expectancy.



Notes to the accounts continued

24. Employee benefits continued Categories of assets and funded status

The fair values of scheme assets were as follows:

	UK (Company)		USA		Group	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
UK equities	–	–	–	–	–	–
Overseas equities	0.2	0.2	1.5	1.7	1.7	1.9
Bonds – index linked gilts	3.1	103.3	–	–	3.1	103.3
Bonds – other	–	100.4	5.2	5.8	5.2	106.2
Properties – funds	–	21.6	–	–	–	21.6
Properties – directly owned	–	2.0	–	–	–	2.0
Absolute return funds	–	41.5	–	–	–	41.5
Buy in policy	220.3	–	–	–	220.3	–
Other	11.8	6.8	–	–	11.8	6.8
Total fair (bid) value of scheme assets	235.4	275.8	6.7	7.5	242.1	283.3
Present value of defined benefit obligations	227.8	236.4	8.1	9.0	235.9	245.4
Defined benefit asset/(liability)	7.6	39.4	(1.4)	(1.5)	6.2	37.9
Tax payable upon return of surplus	(1.9)	(9.6)	–	–	(1.9)	(9.6)
Net defined benefit recognised	5.7	29.8	(1.4)	(1.5)	4.3	28.3

All equities, bonds, property funds and absolute return funds have quoted prices in active markets. Directly owned properties are subject to an independent valuation.

Disclosed defined benefit pension income/expense for financial year

A) Components of defined benefit pension income/expense

Net defined benefit pension expense recognised in the consolidated income statement comprises:

	UK (Company)		USA		Group	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Past service costs/(gains)	–	–	–	–	–	–
Interest (income)/expense	(2.1)	(1.5)	0.1	0.1	(2.0)	(1.4)
Administration costs	1.6	1.3	0.1	0.1	1.7	1.4
(Income)/expense recognised in income statement	(0.5)	(0.2)	0.2	0.2	(0.3)	–

The net pension expense/(income) is included in non-underlying items.

B) Statements of comprehensive income ("SOC")

The actuarial losses recognised in the SOCI in respect of pensions were £32.2m (2024: gains of £5.3m), comprising actuarial losses of £32.3m (2024: gains of £5.1m) for the UK defined benefit pension scheme and actuarial gains of £0.1m (2024: gains of £0.2m) for the USA schemes, all figures before tax.

Actual return on scheme assets

The actual return on scheme assets were losses of £33.0m (2024: losses of £27.0m), comprising losses of £33.7m (2024: losses of £27.4m) for the UK defined benefit pension scheme and gains of £0.7m (2024: gains of £0.4m) for the USA schemes, all figures before tax.



24. Employee benefits continued

Reconciliation of the present value of defined benefit obligations

	UK (Company)		USA		Group	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Present value of defined benefit obligations at 1 January	236.4	276.8	9.0	9.5	245.4	286.3
Past service cost/(gains)	–	–	–	–	–	–
Interest cost	12.2	12.0	0.4	0.4	12.6	12.4
Actuarial losses/(gains)						
– changes in demographic assumptions	1.5	(11.6)	–	–	1.5	(11.6)
– changes in financial assumptions	(2.2)	(18.7)	0.2	(0.2)	(2.0)	(18.9)
– experience	(0.7)	(2.2)	–	–	(0.7)	(2.2)
Benefit payments	(19.4)	(19.9)	(0.8)	(0.8)	(20.2)	(20.7)
Retranslation	–	–	(0.7)	0.1	(0.7)	0.1
Present value of defined benefit obligations at 31 December	227.8	236.4	8.1	9.0	235.9	245.4

Reconciliation of the fair value of scheme assets

	UK (Company)		USA		Group	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Fair value of scheme assets at 1 January	275.8	309.0	7.9	7.7	283.7	316.7
Interest income	14.3	13.5	0.3	0.3	14.6	13.8
Actuarial gains/(losses)						
– return on scheme assets	(33.7)	(27.4)	0.3	0.4	(33.4)	(27.0)
Company contributions	–	1.9	0.2	0.4	0.2	2.3
Administration expenses	(1.6)	(1.3)	(0.1)	(0.1)	(1.7)	(1.4)
Benefit payments	(19.4)	(19.9)	(0.8)	(0.8)	(20.2)	(20.7)
Retranslation	–	–	(1.1)	–	(1.1)	–
Fair value of scheme assets at 31 December	235.4	275.8	6.7	7.9	242.1	283.7



Notes to the accounts continued

24. Employee benefits continued Experience gains and losses for the year

	UK (Company)		USA		Group	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Fair value of scheme assets	235.4	275.8	6.7	7.5	242.1	283.3
Defined benefit obligations	(227.8)	(236.4)	(8.1)	(9.0)	(235.9)	(245.4)
Net asset/(liability)	7.6	39.4	(1.4)	(1.5)	6.2	37.9
Actuarial (loss)/gains on scheme assets	(33.7)	(27.4)	0.3	–	(33.4)	(27.4)
Actuarial gains/(losses) on defined benefit obligations	1.4	32.5	(0.2)	0.2	1.2	32.7
Net (loss)/gain recognised in the SOCI during the year	(32.3)	5.1	0.1	0.2	(32.2)	5.3

Movements in the net liability/asset of defined benefit pension schemes recognised in the Statements of financial position

	UK (Company)		USA		Group	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Net asset/(liability) for employee benefits at 1 January	39.4	32.2	(1.5)	(1.8)	37.9	30.4
expense/(Income) recognised in the income statement (see above)	0.5	0.2	(0.2)	(0.2)	0.3	–
Company contributions	–	1.9	0.2	0.3	0.2	2.2
Actuarial (losses)/gains recognised in the SOCI	(32.3)	5.1	0.1	0.2	(32.2)	5.3
Retranslation	–	–	–	–	–	–
Net asset/(liability) for employee benefits at 31 December	7.6	39.4	(1.4)	(1.5)	6.2	37.9

At the end of the life of the UK defined benefit pension scheme the Company has an unconditional right to a refund and any such refund would be paid out only on a net of tax basis.

Share-based payments

The Company currently operates a deferred share plan, though no options are currently outstanding under it. Own shares are held in trust and granted to plan participants when certain conditions are met. Further details of the deferred share plan, including the performance conditions and vesting periods, are in the Remuneration report on page 41 and in this note.

The Company operates a Long Term Incentive Plan (“LTIP”) for certain members of its senior management. Awards are anticipated to be made annually and were awarded in 2023, 2024 and 2025. The key terms of the plans are set out in the Remuneration report on page 41 and were unchanged since inception.

The total number of shares conditionally granted under the 2023 LTIP was 504,247 at a market value of £2.35 per share, at the date of grant on 2 May 2023 and remained outstanding at the year end. An expense of £nil has been recognised during the year (2024: £nil) within administration costs. All of the options have subsequently expired unexercised as the performance criteria were not met.

The total number of shares conditionally granted under the 2024 LTIP was 303,517, at a market value of £4.40 per share, at the date of grant on 9 April 2024 and 280,858 remained outstanding at the year end. A credit of £0.3m (2024: expense of £0.3m) has been recognised during the year within administration costs. No shares were exercised, expired or exercisable during the period, with 10,487 forfeited.

The total number of shares conditionally granted under the 2025 LTIP was 272,684 at a market value of £4.78 per share, at the date of grant on 23 May 2025 and remained outstanding at the year end. An expense of £nil has been recognised during the year within administration costs. No shares were forfeited, exercised, expired or exercisable during the period. The valuation is based upon the 2025 actual performance and the forecast 2026 and 2027 performance of the Group, with no shares assumed to vest. Any shares which do vest will do so in early 2028.



25. Capital and reserves

Share capital

	2025 £m	2024 £m
Allotted, called up and fully paid		
Ordinary shares of 25p each	7.5	7.5

No shares were issued during the year ended 31 December 2025.

There were 30,073,273 (2024: 30,073,273) ordinary shares in issue at the year end. The holders of the ordinary shares are entitled to one vote per share at meetings of the Company and to receive dividends as declared from time to time. At the year end, an employee trust held none of the ordinary shares and it has agreed to waive all dividends and not to exercise voting rights in respect of any future shares it owns. The Company also has in issue 900,000 6% fixed cumulative preference shares of £1 each (see note 20); these are classified as borrowings.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Capital redemption reserve

The capital redemption reserve records the historical repurchase of the Company's own shares.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Investment in own shares

Included within retained earnings is the carrying value of own shares held in trust for the benefit of employees. These shares are used to service the obligations of the Company's Deferred share plan and discretionary share scheme. Further details of the Deferred share plan and discretionary share scheme can be found in the Remuneration report on page 40 and on page 96 in note 24.

At 31 December 2025, the employee trust held no ordinary shares of 25p each (2024: 25p each), representing 0.0% of the issued shares (2024: 0.0%). The shares held by the trust at 31 December 2025 were purchased at an aggregate cost of £nil (2024: £nil). The trust purchased no additional shares in the year at a cost of £nil (2024: £nil).

Included within retained earnings is a credit of £0.3m (2024: charge of £0.3m) in respect of the share-based payments, as disclosed in the Remuneration report on page 40.

The market value of the shares held by the trust at 31 December 2025 was £nil (2024: £nil).

Dividends

	2025 £m	2024 £m
Dividends to shareholders paid in the period:	–	–

Having considered the trading results for 2025 and the opportunities for investment in the growth of the Group, the Board has decided that it is not appropriate to pay a final dividend. No interim dividend was paid in 2025. Future dividend payments will be considered by the Board in the context of 2026 trading performance and when the Board believes it is prudent to do so.



Notes to the accounts continued

26. Financial risk management

The Group has exposure to credit, liquidity and market risks from its use of financial instruments.

These risks are regularly considered and the impact of these risks on the Group, and how to mitigate them, assessed. The Board of Directors is responsible for the Group's system of internal controls and has established risk management policies to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Audit Committee assists the Board in the discharge of its duty in relation to the maintenance of proper internal controls. Further details regarding the Audit Committee can be found in its report on pages 34 to 37.

Categories of financial instruments

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Financial assets:				
Derivative instruments in designated hedge accounting relationships	0.2	0.5	–	–
Derivative instruments measured at fair value through income statement	–	–	0.3	1.3
Financial assets measured at amortised cost	36.6	49.9	117.8	105.4
	36.8	50.4	118.1	106.7
Financial liabilities:				
Derivative instruments in designated hedge accounting relationships	0.1	0.3	–	–
Fair value through income statement	–	–	0.3	0.8
Amortised cost	102.5	101.8	54.1	47.1
	102.6	102.1	54.4	47.9

Financial assets measured at amortised cost comprises cash and cash equivalents and trade and other receivables, excluding foreign currency derivatives.

Financial liabilities at amortised cost comprises interest-bearing loans and borrowings, lease liabilities, trade payables, other payables and accruals.

IFRS 7 *Financial instruments*: disclosures for financial instruments that are measured in the Statements of financial position at fair value requires disclosure of fair value measurements in the form of a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 1 January 2025 and 31 December 2025, derivative instruments in designated hedge relationships have been identified as Level 2.

Derivative instruments in designated hedge relationships

The Group has relied on analysis from third party specialists for complex valuations of forward exchange contracts. Valuation techniques have utilised observable forward exchange rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant to this type of financial instrument.



26. Financial risk management continued

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and cash held at financial institutions. In addition, for the Company, a credit risk exists in respect of amounts owed by Group undertakings.

Trade receivables and contract assets

The Group ensures that the provision of credit to customers is adequately managed by each individual business in order that the risk of non-payment or delayed payment is minimised. The Group's exposure to risk is influenced mainly by the individual characteristics of each customer, the industry and country in which customers operate. The Group has a diversified base of customers. In certain years, sales to a customer may be more than 5%, although the sales would typically be both original equipment and service, and to a number of different geographic regions.

The Group has written credit control policies which cover procedures for accepting new customers, setting credit limits, dealing with overdue amounts and delinquent payers.

An impairment loss provision against trade receivables is created where it is anticipated that the value of trade receivables is not fully recoverable. No impairments due to credit losses on contract assets have ever been experienced and none are predicted.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk for the Group and the Company at 31 December was:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Trade receivables	21.2	28.8	–	–
Amounts owed by Group undertakings	–	–	106.5	105.4
Other receivables	5.8	2.9	2.4	–
Foreign currency derivatives	0.2	0.5	0.3	0.8
Cash and cash equivalents	9.6	18.2	5.7	0.5
	36.8	50.4	114.9	106.7

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on an individual basis as the risk depends upon the circumstances of the receivable, including the financial strength of the counterparty and the terms of the contract. They have been grouped based on the days past due.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangements, amongst others, are considered indicators of no reasonable expectation of recovery.



Notes to the accounts continued

26. Financial risk management continued

Credit loss provisions

The ageing of trade receivables and the expected credit loss provisions for the Group at 31 December were:

Group	2025			2024		
	Gross £m	Credit loss provisions £m	Total £m	Gross £m	Credit loss provisions £m	Total £m
Not past due	9.2	–	9.2	13.5	–	13.5
Past due up to 30 days	6.2	–	6.2	7.1	–	7.1
Past due 31–60 days	2.7	–	2.7	2.8	–	2.8
Past due 61–90 days	1.7	–	1.7	4.7	–	4.7
Past due more than 91 days	1.9	(0.5)	1.4	1.3	(0.6)	0.7
	21.7	(0.5)	21.2	29.4	(0.6)	28.8

The only receivable balances held by the Company are amounts owed by Group undertakings and expected credit losses arising are not considered to be material.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to hold cash and cash equivalents and maintain undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its liabilities as they become due. Further details of the Group's treasury policies can be found in the Financial review on pages 16 to 18.

Contractual maturities of non-derivative financial liabilities

The non-derivative financial liabilities for the Group and the Company at 31 December were:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Current liabilities:				
Interest-bearing loans and borrowings	51.5	41.2	46.1	40.0
Trade and other payables (excluding derivatives)	34.0	36.4	3.2	5.3
Lease liabilities	2.8	2.2	0.1	–
Non-current liabilities:				
Interest-bearing loans and borrowings	6.0	14.5	4.4	7.9
Lease liabilities	8.2	7.5	0.3	0.3

Interest rates of 6% on the preference shares and 2.75% above the HSBC base rate of the prevailing currency are charged on the above interest-bearing loans, generating an expense of £4.1m (2024: £1.1m). The loans relate to preference shares and the revolving credit facility drawdown. The preference share loan has no fixed maturity, the revolving credit facility is due to be repaid in less than one year.

The Group has the following interest bearing loan and borrowing facilities:

- ▶ a £7.5m (2024: £12.0m) term loan repayable in quarterly instalments with a final repayment date of 30 September 2027. Interest at a margin of 2.75% above the HSBC base rate of the prevailing currency is charged on this loan.
- ▶ a £35m term revolving capital facility. Interest at a margin of 2.75% above the HSBC base rate of the prevailing currency is charged on this loan. The facility is committed until 30 September 2027 but individual drawings under the facility are repayable on demand.
- ▶ a £13m multi-currency overdraft facility. Interest at a margin of 2.75% above the HSBC base rate of the prevailing currency is charged on the utilised amount of this facility.
- ▶ €6.0m vendor loans and €3.5m of deferred consideration in connection with the acquisition of CSi Palletising. Interest is charged at 10% on the vendor loans, no interest is charged on the deferred consideration. During 2025 we repaid part of the vendor loans and the balance at year end is €4.5m repayable 28 Nov 2026. No payments were made with regards to the deferred consideration, the balance is repayable in two equal instalments on 1 January 2026 with a final repayment date of 01 January 2027.

Trade and other payables shown as current liabilities are expected to mature within six months of the statement of financial position date.



26. Financial risk management continued

The contractual maturities of forward foreign exchange contracts that the Group and Company had committed at 31 December are shown in the foreign currency risk section in this note. The contractual maturity of lease liabilities is disclosed in note 27.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. Exposure to interest rate and currency risks arises in the normal course of the Group's business. The Group does not trade in financial instruments and enters into derivatives (principally forward foreign exchange contracts) solely for the purpose of minimising currency exposure on sales or purchases in other than the functional currencies of its various operations.

The Group's treasury policies are explained in the Financial review on pages 16 to 18.

Interest rate risk

Cash and cash equivalents

The cash profile at 31 December was:

	2025			2024		
	Cash at floating rates £m	Cash on which no interest received £m	Total £m	Cash at floating rates £m	Cash on which no interest received £m	Total £m
Group						
Currency:						
Sterling	(7.3)	–	(7.3)	1.3	–	1.3
Canadian dollar	0.2	–	0.2	0.4	–	0.4
US dollar	4.1	–	4.1	5.2	–	5.2
Euro	4.6	–	4.6	10.7	–	10.7
Mexican peso	0.2	–	0.2	0.4	–	0.4
Singapore dollar	0.1	–	0.1	0.2	–	0.2
Malaysian ringgit	0.1	–	0.1	–	–	–
	2.0	–	2.0	18.2	–	18.2

	2025			2024		
	Cash at floating rates £m	Cash on which no interest received £m	Total £m	Cash at floating rates £m	Cash on which no interest received £m	Total £m
Company						
Currency:						
Sterling	(7.6)	–	(7.6)	0.4	–	0.4
Canadian dollar	–	–	–	–	–	–
US dollar	3.4	–	3.4	–	–	–
Euro	2.3	–	2.3	0.1	–	0.1
	(1.9)	–	(1.9)	0.5	–	0.5

All cash surplus to immediate operational requirements is placed on deposit at floating rates of interest.



Notes to the accounts continued

26. Financial risk management continued

Interest-bearing loans and borrowings

The profile of interest-bearing loans and borrowings at 31 December was:

Group	2025			2024		
	Borrowings at floating rates £m	Borrowings at fixed rates £m	Total £m	Borrowings at floating rates £m	Borrowings at fixed rates £m	Total £m
Currency:						
Sterling	31.8	0.9	32.7	23.8	0.9	24.7
Euro	10.6	3.9	14.5	12.0	7.9	19.9
US dollar	10.3	–	10.3	11.1	–	11.1
	52.7	4.8	57.5	46.9	8.8	55.7

Company	2025			2024		
	Borrowings at floating rates £m	Borrowings at fixed rates £m	Total £m	Borrowings at floating rates £m	Borrowings at fixed rates £m	Total £m
Currency:						
Sterling	31.8	0.9	32.7	23.9	0.9	24.8
Euro	7.5	–	7.5	12.0	–	12.0
US dollar	10.3	–	10.3	11.1	–	11.1
	49.6	0.9	50.5	47.0	0.9	47.9

The borrowings at fixed rates in sterling are the fixed cumulative preference shares which are explained in more detail in note 20.

The average rate of interest on the Group's operating lease liabilities is 3.3%, details of the contractual maturity of the leases can be found in note 27.

Sensitivity to interest rate risk

If interest rates had been 100 basis points higher/lower throughout the period, net financial expenses (excluding on pension scheme balances) for the Group would have increased/decreased by £0.4m (2024: increased/decreased by £0.2m). This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates. The analysis is performed on the same basis as for the year ended 31 December 2024.

Foreign currency risk

The majority of the Group's operations are outside of the UK, and therefore a significant portion of its business is conducted overseas in currencies other than sterling. As explained on page 21, foreign currency risk is one of the principal risks and uncertainties to which the Group is exposed. The Group is exposed to both transaction and translation risk.

Transactions in foreign currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The revenues and expenses of foreign operations are translated at an average rate for the period.

The assets and liabilities of foreign operations are translated at foreign exchange rates ruling at the statement of financial position date and foreign exchange differences are taken directly to the translation reserve.

The following exchange rates (relative to sterling), which are significant to the Group, applied during the period:

	Average rate		Closing rate	
	2025	2024	2025	2024
US dollar	1.31	1.28	1.35	1.28
Canadian dollar	1.84	1.75	1.85	1.80
Euro	1.17	1.18	1.15	1.21



Notes to the accounts continued

26. Financial risk management continued

The following movements in the cash flow hedge reserve relate to the hedges relating to cash flows from foreign currency trade receivables.

Group	2025 £m
Opening balance 1 January 2025	(0.3)
Change in fair value of hedging instrument recognised in other comprehensive income ("OCI")	0.2
Reclassified from OCI to profit or loss	0.3
Closing balance at 31 December 2025	0.2

The effect of hedge accounting on the Group's financial position and performance is as follows, including the outline timing and profile of the hedging instruments:

Group	2025
Carrying amount	GBP£-
Notional amount	
US dollar to Canadian dollar	CA\$13.2m
Canadian dollar to euro	€0.2m
US dollar to euro	€1.6m
GBP to US dollar	-
Hedge ratio	1:1
Average forward rates	
US dollar to Canadian dollar	1US\$:1.38CA\$
Canadian dollar to euro	1CA\$:0.62€
US dollar to euro	1US\$:0.9€
Change in the fair value of the currency forward (excluding amounts reclassified)	£0.2m
Change in the fair value of the hedged item used to determine hedge effectiveness	£0.3m
Amounts in the cash flow hedge reserve	(£0.2m)

No other currency pairs at 31 December 2025 or during the year had a material value to the Group.

Currency profile

The currency profiles at 31 December of cash and cash equivalents and interest-bearing loans and borrowings are shown within the interest rate risk section in this note.

The following analysis of financial assets and liabilities (excluding net funds/debt) shows the Group and Company exposure after the effects of forward foreign exchange contracts used to manage currency exposure.

The amounts shown represent the transactional exposures that give rise to net currency gains and losses which are recognised in the consolidated income statement. Such exposures represent the financial assets and liabilities of the Group and the Company that are not denominated in the functional currency of the business involved.



26. Financial risk management continued

Group	2025				2024		
	US dollar £m	Euro £m	Canadian dollar £m	Total £m	US dollar £m	Euro £m	Total £m
Functional currency:							
Sterling	3.4	3.2	–	6.6	(0.1)	(0.1)	(0.2)
American dollar	–	(0.2)	(3.6)	(3.8)	–	–	–
Canadian dollar	2.0	0.8	–	2.8	3.5	–	3.5
Euro	0.1	–	–	0.1	–	0.1	0.1
Romanian leu	–	–	–	–	–	(0.8)	(0.8)
Mexican peso	–	–	–	–	0.1	0.7	0.8
	5.5	3.8	(3.6)	5.7	3.5	(0.1)	3.4

Company	2025				2024		
	US dollar £m	Euro £m	Canadian dollar £m	Total £m	US dollar £m	Euro £m	Total £m
Functional currency:							
Sterling	24.9	57.0	–	81.9	22.6	52.6	75.2

Sensitivity to foreign currency risk

Average exchange rates are used to translate the profits of foreign operations in the consolidated income statement. If sterling had been 10% stronger against all foreign currencies during the year, the effect of this on the average exchange rates used to translate profits would have decreased Group profit for the year by £0.4m (2024: £nil). If sterling had been 10% weaker against all foreign currencies during the year, the effect of this on the average exchange rates used to translate profits would have increased Group profit for the year by £0.4m (2024: £nil).

If sterling had been 10% stronger against all foreign currencies at 31 December 2025, Group equity would have decreased by £4.7m (2024: £2.8m decrease). Conversely, if sterling had been 10% weaker against all foreign currencies at 31 December 2025, Group equity would have increased by £0.3m (2024: £3.1m increase). This analysis assumes that all other variables remain constant.

Fair values

The fair value of borrowings at fixed rates for the Group at 31 December 2025 is £4.8m (2024: £8.8m) and has been calculated by discounting the expected future cash flows at prevailing interest rates.

The fair value of borrowings at fixed rates for the Company at 31 December 2025 is £0.9m (2024: £0.9m) and has been calculated by discounting the expected future cash flows at prevailing interest rates.

There are no other significant differences between book and fair values for any of the other financial assets or liabilities included in either the Group or Company statement of financial position.

Capital management

Capital comprises total equity as shown in the statements of financial position. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Group manages its capital structure and makes adjustments to it in light of the economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital through measures of earnings per share (see note 11), return on capital employed (profit for the period divided by average equity) and tangible net worth (total equity before intangible assets and employee benefits, net of tax). There were no changes to the Group's approach to capital management during the year and neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.



Notes to the accounts continued

27. Leases

The right-of-use assets held at the balance sheet date relates to the following asset types:

	Group				Company		
	Land & buildings £m	Plant & machinery £m	Motor vehicles £m	Total £m	Land & buildings £m	Motor vehicles £m	Total £m
Cost							
Balance at 31 January 2024	9.8	0.1	0.8	10.7	0.3	–	0.3
Additions	–	0.3	0.1	0.4	–	–	–
Acquired through business combinations	3.7	0.3	0.5	4.5	–	–	–
Disposals	–	(0.1)	–	(0.1)	–	–	–
Transfers	–	–	–	–	–	–	–
FX Translation	(0.3)	–	–	(0.3)	–	–	–
Balance at 31 December 2024	13.2	0.6	1.4	15.2	0.3	–	0.3
Additions	2.4	–	0.8	3.2	–	0.2	0.2
Reclassification	0.4	–	0.4	0.8	–	–	–
Disposals	–	–	–	–	–	–	–
Impairment	(2.5)	–	–	(2.5)	–	–	–
FX Translation	–	–	0.1	0.1	–	–	–
Balance at 31 December 2025	13.5	0.6	2.7	16.8	0.3	0.2	0.5
Depreciation							
Balance at 1 January 2024	4.1	0.1	0.6	4.8	–	–	–
Charge for the period	1.0	0.1	0.1	1.2	–	–	–
Disposals	–	(0.1)	–	(0.1)	–	–	–
Transfers	–	–	–	–	–	–	–
FX Translation	(0.1)	–	–	(0.1)	–	–	–
Balance at 31 December 2024	5.0	0.1	0.7	5.8	–	–	–
Charge for the period	1.4	0.1	0.4	1.9	0.1	–	0.1
Reclassification	0.4	–	0.3	0.7	–	–	–
Disposals	–	–	–	–	–	–	–
Impairment	(0.9)	–	–	(0.9)	–	–	–
FX Translation	–	–	–	–	–	–	–
Balance at 31 December 2025	5.9	0.2	1.4	7.5	0.1	–	0.1
NBV of ROU assets 2024	8.2	0.5	0.7	9.4	0.3	–	0.3
NBV of ROU assets 2025	7.6	0.4	1.3	9.3	0.2	0.2	0.4

	Group		Company	
	31 December 2025 £m	31 December 2024 £m	31 December 2025 £m	31 December 2024 £m
Lease liabilities				
Opening liability	(9.7)	(6.2)	(0.3)	(0.3)
Additions	(3.2)	(4.7)	(0.2)	–
Disposals	–	–	–	–
Payments made	2.4	1.2	0.1	–
Interest charge	(0.4)	(0.1)	–	–
Effect of movements in foreign exchange rates	(0.1)	0.1	–	–
Closing liability	(11.0)	(9.7)	(0.4)	(0.3)
Amounts falling due after more than one year	(8.2)	(7.5)	(0.3)	(0.2)
Amounts falling due in less than one year	(2.8)	(2.2)	(0.1)	(0.1)

The Group took advantage of the exemptions available not to capitalise short-term leases with a duration of less than 12 months or leases of low-value assets. These leases have been treated as off-balance-sheet operating leases. There was no expense relating to either of these types of lease in the year (2024: £nil).



27. Leases continued

The undiscounted payments under the leases fall due as follows:

	Group		Company	
	31 December 2025 £m	31 December 2024 £m	31 December 2025 £m	31 December 2024 £m
Up to one year	3.8	3.2	0.1	0.1
One to five years	10.5	9.6	0.3	0.2
Over five years	0.8	0.6	-	0.1
Total undiscounted payments due under leases	15.1	13.4	0.4	0.4

28. Capital commitments

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Capital investment contracted but not provided for	-	-	-	-

29. Contingent liabilities

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Contingent liabilities in respect of guarantees and indemnities related to sales and other contracts	7.9	9.4	-	-

No contingent liabilities have been required to be reimbursed or are expected to do so.

Litigation is in progress between the Group and customers over the completion of projects. The information usually required by IAS 37 is not disclosed on the grounds that it can be expected to seriously prejudice the outcome of the litigation. The directors are of the opinion that the claim can be successfully resisted by the Group.

30. Related parties

Transactions with key management personnel

The compensation of key management personnel is disclosed in the Remuneration report on pages 39 to 48. Key management personnel comprise the Executive Directors only:

	31 December 2025 £m	31 December 2024 £m
Short-term employment benefits	0.1	0.1
Share based payments	-	-
Total key management personnel compensation	0.1	0.1

Identity of related parties

The Company has a related party relationship with its subsidiaries (see note 32), Directors and the UK and USA defined benefit pension schemes. In the course of normal operations, related party transactions entered into by the Group have been contracted on an arm's-length basis.

Details regarding transactions involving the Directors and their remuneration can be found in the Remuneration report on pages 39 to 48.

The Group recharges the UK defined benefit pension scheme with the costs of administration and services placed on behalf of the schemes incurred by the Group. The total amount recharged in the year to 31 December 2025 was £0.1m (2024: £0.1m).

The vendor of BCA, an employee of the Group at the period end, indirectly benefits from the income from the building occupied by BCA. The building is leased by the Group on a five year term at an initial rent of US\$0.3m per year (£0.2m), increasing at 2% per year throughout the term. This is considered to be the open market rent for the site.



Notes to the accounts continued

31. Business combinations

Acquisition of CSi Palletising

On 29 November 2024 Mpac Group plc acquired the entire share capital of Elstar International B.V., a private limited liability company incorporated under the laws of the Netherlands. Elstar International is the parent of a group of entities operating under the name CSi Palletising, a leading provider of design, manufacturing and installation services for end-of-line automation and palletising solutions.

As permitted by IFRS3, the amounts recognised in respect of identifiable assets acquired and liabilities assumed were reviewed within 12 months of acquisition and found to be materially accurate, with the exception of the alignment of revenue recognition policies. The impact of aligning the policies was a £0.5m increase in accruals and other payables, with a corresponding increase in goodwill. The revised acquired assets and liabilities are as set out in the table below:

	Pre acquisition carrying amount £m	Fair value adjustments £m	Total £m
Intangible asset relating to customer relationships, orderbook & technology	–	29.3	29.3
Property, plant and equipment	4.7	–	4.7
Inventories	8.7	–	8.7
Cash	5.5	–	5.5
Trade receivables	14.3	–	14.3
Prepayments and accrued income	5.0	–	5.0
Deferred tax	2.5	–	2.5
Total assets	40.7	29.3	70.0
Trade payables	(5.1)	–	(5.1)
Accruals and other payables	(12.9)	–	(12.9)
Corporation tax	(0.5)	–	(0.5)
Contract liabilities	(26.9)	–	(26.9)
Deferred tax	–	(7.3)	(7.3)
Provisions	(2.9)	–	(2.9)
Total liabilities	(48.3)	(7.3)	(55.6)
Total identifiable net (liabilities)/assets at fair value	(7.6)	22.0	14.4
Goodwill arising on acquisition			51.3
Total consideration			65.7
<i>Satisfied by</i>			
Cash consideration			52.7
Issue of 1,039,500 new ordinary shares in Mpac Group plc			5.2
Vendor loans			5.2
Deferred consideration			2.6
Total consideration			65.7
<i>Net cash outflow arising on acquisition</i>			
Cash paid			(52.7)
Net cash acquired			5.5
Net cash outflow arising on acquisition			(47.2)



31. Business combinations *continued*

It has been confirmed that none of the goodwill or acquired intangible assets are expected to be deductible for tax purposes.

The deferred consideration is payable in two tranches of €1.75m (£1.5m) in January 2026 and January 2027. There are no performance conditions associated with the payment and the value of any discounting is immaterial.

Acquisition of Boston Conveyor & Automation

On 18 September 2024 Mpac Group plc acquired the entire share capital of Boston Conveyor & Automation Inc. ("BCA"). BCA are a US-based supplier of robotic automation and conveyor solutions to the food, life sciences and general industry sectors.

As permitted by IFRS3, the amounts recognised in respect of identifiable assets acquired and liabilities assumed were reviewed within 12 months of acquisition and found to be materially accurate, so the identifiable assets acquired and liabilities assumed, as identified in 2024, are as set out in the table below:

	Pre acquisition carrying amount £m	Fair value adjustments £m	Total £m
Intangible asset relating to customer relationships and trademark	–	4.5	4.5
Property, plant and equipment	1.1	–	1.1
Cash	2.9	–	2.9
Trade receivables	0.5	–	0.5
Prepayments and accrued income	0.1	–	0.1
Total assets	4.6	4.5	9.1
Trade payables	(0.2)	–	(0.2)
Accruals and other payables	(3.6)	–	(3.6)
Deferred tax	–	–	–
Total liabilities	(3.8)	–	(3.8)
Total identifiable net assets at fair value	0.8	4.5	5.3
Goodwill arising on acquisition			10.1
Total consideration			15.4
<i>Satisfied by</i>			
Cash consideration			8.8
Issue of 1,059,349 new ordinary shares in Mpac Group plc			4.8
Cash and working capital adjustments			1.8
Total consideration			15.4
<i>Net cash outflow arising on acquisition</i>			
Cash paid			(10.6)
Net cash acquired			2.9
Net cash outflow arising on acquisition			(7.7)

None of the goodwill is expected to be deductible for tax purposes.



Notes to the accounts continued

32. Group entities

All intra-group related party transactions and outstanding balances are eliminated in the preparation of the consolidated financial statements of the Group and therefore in accordance with IAS 24 Related party disclosures are not disclosed.

Subsidiary undertakings

Details of all subsidiary undertakings are shown below. Subsidiary undertakings are, unless otherwise shown in brackets below, registered in England and Wales. Unless otherwise specified below, all subsidiaries are 100% owned by the Company.

Principal subsidiary undertakings

Registered office	Subsidiary undertakings
6500 Kitimat Road, Unit 1, Mississauga, Ontario LN5 2B8, Canada	Mpac Langen, Inc. (Canada)
Edisonstraat 14, 6604 BV Wijchen, The Netherlands	Mpac Langen B.V. (Netherlands)
8 Burn Road, #09-01 Trivex, Singapore 369977	Mpac Langen Pte. Ltd (Singapore)
Unit 2, Argosy Court, Coventry, CV3 4GA, UK	Mpac Lambert Limited (UK)
5638 Transportation Blvd., Garfield Heights, OH 44125, USA	Mpac Switchback Inc. (USA)
7 Opportunity Way, Newburyport, MA 01950, USA	Mpac USA Inc. (USA)
	Boston Conveyor & Automation, Inc. (USA)
Lissenveld 39, 4941 VL Raamsdonksveer, The Netherlands	CSi Industries B.V. (Netherlands)
400641 Bd. Muncii 12, Cluj-Napoca, Romania	CSi Romania Srl (Romania)
	Alpha Las Srl (Romania)
Carretera estatal 431 Km 1.3 – 29S, El Marques Queretaro, Mexico	Conveyor Systems Integrators de Mexico SRL (Mexico)
4870 Sadler Road, Suite 300, Glen Allen, VA 23060, USA	CSi Logistic Systems Inc. (USA)
Florastraße 12, 46459 Rees, Germany	CSi GmbH (Germany)



32. Group entities continued

Subsidiary undertakings registered at Mpac Group plc registered office

Arista Laboratories Europe Limited	Mpac Machine Company Limited	Molmac Engineering Limited
Hartsvale Limited	Mpac Machinery Limited	Thrissell Limited
Mpac Corporate Services Limited	Mpac Overseas Holdings Limited	Mpac Group Holdings Limited
Mpac ITCM Limited	Mpac Tobacco Machinery Limited	SIGA Vision Limited

Overseas subsidiary undertakings

Registered office

6500 Kitimat Road, Unit 1, Mississauga, Ontario LN5 2B8, Canada

Subsidiary undertakings

1456074 Ontario, Inc. (Canada)

928142 Ontario, Inc. (Canada)

Mpac Corporation (USA)

ITCM North America, Inc. (USA)

Mpac Delaware, Inc. (USA)

Mpac Laboratories, Inc. (USA)

SASIB Corporation of America (USA)

Mpac Richmond, Inc. (USA)

Mpac Malaysia SDN BHD (Malaysia)

Mpac Bidco B.V. (Netherlands)

Elstar International B.V. (Netherlands)

Echo Enterprises B.V. (Netherlands)

Echo Roemenië B.V. (Netherlands)

6 Jalen Damanlela, Kuala Lumpur, Malaysia

Edisonstraat 14, 6604 BV Wijchen, The Netherlands

Lissenveld 39, 4941 VL Raamsdonksveer, The Netherlands

Lissenveld 39, 4941 VL Raamsdonksveer, The Netherlands

Lissenveld 39, 4941 VL Raamsdonksveer, The Netherlands

During the year ended 31 December 2025, the Company received interest income from subsidiary undertakings of £2.4m (2024: £2.0m), management fees of £2.5m (2024: £2.5m) and brand fees of £2.3m (2024: £4.2m).

At 31 December 2025, amounts owed by subsidiary undertakings to the Company were £106.5m (2024: £105.4m) and amounts owed by the Company to subsidiary undertakings were £49.2m (2024: £39.5m) and are unsecured. The amounts owed by subsidiary undertakings to the Company are stated after a provision of £17.0m (2024: £13.5m) representing amounts owed to the Company which are no longer considered recoverable.

At 31 December 2025, investments in subsidiaries by the Company were £63.8m (2024: £63.8m).



Notes to the accounts continued

33. Accounting estimates and judgements

The development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates, are considered as part of the remit of the Audit Committee.

Estimates and judgements

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future years affected. The areas involving significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Significant judgements

Revenue recognition

The Group recognises revenue and gross margin on long-term contracts over time, in accordance with IFRS 15, based upon the total number of hours expected to be used on the contract and the number of hours required to complete the contract. Labour hours have been selected as the most faithful depiction of progress (and hence the transfer of goods and services) as this most accurately reflects how Mpac provides value to the customer. Mpac delivers innovative, efficient, and technically robust solutions, with the time allocated to projects of Mpac engineers and technicians being the main driver to bring projects to fruition. Total expected revenue, the number of hours and cost of materials to complete the contract reflect management's best estimate of the probable future benefits and obligations associated with the contract. Obligations on contracts may result in penalties due to late completion of contractual milestones or unanticipated costs due to project modifications, unexpected conditions or events. Further detail in respect of revenue recognition is shown in the accounting policies note and note 1.

Labour hours have been selected as the most faithful depiction of progress (and hence the transfer of goods and services) as this most accurately reflects how Mpac provides value to the customer. Material costs incurred are not considered to be proportionate to the Group's progress in satisfying progress on contracts for which revenue is recognised over time and therefore revenue in respect of materials is recognised at an amount equal to the cost of good used to satisfy the performance obligation.

Capitalisation of development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model, and all other recognition criteria within IAS 38 can be demonstrated. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The net book value of capitalised development costs was £6.4m (2024: £3.6m).

Areas of significant estimation

Pension accounting

Changes to key assumptions used for calculating the net pension asset/liability of the Group can have a significant impact on the accounting valuation of the Group's defined benefit pension schemes. The key assumptions used in calculating the net pension asset/liability for the Group are disclosed in note 24. The value of the schemes' liabilities is particularly sensitive to the discount, inflation and mortality rates used, along with the evolving regulation of pension schemes. The Group is aware of a case involving Virgin Media and NTL Pension Trustee, which could potentially lead to additional liabilities for some pension schemes but the Trustee believes there not to be an impact for the UK scheme. An analysis of the impact on the net pension asset/liability to changes in these assumptions is also disclosed in note 24.

Deferred tax

Management have recognised a deferred tax asset of £3.5m (2024: £5.3m) based on historic losses and investment tax credits. The assessment of this utilisation is based on the Group's latest budget, which is adjusted for significant non-taxable income and expenses, along with specific limits to the utilisation of the tax credits. Further details of the asset is in note 16.

Impairment of goodwill

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires assessment of the recoverable value of the cash generating units ("CGUs"). Determining whether goodwill balances are impaired requires an estimation of the value in use of the CGUs to which the value has been allocated. The value in use calculation requires the Group to estimate the future cash flows anticipated to arise from the CGUs and to apply a reasonable discount rate in order to calculate present value. The Group is required to perform an impairment review to determine whether the carrying value of goodwill balances are less than the recoverable amount annually. The recoverable amount is based on a calculation of expected future cash flows, which include estimates of future performance. Details of assumptions used in the review of goodwill balances are detailed in note 12.

Fair value of acquired businesses and goodwill

The Group assesses and recognises the fair value of the acquired assets, both tangible and intangible, and the consequent goodwill, in line with IFRS3. This process is supported by a suitably qualified, independent, accountancy firm. Determining the value of the fixed assets requires an estimate of either value in use or market value. Determining the value of the intangible assets requires the Group to estimate the future cash flows arising from each asset identified, discounted to determine the net present value of the asset acquired. Details of the acquired intangible assets and goodwill are detailed in notes 12 and 31.



Five-year record

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Revenue	174.1	122.4	114.2	97.7	94.3
Underlying operating profit ¹	18.1	12.0	7.8	3.9	8.8
Non-underlying items	(23.3)	(8.6)	(3.9)	(3.9)	(0.5)
Operating profit	(5.2)	3.4	3.9	–	8.3
Net financing (expense)/income	(2.5)	–	0.8	0.2	(0.1)
(Loss)/profit before tax	(7.7)	3.4	4.7	0.2	8.2
Taxation	(1.8)	(2.0)	(2.0)	(0.6)	(0.4)
(Loss)/profit for the period from continuing operations	(9.5)	1.4	2.7	(0.4)	7.8
Profit for the period from discontinued operations	–	–	–	–	–
(Loss)/profit for the period	(9.5)	1.4	2.7	(0.4)	7.8
Underlying operating return on sales ¹	10.4%	9.8%	6.8%	4.0%	9.3%
Underlying earnings per share ¹	35.9p	35.2p	26.2p	13.3p	39.7p
Basic (loss)/earnings per share	(31.5)p	6.0p	13.1p	(2.2)p	39.1p
Dividends per ordinary share in respect of the year	–	–	–	–	–
Intangible assets	108.3	117.4	24.0	25.4	25.3
Property, plant and equipment and investment property	14.8	16.0	10.8	9.8	10.6
Inventories	16.2	15.9	11.1	9.6	5.5
Trade and other receivables (including taxation)	61.5	59.4	48.8	49.2	36.5
Employee benefits	6.2	37.9	30.4	29.4	33.2
Trade and other payables (including taxation and provisions)	(141.3)	(156.8)	(72.1)	(65.4)	(60.2)
	65.7	89.8	53.0	58.0	50.9
Cash	9.6	18.2	11.0	4.2	14.5
Net assets	75.3	108.0	64.0	62.2	65.4

1. Before non-underlying items



Principal divisions and subsidiaries

The divisions and subsidiary undertakings shown include those which principally affect the profits and net assets of the Group as at the date of this report. Overseas companies operate and are incorporated in the countries in which they are based. In all cases, the class of shares held is ordinary equity shares (or equivalent) and the proportion held is 100% unless otherwise indicated. Shares in the UK companies are held directly by Mpac Group plc and those in the other overseas subsidiaries by intermediate holding companies.

Americas

Mpac Langen, Inc.

6500 Kitimat Road, Unit 1
Mississauga
Ontario L5N 2B8
Canada

Tel: +1 905 670 7200
E-mail: info.americas@mpac-group.com

Boston Conveyor & Automation, Inc.

7 Opportunity Way
Newburyport
MA 01950
USA

Tel: +1 978 255 1921
E-mail: bca.info@mpac-group.com

CSi palletizing Mexico

Carretera estatal 431 Km 1.3 – 29S
El Marques Queretaro
Mexico

Tel: +52 442 221 5338
E-mail: info.csi@mpac-group.com

Asia Pacific

Mpac Langen Pte. Ltd

8 Burn Road,
#09–01 Trivex,
Singapore 369977

Tel: +65 63 39 96 66
E-mail: info.asia@mpac-group.com

Europe, Middle East & Africa

Mpac Langen B.V.

Edisonstraat 14
6604 BV Wijchen
The Netherlands

Tel: +31 24 648 6655
E-mail: info.emea@mpac-group.com

Mpac Lambert Limited

Station Estate
Tadcaster
North Yorkshire
LS24 9SG
United Kingdom

Tel: +44 (0)1937 832921
E-mail: sales.emea@mpac-group.com

CSi Industries B.V.

Lissenveld 39
4941 VL Raamsdonksveer
The Netherlands

Tel: +31 162 575 180
E-mail: info.csi@mpac-group.com

CSi Romania Srl

400641 Bd. Muncii 12
Cluj-Napoca
Romania

Tel: +40 372 116 600
E-mail: info.csi@mpac-group.com



Notice of Annual General Meeting

Notice is hereby given that the 114th Annual General Meeting (the "Meeting") of Mpac Group plc (the Company) will be held at the Company's registered office Unit 2 Argosy Court, Coventry CV3 4GA on Thursday 18 June 2026 at 12 noon to consider and, if thought appropriate, to pass the following resolutions, of which resolutions 1 to 13 will be proposed as ordinary resolutions and resolutions 14 to 16 will be proposed as special resolutions:

Ordinary resolutions Report and Accounts

1. To receive the audited annual accounts of the Company for the year ended 31 December 2025 together with the Directors' report and the auditors' report on those annual accounts.
2. To approve the Directors Remuneration Report, excluding the Remuneration Policy, set out on pages 39 to 48 of the Annual Report and Accounts 2025.
3. To approve the Directors Remuneration Policy, the full text of which is set out on pages 45 to 48 of the Annual Report and Accounts 2025 which shall take effect from the close of the meeting.

Directors

4. To elect Mr S J Kesterton as a Director.
5. To elect Mr D Squires as a Director.
6. To elect Mr C P Whiley as a Director.
7. To re-elect Mr A P Holland as a Director.
8. To re-elect Mr A J Kitchingman as a Director.
9. To re-elect Mr M G R Taylor as a Director
10. To re-elect Mr W C Wilkins as a Director

Auditors

11. To re-appoint PKF Littlejohn LLP as auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
12. To authorise the Audit Committee to determine the remuneration of the auditors.

Directors' authority to allot shares.

13. To generally and unconditionally authorise the Directors pursuant to and in accordance with Section 551 of the Companies Act 2006 (the Act), in substitution for all previous authorities to the extent unused, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:
 - a) up to an aggregate nominal amount of £2,505,855 (representing approximately one third of the total ordinary share capital in issue at 20 April 2026, being the latest date prior to publication of this notice of meeting); and

- b) comprising equity securities (as defined in Section 560 (1) of the Act) up to a further aggregate nominal value of £2,505,855 in connection with an offer by way of a rights issue, such authorities to expire at the conclusion of the 2027 Annual General Meeting (AGM) or if earlier, at close of business on 18 September 2027, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the authority ends.

For the purposes of this Resolution, 'rights issue' means an offer to:

- › shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- › holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors consider necessary or appropriate in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

Special resolutions

Disapplication of pre-emption rights

14. That if resolution 13 is passed, the Board be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited:
 - a) to allotments for rights issues and other pre-emptive issues; and
 - b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £751,831;

such authority to expire at the conclusion of the 2027 AGM of the Company (or, if earlier, at close of business on 18 September 2027) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.



Notice of Annual General Meeting continued

15. That if resolution 13 is passed, the Board be authorised in addition to any authority granted under resolution 14 to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £751.831 such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board of the Company determines to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice;

such authority to expire at the end of the 2027 AGM of the Company (or, if earlier, at close of business on 18 September 2027) save that, in each case, the Company may before such expiry make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Authority to purchase of own shares.

16. That the Company be generally and unconditionally authorised for the purpose of Section 701 of the Act to make market purchases (as defined in Section 693 of the Act) of ordinary shares of 25 pence each in the capital of the Company ('ordinary shares') provided that:

- a) the maximum number of ordinary shares hereby authorised to be purchased is 3,007,327;
- b) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 25 pence per share, being the nominal amount thereof;
- c) the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of: (i) 5% above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and (ii) the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System ("SETS"); and

- d) the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the 2027 AGM, save that the Company may before such expiry make a contract or agreement to make a market purchase of its own ordinary shares which will or may be executed wholly or partly after the expiry of such authority and the Company may purchase such shares as if the authority conferred hereby had not expired.

By order of the Board

PRISM COSEC LIMITED
Company Secretary

20 April 2026

Registered in England and Wales No. 124855

Registered office:
Unit 2 Argosy Court
Coventry
CV3 4GA
England



Explanatory Notes Relating to the Resolutions

Resolutions 1 to 13 are ordinary resolutions; resolutions 14 to 16 are special resolutions. To be passed, ordinary resolutions require more than 50% of votes cast to be in favour of the resolution whilst special resolutions require at least 75% of the votes cast to be in favour of the resolution.

Ordinary Resolutions

To receive the Annual Report and Accounts 2025

Resolution 1 is a standard resolution. The Companies Act 2006 requires the Directors to lay before the Company in a general meeting copies of the Company's annual accounts, and the Directors' report and auditor's report on those accounts. The Annual Report and Accounts 2025, which includes this Notice of Annual General Meeting, will be available online at www.mpac-group.com.

Directors' Remuneration Report

Resolution 2 seeks shareholders' approval for the Directors' Remuneration report which is set out on pages 39 to 48 of the Annual Report and Accounts 2025, for the year ended 31 December 2025. The vote is advisory only.

Directors' Remuneration Policy

The Directors' Remuneration Policy is contained in the Directors' Remuneration Report and can be found at pages 42 to 48 of the Annual Report. The Company's current Remuneration Policy was last approved by shareholders at the annual general meeting in 2020. As the Company is an AIM company it is not necessary for the Remuneration Policy to be put to the shareholders every three years for approval. However, in accordance with best practice and in line with the requirements of the Quoted Companies Alliance Code the Board has decided to seek approval of the shareholders to the new Remuneration Policy which has been updated to reflect current market practice. Accordingly, shareholders are invited to approve the new Directors' Remuneration Policy by voting on Resolution 3. The Policy sets out the Company's forward looking policy on Directors' remuneration and is subject to an advisory shareholder vote. If Resolution 3 is approved the Remuneration policy will be effective from the close of the Meeting on Thursday 18 June 2026. Payments will continue to be made to directors (in their capacity as directors) in line with their existing contractual arrangements until that date.

Election and re-election of Directors

Resolutions 4 to 6 seek approval for the election of three new directors Simon Kesterton, David Squires and Clive Whiley who were each appointed as a Director on 1 October 2025. In accordance with best practice in corporate governance, resolutions 7 to 10 seek approval for the re-election of all other Directors who served during the year.

Biographical information for each of the Directors is provided on pages 28 to 29 of the Annual Report and Accounts 2025.

The Board has no hesitation in recommending the election or re-election of the Directors to shareholders. In making these recommendations, the Board confirms that it has given careful consideration to the Board's balance of skills, knowledge and experience and is satisfied that each of the Directors putting themselves forward for re-election has sufficient time to discharge their duties effectively, taking into account their other commitments. Whilst Mr Kitchingman has been a Director for 10 years, the Board feel it is important to maintain continuity following the significant changes to the Board's composition whilst a successor is identified. Mr Kitchingman intends to step down as a Director at the 2027 AGM.

Auditors

The auditors of a company must be appointed or re-appointed at each general meeting at which the accounts are laid.

Resolution 11 seeks approval to re-appoint PKF Littlejohn LLP as the Company's auditors until the conclusion of the next general meeting of the Company at which accounts are laid.

Resolution 12 seeks consent for the Audit Committee to determine the remuneration of the auditors.

Directors' authority to allot shares.

Resolution 13 seeks consent for shareholders to grant the Directors authority to allot shares or grant rights to subscribe for or convert securities into shares, up to a maximum aggregate nominal value of £5,011,710, which is approximately two-thirds of the nominal value of the issued ordinary share capital of the Company as at 20 April 2026, being the latest practicable date prior to the publication of this notice.

£2,505,855 of this authority is reserved for a fully pre-emptive rights issue only which is the maximum permitted amount under best practice corporate governance guidelines.

The authority will expire at the next Annual General Meeting of the Company or if earlier, at close of business on 18 September 2027. The Directors have no current intention of exercising such authority and will exercise this power only when they believe that such exercise is in the best interests of the shareholders.

Special resolutions

Disapplication of pre-emption rights

Resolutions 14 and 15 will be proposed as special resolutions, each requiring a majority of 75% of those voting to be in favour. If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

Resolution 14 deals with the authority of the Directors to allot new shares or other equity securities pursuant to the authority given by resolution 13, or sell treasury shares, for cash without the shares or other equity securities first being offered to shareholders in proportion to their existing holdings. Such authority shall only be used in connection with a pre-emptive offer, or otherwise, up to an aggregate nominal amount of £751,831, being approximately 10% of the total issued ordinary share capital of the Company as at 20 April 2026.

The Pre-Emption Group Statement of Principles 2022 issued on 4 November 2022 supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities (and sales of treasury shares for cash) representing no more than an additional 10% of issued ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-Emption Group's Statement of Principles defines 'specified capital investment' as meaning one or more specific capital investment related uses for the proceeds of an issuance of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets that are the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.



Notice of Annual General Meeting continued

Accordingly, and in line with the template resolutions published by the Pre-Emption Group, resolution 15 seeks to authorise the Directors to allot new shares and other equity securities pursuant to the authority given by resolution 13, or sell treasury shares, for cash up to a further nominal amount of £751,831, being approximately 10% of the total issued ordinary share capital of the Company as at 20 April 2026, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in resolution 15 is used, the Company will publish details of the placing in its next Annual Report. If these resolutions are passed, the authorities will expire at the end of the 2027 Annual General Meeting or at close of business on 18 September 2027, whichever is the earlier.

The Board considers the authorities in resolutions 14 and 15 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a rights issue or other pre-emptive offer without the need to comply with the strict requirements of the statutory pre-emption provisions.

Authority to purchase own shares.

Resolution 16 seeks authority for the Company to make market purchases of its own ordinary shares up to a maximum number of 3,007,327 ordinary shares, representing approximately 10% of the issued ordinary share capital at 20 April 2026. The authority requested would replace a similar authority granted last year and would expire at the end of the 2026 Annual General Meeting, or if earlier, at close of business on 18 September 2027.

In reaching a decision to purchase ordinary shares, the Directors will take account of the Company's cash resources and capital and the general effect of such purchase on the Company's business. The authority would only be exercised by the Directors if they considered it to be in the best interests of the shareholders generally and if the purchase could be expected to result in an increase in earnings per ordinary share.

Notes Relating to the Notice

The following notes explain your general rights as a shareholder and your right to vote at this Meeting or to appoint someone else to vote on your behalf.

Entitlement to attend and vote

1. To be entitled to vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on Tuesday 16 June 2026, or if the meeting is adjourned, close of business on the day which is two days' prior to the adjourned meeting. In each case, changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

Voting at the Meeting

2. Voting at the Meeting will be by way of poll rather than on a show of hands. This is a more transparent method of voting as shareholder votes are counted according to the number of shares held and will help to ensure an exact and definitive result. If you will not be participating in the meeting in person and wish to vote in advance, you may appoint a proxy as further detailed in notes 3 to 11 below.

Appointment of proxies

3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
 4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
 5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
 6. A Form of Proxy is enclosed with this Notice. The appointment of a proxy will not itself prevent a member from subsequently attending and voting at the meeting in person should they wish to. In the case of joint holders, any one holder may vote. If more than one holder votes (in person or by proxy), only the vote of the senior holder will be accepted, seniority being determined in the order in which the names appear on the register. A space has been included in the Form of Proxy to allow members to specify the number of shares in respect of which that proxy is appointed. Shareholders who return the Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their shares. Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's Registrars, Equiniti Limited, FREEPOST RTHJ-CLLL-KBKU, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, UK on +44 (0)371 384 2030. Please use the country code when calling from outside the UK. Lines open 8:30 a.m. to 5:30 p.m. (UK time) Monday to Friday (excluding bank holidays in England and Wales).
- For additional Forms of Proxy, you may photocopy the Form of Proxy provided with this document indicating on each copy the name of the proxy you wish to appoint and the number of Ordinary Shares in the Company in respect of which the proxy is appointed (which in aggregate should not exceed the number of Ordinary Shares held by you). All Forms of Proxy should be returned together in the same envelope.

To appoint a proxy: either (a) the Form of Proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited with the Company's Registrars, Equiniti Limited, FREEPOST RTHJ-CLLL-KBKU, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, UK; or (b) the proxy appointment must be lodged using the CREST electronic proxy appointment service in accordance with Note 9 below. Therefore, all Forms of Proxy must be received by 12 noon (UK time) on Tuesday 16 June 2026.

All proxy appointments must be received by the Company's registrar no later than 12 noon on Tuesday 16 June 2026 (or, in the event that the meeting is adjourned, no later than 48 hours (excluding any part of the day that is not a working day) before the time of any adjourned meeting).



7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message.
Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12 noon on Tuesday 16 June 2026 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.

12. It is possible for you to submit your proxy votes online by going to Equiniti's Shareview website, www.shareview.co.uk, and logging in to your Shareview Portfolio. Once you have logged in, simply click 'View' on the 'My Investments' page and then click on the link to vote and follow the on-screen instructions. If you have not yet registered for a Shareview Portfolio, go to www.shareview.co.uk and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication processes. The proxy appointment and/or voting instructions must be received by Equiniti by 12 noon on Tuesday 16 June 2026. Please note that any electronic communication sent to the Company or Equiniti that is found to contain a computer virus will not be accepted.

Corporate representatives

13. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

Issued shares and total voting rights

14. As at 20 April 2026 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 30,073,273 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 20 April 2026 are 30,073,273.

Questions

15. We always welcome questions from our shareholders and we request that shareholders submit their questions to the Board before the Meeting. We will ensure that answers to questions are placed on the Company's website.

You can submit questions up until 12 noon on Tuesday 16 June 2026 by emailing them to cosec@mpac-group.com

Communication

16. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

Website giving information regarding the meeting.

17. A copy of this Notice can be found on the Company's website at www.mpac-group.com.



Corporate information

Registered office

2 Argosy Court
Coventry
West Midlands
CV3 4GA
United Kingdom

Head office – Coventry

2 Argosy Court
Coventry
CV3 4GA

Tel: +44 (0)2476 421100
Email: ho@mpac-group.com

Registered number:
124855

Secretary

Prism Cossec Limited

Auditors

PKF Littlejohn LLP
30 Churchill Place
Canary Wharf
London
E14 5RE

Nominated Advisor & Broker

Shore Capital and Corporate Limited
57 St James's Street
London
SW1A 1LD

Joint Broker

Panmure Liberum Capital Limited
Ropemaker Place
Level 12
25 Ropemaker Street
London
EC2Y 9LY

Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Tel: +44 (0)371 384 2030
www.shareview.co.uk

Share price

Available from:
FT Cityline – tel: +44 (0)905 817 1690
Certain national newspapers

Financial PR

Tavistock Communications Limited
Cannongate House
62-64 Cannon Street
London
EC4N 6AE

Website

Further information is available at www.mpac-group.com

Timetable

Annual General Meeting
18 June 2026

Payment dates for preference dividend
30 June 2026 and 31 December 2026

Half-year announcement
September 2026

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Mpac Group plc
Station Estate
Station Road
Tadcaster
North Yorkshire
LS24 9SG

Tel: +44 (0)2476 421100
Email: ho@mpac-group.com

mpac-group.com