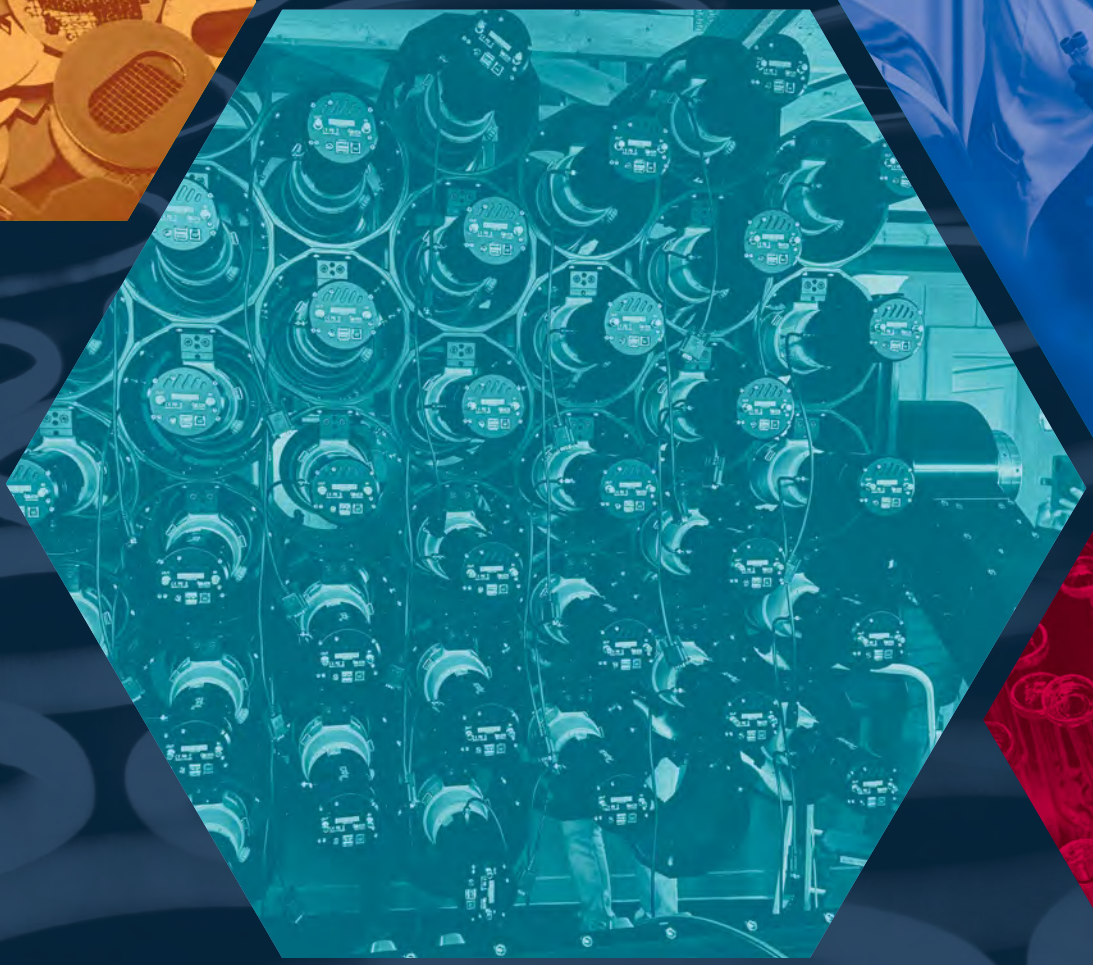
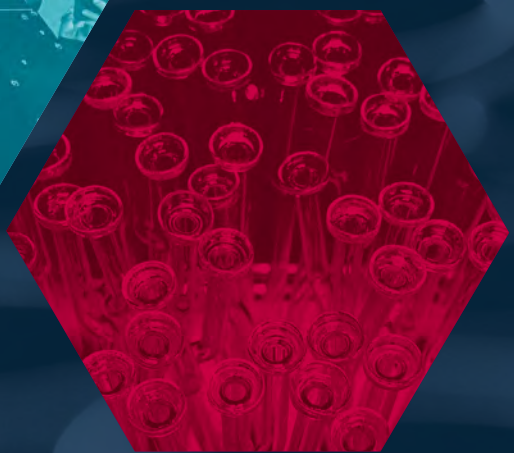
SDIGROUP

Annual Report 2025





A group of independent, agile and complementary businesses

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

Lab Equipment

Monmouth Scientific
› monmouthscientific.co.uk

Safelab Systems
› safelab.co.uk

Synoptics
› synoptics.co.uk

LTE Scientific
› lte-scientific.co.uk

Severn Thermal Solutions
› severnts.co.uk

› Read more on pages 6 to 11

Industrial & Scientific Sensors

MPB Industries
› mpbflowmeters.com

Sentek
› sentek.co.uk

Peak Sensors
› peaksensors.com

Chell Instruments
› chell.co.uk

Astles Control Systems
› astles.co.uk

› Read more on pages 12 to 15

Industrial & Scientific Products

Fraser Anti-Static Techniques
› fraser-antistatic.com

Atik Cameras
› atik-cameras.com

Applied Thermal Control
› app-therm.com

Graticules Optics
› graticulesoptics.com

Scientific Vacuum Systems
› svs.co.uk

InspecVision
› inspecvision.com

Collins Walker
› collins-walker.co.uk

› Read more on pages 16 to 24

Highlights

Financial Summary

- Revenues increased 0.5% to £66.2m* (FY24: £65.8m), with strong contribution from acquired business, including a full year contribution from Peak Sensors, together with contribution from InspecVision and Collins Walker post-acquisition
- Gross margins** increased to 64.9% (FY24: 63.1%)
- Adjusted operating profit* of £10.0m (FY24: £9.6m), with reported operating profit of £6.9m (FY24: £7.3m)
- Adjusted profit before tax* of £8.5m (FY24: £8.0m), with reported profit before tax of £5.5m (FY24: £5.7m)
- Adjusted diluted EPS* improved to 6.18p (FY24: 5.78p)
- Strong increase in cash generated by operations to £12.9m (FY24: £9.4m)
- Net debt (debt less cash, excluding lease liabilities and deferred consideration) of £13.8m (FY24: £13.2m), despite £7.3m of acquisition-related spend (on a cash-free basis) in the period

Strategic and Operational Highlights

- Delivered a resilient performance – in line with market expectations – within a complex and rapidly evolving global economic environment
- Continued to implement the Group's organic and inorganic strategy
- Further investments across the Group into new product development, commercial and operational capabilities
- Fostered greater collaboration and knowledge transfer across the portfolio
- Strong cash generation, allowing continued investment into the portfolio and further acquisitions
- Acquisition of InspecVision Limited ('InspecVision') and Collins Walker Limited ('Collins Walker'), continuing track record of earnings-enhancing acquisitions
- Strong track record of revenue and adjusted operating profit* growth – CAGR of 25.3% and 38.2%, respectively, since 2015

AIM quoted SDI Group plc ('SDI') specialises in the acquisition and development of companies that design and manufacture products for use in the lab equipment, industrial and scientific sensors and industrial and scientific products markets. SDI's current portfolio of companies target markets including high tech industrial, life sciences, healthcare, manufacturing, electrification, semiconductors, precision optics, measurement instrumentation and astronomy.

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

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* Before share-based payments, acquisition costs, reorganisation costs, loss on disposal of subsidiary undertaking (in FY24 only) and amortisation of acquired intangible assets.

** On materials only, excluding labour costs.

Strategy and Business Model

A strategic framework to ensure sustainable long-term growth

Our Purpose

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

Our Values

Investing in leadership and sharing expertise to foster collective growth.

Focusing on sustainable, compounding growth and prudent capital allocation.

Upholding ethical standards, transparency and respect for all stakeholders.

Our Strategic Framework

1 Acquisition Led Growth

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

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

2 Decentralised Operations

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

3 Organic Growth

Sustainable Cash Generation
Introducing operational excellence and fostering growth and synergies across the Group.

SDI provides oversight, financial discipline and strategic support.

4 Shareholder Engagement

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

Our Strengths

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

Acquisitions
› 20 acquisitions since 2014

Revenue CAGR*
› 25.3% since 2015

Adjusted EBIT* CAGR
› 38.2% since 2015

How We Create Value

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

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

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

Organic Growth
› Introducing operational excellence and promoting synergies to foster Group culture.

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

Who We Create Value For

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

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

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

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

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

Supported by Our ESG Strategy

› Read more on pages 37 to 39

Our Growth Cycle

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

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

* Before share-based payments, acquisition costs, reorganisation costs, loss on disposal of subsidiary undertaking (in FY24 only) and amortisation of acquired intangible assets.

Why Invest in SDI?

Consistent Performance

Revenue	Adjusted Operating Profit*	Cash Generated by Operations	Adjusted Diluted EPS*
£66.2m	£10.0m	£12.9m	6.2p

› Read more on page 33

* Before share-based payments, acquisition costs, reorganisation costs, loss on disposal of subsidiary undertaking (in FY24 only) and amortisation of acquired intangible assets.

Why Sell to SDI?

Becoming part of the SDI family

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

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

Growth
The Group invests and fosters growth opportunities.

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

Expertise
Knowledge sharing within the Group.

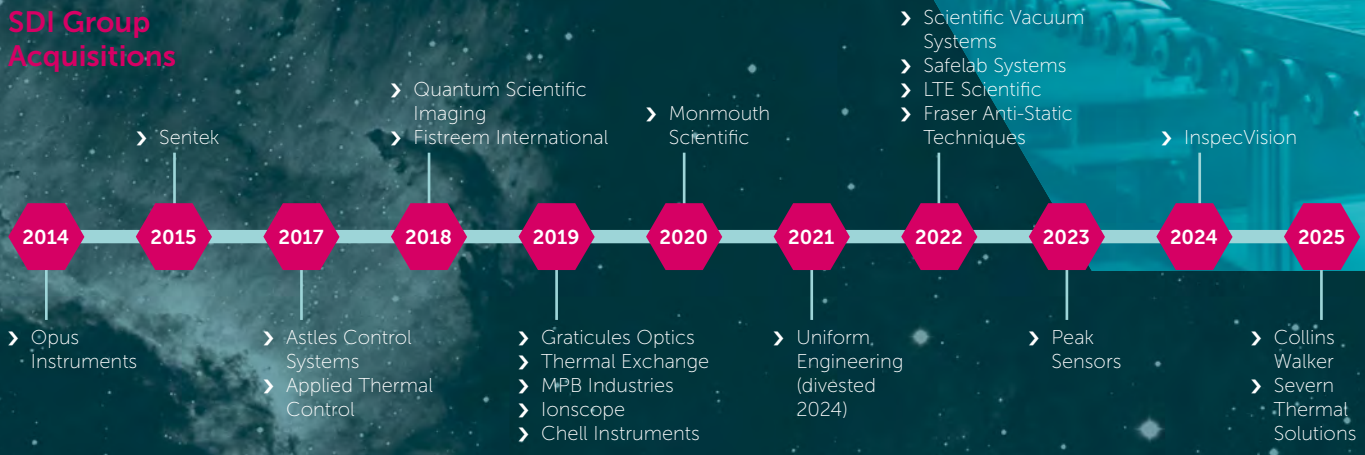
Main Acquisition Criteria

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

Post-Acquisition

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

SDI Group Acquisitions



Our Specialist Company Portfolio

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

Lab Equipment

Monmouth Scientific
› monmouthscientific.co.uk

Safelab Systems
› safelab.co.uk

Synoptics
› synoptics.co.uk

LTE Scientific
› lte-scientific.co.uk

Severn Thermal Solutions
› severnts.co.uk

Monmouth Scientific

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

Safelab

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

Safelab's cabinets are designed and manufactured in a dedicated facility in Weston-super-Mare.

Synoptics

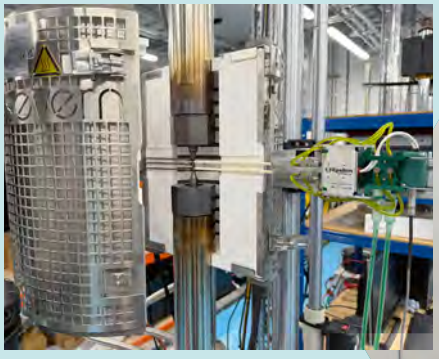
Synoptics, based in Cambridge, is the headquarters and manufacturing site for Syngene, Synbiosis, Fistreem and Gallenkamp.

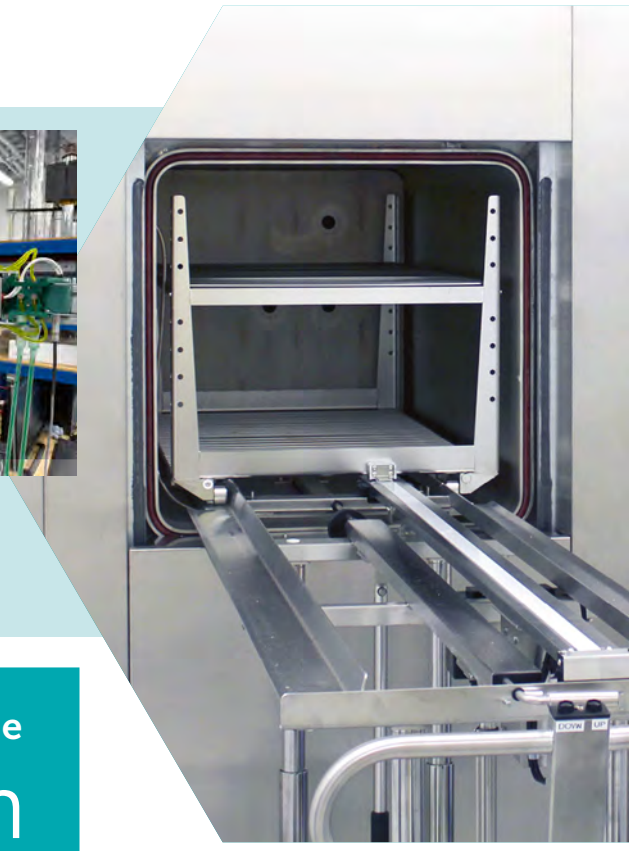
Syngene

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

Synbiosis

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





Fistreem and Gallenkamp

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

LTE Scientific

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

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

Complementing its product range, LTE provides nationwide service support through a dedicated team of skilled engineers trained to HTM and UKAS standards.

Segment Revenue

£24.0m

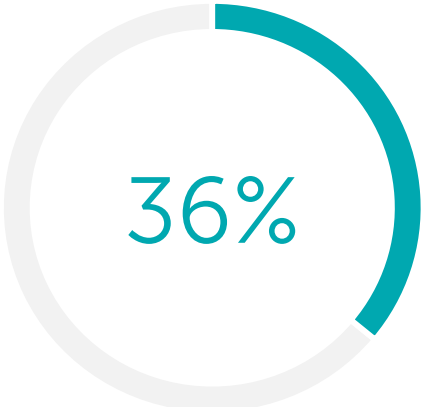
FY24: £26.8m

Segment Adj. EBIT

£2.7m

FY24: £3.1m

Contribution to Revenue



Severn Thermal Solutions

Established in 2006, Severn Thermal Solutions ('Severn') designs, manufactures and sells high and low temperature systems (furnaces, environmental chambers and ovens), which are used for materials testing and materials processing applications in multiple sectors, including nuclear, aerospace, power generation, automotive, semiconductors, microelectronics and research. Its systems are capable of achieving temperatures of over 3,000°C or close to absolute zero. Severn provides both standard and bespoke products across these sectors, and its products are now sold in over 25 countries worldwide. Severn is based in a 4,500 sq. ft. site in Dursley, UK.

Our Specialist Company Portfolio continued

Case Study

Safeguarding innovation

Monmouth Scientific's custom Recirculating Fume Cupboard elevated CSA Catapult's Lab.

Monmouth Scientific
› monmouthscientific.co.uk

The Client

CSA Catapult is a leading UK-based innovation centre, driving advancements in compound semiconductor applications. In its Radio Frequency ('RF') Lab, engineers and researchers develop high performance packaging and printed circuit board ('PCB') device prototypes for use in transformative industries like future telecoms.

The advanced packaging team plays a key role in creating demonstrator-level solutions, often using high spec equipment.

The Challenge

At the forefront of compound semiconductor innovation, CSA Catapult needed more than just precision – it needed protection.

With PCB processes using hazardous chemicals and sensitive components, the advanced packaging team required a custom fume extraction solution to house the LPKF Contac S4 PCB Through Hole Plating system. This machine performs intricate plating through up to eight chemical baths, bonding vertical layers of PCBs for advanced interconnectivity.

The plating process uses a variety of hazardous substances, including:

- sulphuric acid at elevated temperatures, generating sulphurous gases;
- potassium peroxomonosulphate, a strong oxidiser;
- sodium metaborate, known to cause eye irritation; and
- isopropyl alcohol, used in ultrasonic cleaning.

The lab environment needed a ventilated, chemical-resistant and light-protective solution to ensure safety and product integrity.

The Solution

Monmouth Scientific provided a custom specification Circulaire® Pro Recirculating Fume Cupboard, purpose built for CSA Catapult's RF Lab requirements.

Key features included:

- high performance, activated carbon filter extraction system to handle multiple chemical vapours;
- UV-filtered, tinted sliding sash to protect light-sensitive PCB components;
- custom internal layout to accommodate the LPKF Contac S4 machine;
- corrosion-resistant stainless steel work surface, for handling aggressive chemical use; and
- integrated storage and proximity access to a chemical cabinet.

The Result

With the new fume cupboard installed, one of several Monmouth Scientific clean air solutions on site, the advanced packaging team at CSA Catapult now operates with:

- enhanced reliability for sensitive PCB prototypes;
- improved protection from chemical exposure and UV damage;
- a streamlined workflow with a tailored lab setup; and
- full compliance with health and safety regulations.

The Feedback

"The fume cupboard has really made a difference in our day-to-day lab work. We use the fume hood primarily for our plating machine, as it involves chemicals and requires proper ventilation for breathing safety and air circulation.

Additionally, I use the remaining space for other chemical treatments and for storing pre-treated samples."

Azadeh Aliaskarian
Senior PCB Engineer – advanced packaging team

Case Study

Collaboration in action

Following the successful Harrow School project, highlighted in last year's Annual Report, the same international consultants again came to Safelab to assist on a major laboratory relocation, this time for a company focused on the industrial and government testing market.

Safelab Systems › safelab.co.uk | **Monmouth Scientific** › monmouthscientific.co.uk

The LGC Group, formally the Laboratory of the Government Chemist, is an international life sciences measurement and tools company. It provides the role and duties of the UK Government Chemist, as statutory advisor to the government. The cabinet requirement was part of a full relocation of its National Laboratories operations from the Teddington site to a new 8,000 sqm facility in the Surrey Research Park in Guildford.

Safelab was initially contracted by LGC to review the cabinet requirement and specification. This involved working with each section at LGC to determine its existing equipment specification and its requirement for products to take it to the next stage, and this formed the basis for the tender document.

The scope of the requirement was determined to be to be a combination of fume cupboards, microbiological safety cabinets, powder weigh cabinets and extraction hoods, with the full requirement falling within the standard product ranges of Safelab and Monmouth Scientific.

After a competitive tender process, Bulb Interiors, the main contractor, and LGC selected Safelab to supply, install and commission 67 cabinets, of which 52 were manufactured by Safelab and 15 were manufactured by Monmouth Scientific. The majority of the cabinets were the Airone XP4 double walled ducted fume cupboard, which is a product that provides a significant growth opportunity for Safelab. The project was Safelab's second biggest value project and was successfully delivered, on time, in January and February this year.

Our Specialist Company Portfolio continued

Five Questions...

Zoe Turner
Operations Director
at LTE Scientific

How long have you worked at LTE Scientific, and what brought you here?

I have been with LTE Scientific for five years, joining the company to replace the previous Operations Director upon their retirement. I was attracted to the role because of the opportunity to lead a dynamic team and contribute to the continued growth and success of a company committed to innovation and quality.

What does your job entail?

As Operations Director, I oversee five key teams: production, shopfloor, purchasing, technical and quality. My role involves ensuring smooth operations across these departments, driving efficiency, maintaining high standards and supporting cross-functional collaboration to meet our business objectives.

What do you love about your job?

I love leading a diverse team and seeing how our combined efforts drive the company forward. It is rewarding to be part of a supportive environment where collaboration and dedication lead to real results and growth. Every day offers new opportunities to learn and make a positive impact.

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

Being part of SDI Group has been instrumental in both my personal and professional development. The Group has actively encouraged and supported me in advancing my academic qualifications, including pursuing the CMI Level 7 Apprenticeship and progressing towards an MBA. This support has strengthened and is set to further develop my leadership capabilities and deepen my industry expertise, empowering me to make a more meaningful contribution to the business.

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

I am excited about the ongoing development of new and innovative products that will drive our company's growth. With the knowledge, expertise and collaborative spirit within SDI Group, I am confident we will continue to excel and expand our market presence. The Group's support for both individual development and business innovation makes the future very promising.

> **"The Group has actively encouraged and supported me in advancing my academic qualifications, including pursuing the CMI Level 7 Apprenticeship and progressing towards an MBA."**

Case Study

Highly reliable, innovative solutions for modern laboratories

LTE Scientific
› lte-scientific.co.uk

In April 2025, LTE Scientific launched a major new range of life science research autoclaves. The all new Labclave-L range replaces LTE's popular Touchclave-Lab product, which has served the life science market for the last 21 years.

Designed for Sustainability, Built for Efficiency

Reflecting LTE Scientific's continued commitment to delivering highly reliable, innovative solutions for modern laboratories, Labclave-L has been developed with efficiency, usability and eco-conscious manufacture and operation in mind. Notable enhancements include optimised steam generation and a sleek, modernised design, all contributing to a lower environmental footprint and improved user experience.

Enhanced Features as Standard

Labclave-L delivers outstanding performance, ergonomic benefits and improved operator safety. Key standard features across the range include:

- automatic, pneumatically operated doors with built-in emergency stop;
- 20-programme touchscreen control system for flexible cycle selection;
- air ballast system to safely sterilise liquids and reduce cycle times;
- armoured load probe for robust, reliable temperature monitoring; and
- enhanced operating range of 105°C to 140°C for a wider range of applications.

Sustainable by Design

Sustainability has been central to the redesign of these units, embracing a holistic approach that spans the entire manufacturing and operating process. Every unit is manufactured completely at LTE's UK facility in Oldham, Manchester, using locally sourced materials and components wherever possible to minimise transport emissions and support the local economy.

Key environmental enhancements include:

- easy-assemble panels to reduce welding requirements, thereby reducing energy use, while also simplifying servicing of the unit on site;
- durable stainless steel construction limits painted surfaces, which in turn reduces chemical and electricity usage; and
- optimised material usage helps to reduce waste without compromising performance.

Designed to support energy and water conservation, the Labclave-L Series helps laboratories operate more sustainably without sacrificing performance.

This new series reflects LTE Scientific's continued commitment to delivering highly reliable, innovative solutions for modern laboratories.

Our Specialist Company Portfolio continued

Industrial Sensors

Astles Control Systems
› astles.co.uk

Chell Instruments
› chell.co.uk

MPB Industries
› mpbflowmeters.com

Peak Sensors
› peaksensors.com

Sentek
› sentek.co.uk

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

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

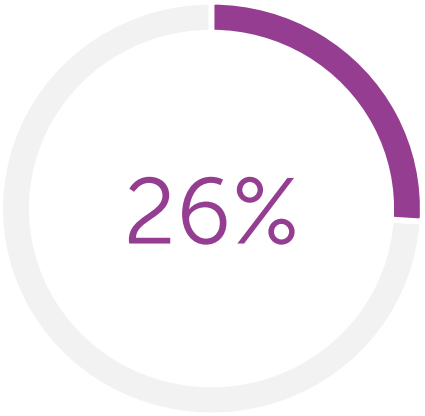
MPB
MPB Industries ('MPB') designs and manufactures flowmeters, flow alarms, flow indicators, flow switches, calibration cylinders and sight glasses for the measurement of liquids and gases by well-known industrial and scientific users. Based in East Peckham, UK, MPB operates across a broad range of applications including water treatment, oil and gas production, medical ventilators, medical anaesthesia and scientific analysis. It was a major contributor to the manufacture of ventilators for the UK at the outbreak of COVID-19.

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

Segment Revenue
£17.0m
FY24: £16.1m

Segment Adj. EBIT
£4.5m
FY24: £4.3m

Contribution to Revenue



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

Case Study

Pioneering custom sensors for critical, next-generation applications

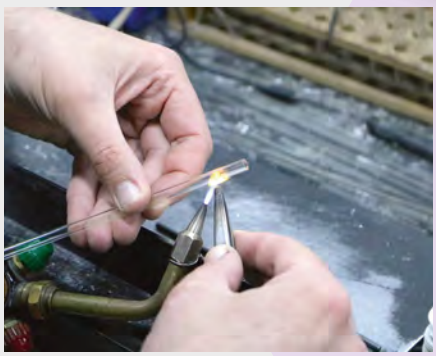
Sentek
› sentek.co.uk

At the edge of scientific measurement, where precision is essential, Sentek is strengthening its reputation as the go-to partner for custom electrochemical sensor solutions. This year, their unique in-house design and manufacturing capabilities have been sought out for a range of innovative projects across the healthcare, biotech, and utilities sectors, solving challenges that off-the-shelf technology simply cannot.

A notable example of this is a groundbreaking project in animal healthcare, where Sentek was tasked with developing a first-of-its-kind sensor. A research team required a highly specialised pH probe to provide real-time measurements during delicate surgical procedures near an animal's stomach. The goal was to instantly detect any reflux of stomach acid into the oesophagus, a critical factor for patient safety. Sentek's team of expert glassblowers and sensor specialists worked collaboratively with the client to design and produce a sensor that met these exacting and vital requirements.

This project is representative of a larger trend: a growing demand for their bespoke solutions in highly regulated and technologically advanced industries. They are actively engaged in several new, high stakes development projects that are currently in the design and evaluation stages with customers and regulatory bodies. These initiatives are pushing the boundaries of what is possible in pH, conductivity, and dissolved oxygen measurement, endorsing their position as a leader in sensor innovation.

It is this unique capability, blending glassblowing skill with deep electrochemical expertise, that is ingrained in the company's DNA. This allows Sentek to attract and execute projects that not only drive growth but also contribute to significant advancements in science and technology.



Our Specialist Company Portfolio continued

Case Study

Chell Instruments drives strategic expansion into high value turbomachinery market

Chell Instruments
› chell.co.uk

Building on its long-standing success in the automotive and aerospace sectors, Chell Instruments has successfully executed a strategic expansion into the high value turbomachinery market. This move is fronted by the launch of two innovative products, the 2416 pressure scanner and the 2432T thermocouple scanner, which are already securing significant international orders and gaining substantial market traction.

For years, Chell has been a trusted name in vehicle and wind tunnel testing. Leveraging this deep expertise, we embarked on a focused two-year development programme to engineer a larger, more industrial pressure scanner tailored specifically for the demanding environment of gas turbine engine development and production.

The result is the 2416 pressure scanner, launched in April 2025. This state-of-the-art instrument represents a significant leap forward, offering superior performance and a wealth of advanced features that surpass existing competitor products. The 2416 is already being recognised in the industry, delivering the precision and robustness required for next-generation aircraft engine testing.

Demonstrating exceptional market agility, Chell has rapidly complemented this success. Responding directly to customer requests, it developed the 2432T thermocouple scanner, a vital tool for the extensive temperature measurements also required in engine test stands. In a remarkable display of its responsive R&D capabilities, this new product was developed from concept to completion in just 12 months.

Set for launch in June 2025, the 2432T has already proven to be a resounding success. Chell has secured significant pre-launch orders from major customers in both Italy and Turkey, validating the product's design and its customer-centric approach.

This strategic and successful entry into the turbomachinery market highlights Chell's ability to identify new opportunities, develop technologically superior products and respond with speed and precision to the evolving needs of global industry leaders.

Five Questions...

Jamie Shanahan
Director at Chell Instruments

What does your job entail?

My role is broadly split into two areas; I oversee all operational aspects of the day-to-day running of Chell Instruments, including supporting all staff and departments, providing production and development direction, marketing and forecasting/ operational reporting.

I also oversee the company's sales activities, supporting the sales team and dealing directly with new and existing customers. This covers everything from simple customer quoting, advising colleagues and dealing with other manufacturers we work with, through to customer visits, specifying complex systems and providing technical support.

What do you love about your job?

Luckily for me, many things! What I love most is the people – Chell has a great, close-knit team with a brilliant solutions-oriented attitude. A close second is the sheer variety of my role. One day I can be in the office, working on a sales proposal or involved in a HR issue, the next I can be abroad, supporting a customer with a complex challenge. As a supplier to the aerospace, motor-racing, nuclear, pharmaceutical and many more industries, I see some very interesting applications.

How has your role evolved since you started?

I have been with Chell Instruments in two spells, spanning a total of almost 20 years. In that time, I have worked as a Calibration Technician in our lab, calibrating and repairing a wide range of measurement instrumentation; Laboratory Commercial Manager, responsible for growing all aspects of the lab business; Applications Manager, overseeing company sales activities and customer proposals; Sales Director, adding more responsibility around the running of the business to the purely sales role, to my current role as joint Managing Director.

In this time, I have also gained technical and management qualifications, including an MBA.

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

Being part of the SDI Group has benefitted Chell in many ways. It has taken us from a small, privately owned business, with a short-term focus and minimal investment (driven by the owner's impending retirement), to a longer-term focused, growing company with a defined strategy to achieve growth. To support this growth, we have more formalised processes, access to investment where required and access to collective knowledge and experience from across the subsidiary companies and the Board.

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

A challenge for many, COVID-19! These events left us with a small order book apart from some long-term high value projects. Being under the SDI umbrella and in regular contact with the Board gave us the security and confidence to carry on through this period, negating the need for more drastic action such as temporarily closing (which some of our suppliers were forced to do, to their long-term detriment). This would have been a very different story as a single, privately owned entity.

> **"We have more formalised processes, access to investment where required and access to collective knowledge and experience from across the subsidiary companies and the Board."**

Our Specialist Company Portfolio continued

Industrial Products

Applied Thermal Control
› app-therm.com

Atik Cameras
› atik-cameras.com

Fraser Anti-Static Techniques
› fraser-antistatic.com

Graticules Optics
› graticulesoptics.com

Scientific Vacuum Systems
› svs.co.uk

InspecVision
› inspecvision.com

Collins Walker
› collins-walker.co.uk

ATC

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

Atik

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

Atik is also the parent brand of Opus Instruments and QSI, creating a comprehensive imaging ecosystem. Opus Instruments leads the global market in infrared reflectography cameras, empowering art conservation and authentication worldwide, while QSI delivers premium imaging cameras for those passionate about astrophotography and astronomy.

FAST

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

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

Graticules

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

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

SVS

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

Segment Revenue

£25.1m

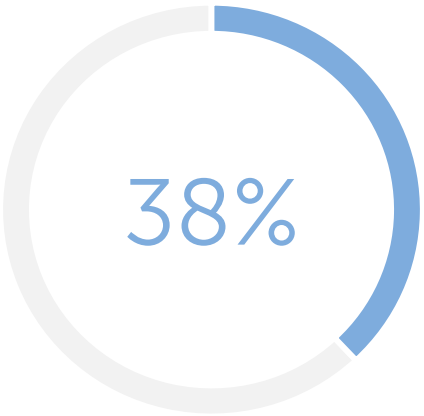
FY24: £22.9m

Segment Adj. EBIT

£5.0m

FY24: £4.0m

Contribution to Revenue

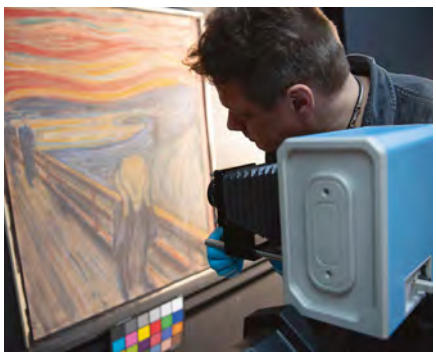


InspecVision

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

Collins Walker

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



Our Specialist Company Portfolio continued

Case Study

Fraser Anti-Static Techniques solves production bottleneck for global bedding brand, Snuggledown

In a powerful demonstration of its problem-solving expertise, Fraser Anti-Static Techniques has delivered a transformative solution to leading global bedding brand, Snuggledown, eliminating critical production inefficiencies at its UK manufacturing facility and paving the way for enhanced profitability.

Snuggledown, a prominent UK brand with over 25 years of history in luxury bedding, faced a significant challenge that threatened its high demand production lines. Uncontrolled static electricity was causing persistent processing difficulties, leading to costly product re-work and disruptive line downtime. With a reputation for quality and a high volume of orders to fulfil, maintaining seamless factory operations was vital.

The Fraser team conducted a thorough on-site analysis at Snuggledown's Lancashire facility to diagnose the root cause of the static-related issues.

The solution was the installation of the X-12L static elimination bar, from Fraser's latest X-SERIES range.

The impact was both immediate and significant. Upon installation, the X-12L bar completely neutralised the problematic static charge. This not only resolved the existing processing issues but also allowed Snuggledown to work with advanced fibres that had previously been too difficult to handle. The results were a significant reduction in production downtime and material waste, leading to a direct and positive impact on the company's bottom line.

The success of the collaboration has been praised by Snuggledown, which commented:

"After installing the X-12L bar, the results were immediate. The overall experience of working with Fraser was faultless in every regard. I would 100% recommend Fraser Anti-Static Techniques. We have now ordered a second bar for our other production line."

Fraser Anti-Static Techniques
› fraser-antistatic.com

Four Questions...

Lewi Griffiths
CEO at Fraser Anti-Static Techniques

How long have you worked at Fraser Anti-Static Techniques, and what brought you here?

Come mid-June, I've been in role for four months. The challenge of taking an SME with a global footprint in our industry sector to the next level was exciting and compelling. I'm pretty sure there are not many Devon-based manufacturers that can say they export electronics to China.

What do you love about your job?

Being part of a high agency and high trust team. Meeting rooms aside, there are no individual offices at Fraser. We operate from a compact open plan space. There is a real energy that is generated in that environment, and it fosters great collaboration. Given the 'interesting times' in which we operate, this is a key element that enables Fraser to manufacture products that make a real difference to customers' operations while building a sustainable, profitable business that delivers value to SDI's shareholders.

How would you characterise the relationship between the management team at Fraser and the SDI senior management?

Balanced, transparent and respectful. We have the autonomy to drive growth and scale the business within defined limits. Put simply, we have more of a strategic partnership than a rigid hierarchical reporting structure. There is a heavy emphasis on collaboration; we are encouraged to learn from and share experiences with the wider Group. In the context of value creation, SDI provides the strategic guidance and Fraser's management team brings operational excellence, expertise and market insight. SDI not having a physical office is a major plus. Board meetings rotate among the portfolio companies, allowing much greater insight into each business for the Board and subsequent exposure for management teams.

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

There is significant capacity and room for growth at Fraser. We have emerging novel markets for existing products that will allow us to grow without significantly increasing R&D spend in the short term. Radical collaboration with portfolio companies, distributors and customers presents other opportunities for monetising data outputs, end-to-end solutions and consulting services.

At Group level being part of something that matters. From a £66m revenue base, we are executing against a clear buy and build strategy, creating something sustainable that investors can believe in. We're proving that British and Northern Irish manufacturing can compete globally through pure ingenuity rather than just scale.

> **"There is a heavy emphasis on collaboration; we are encouraged to learn from and share experiences with the wider Group."**

Our Specialist Company Portfolio continued

Six Questions...

Sónia Gil
CEO at Atik Cameras

What does your job entail?

As CEO and Finance Director, my role involves leading the overall strategic direction of the company, guiding the team, ensuring sustainable growth and overseeing all financial operations. I am responsible for financial planning, risk management, strategic development and regulatory compliance, while working closely with all departments to align goals with the broader business strategy, including sales growth and R&D projects. Ultimately, I ensure the company remains both financially healthy and strategically positioned for long-term success.

How has your role evolved since you started?

I joined Atik four years ago as a Financial Controller and have grown within the company through various roles in the finance department. While my background is financial, I've always worked closely with all departments, which gave me a broad understanding of the business. Over time, I took on greater responsibilities, including leading the sales team, a particularly demanding but enriching experience that strengthened my leadership and commercial vision. Recently, I was honoured to be invited to take on the role of CEO, a surprise at first, but one I embraced with great enthusiasm. It's a privilege to lead the company today and continue contributing to its growth from a more strategic and cross-functional perspective.

What do you love about your job?

What I love most about my job is the ability to drive meaningful impact, both strategically and on a human level. I enjoy shaping the company's direction, making decisions that promote sustainable growth, and seeing those decisions translate into real results. But above all, I value leading a talented team, fostering a culture of accountability and innovation, and helping people and ideas grow. It's incredibly rewarding to know that my work helps create long-term value for the business and for everyone involved.

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

Being part of SDI Group has provided valuable support in key areas such as corporate governance, strategic insight and operational best practices. At the same time, we've maintained our independence and entrepreneurial spirit. This balance has enabled us to grow with confidence, knowing we have both the freedom to act and the guidance to scale sustainably.

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

One of the major challenges we faced was the closure of our UK operations, recruiting a new team in Lisbon and overseeing the full transition of our R&D, sales and marketing teams. This was a complex and sensitive process, both operationally and culturally. Being part of the SDI Group was instrumental during this transition; its guidance, support and experience helped ensure that the process ran smoothly and that the teams were integrated successfully. Its involvement gave us the confidence and structure we needed to navigate this critical moment in the company's evolution.

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

Looking ahead, I'm genuinely excited about the opportunities for innovation and growth at Atik Cameras. With our R&D, sales and marketing teams now fully integrated in Lisbon, we are more agile and better positioned to develop and present new products to the market and respond quickly to customer needs. I see huge potential in expanding into new application areas, continuing to improve SSA/SDA market solutions and continuing to invest in imaging products.

At the same time, being part of SDI Group gives us a solid framework that supports sustainable scaling. I'm particularly excited by the Group's ability to combine entrepreneurial freedom with strategic structure; it's a powerful formula for long-term success. I look forward to contributing to that journey, both as a leader within Atik and as part of the broader SDI family.

Case Study

Understanding dark matter

Atik Cameras
› atik-cameras.com

In a pioneering collaboration that pushes the boundaries of astronomical research, Atik Cameras has been chosen as the exclusive camera supplier for the ambitious expansion of the Dragonfly Telephoto Array. This innovative project is poised to unravel some of the universe's biggest questions, including the nature of dark matter.

The Dragonfly Telephoto Array is a revolutionary telescope concept, specifically engineered to detect the faint structures that fill the night sky. These filaments, which form the 'cosmic web' connecting galaxies, are believed to hold the key to understanding the distribution and properties of dark matter. Conventional telescopes have long struggled to capture these structures due to scattered light and detector limitations. The newly expanded Dragonfly Array, however, will overcome these challenges, boasting a sensitivity 50 times greater than conventional large telescopes and becoming the world's most powerful wide-field spectroscopic mapping telescope.

Central to this technological leap are Atik's APX60 and APX26 CMOS cameras. Selected for their exceptional performance, these cameras provide the critically low read noise, minimal dark current and high quantum efficiency essential for capturing the universe at its lowest light levels. The integration of Atik's technology into the Dragonfly platform has been instrumental in enabling nightly optimisation and rapid, cloud-based data analysis, accelerating the pace of discovery.

This partnership with the Dragonfly Telephoto Array is a testament to Atik Cameras' position at the forefront of scientific imaging. By empowering astronomers to visualise the cosmic web with unprecedented clarity and speed, Atik is not just supplying components, it is playing an integral role in a new era of cosmic exploration and deepening our understanding of the universe itself.

"Collaborating with the Atik Cameras team has been one of the highlights of the Dragonfly project.

From our earliest conversations to the final integration, its engineering team stood out for both its technical depth and its willingness to fully engage with our highly specific imaging requirements.

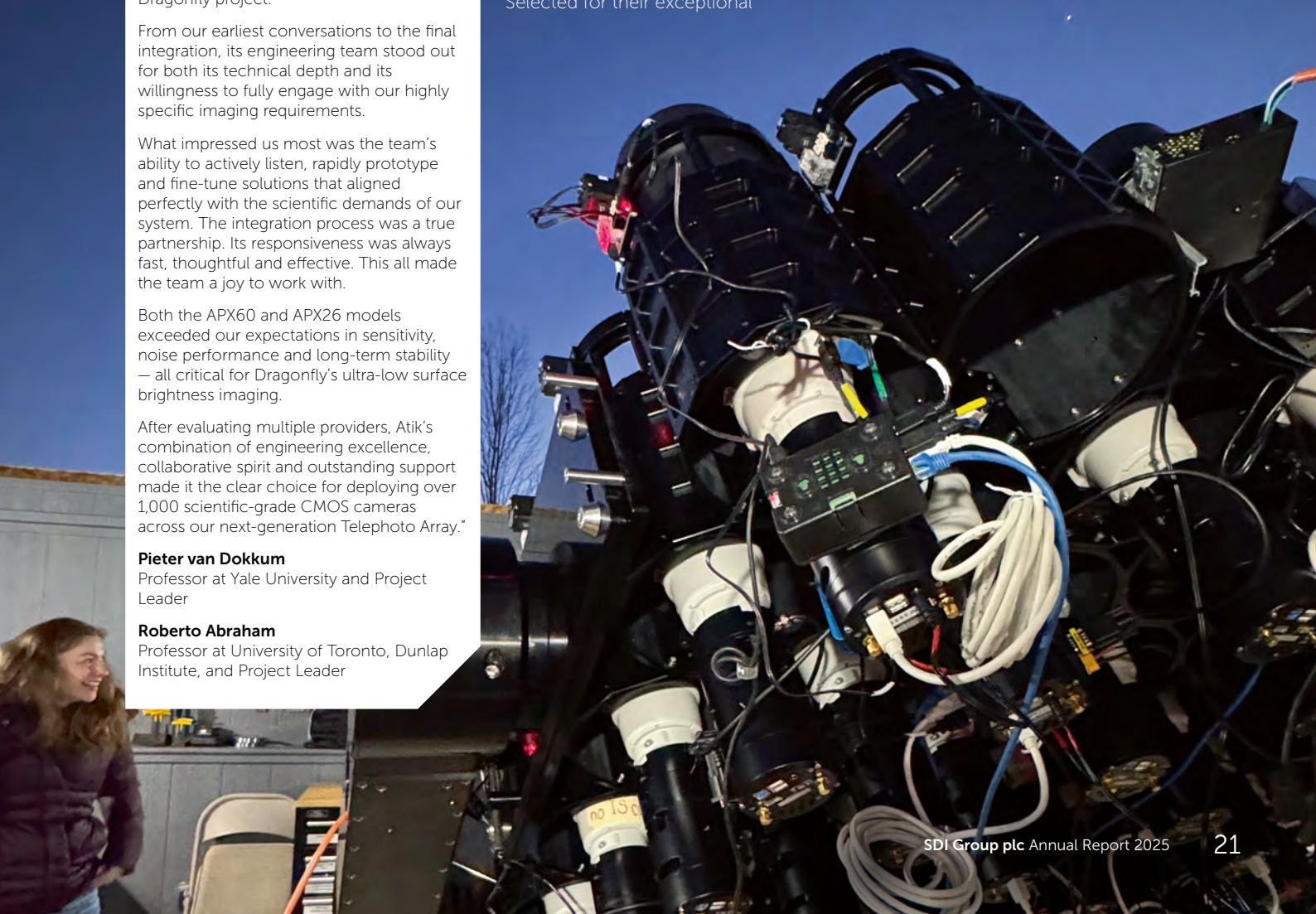
What impressed us most was the team's ability to actively listen, rapidly prototype and fine-tune solutions that aligned perfectly with the scientific demands of our system. The integration process was a true partnership. Its responsiveness was always fast, thoughtful and effective. This all made the team a joy to work with.

Both the APX60 and APX26 models exceeded our expectations in sensitivity, noise performance and long-term stability — all critical for Dragonfly's ultra-low surface brightness imaging.

After evaluating multiple providers, Atik's combination of engineering excellence, collaborative spirit and outstanding support made it the clear choice for deploying over 1,000 scientific-grade CMOS cameras across our next-generation Telephoto Array."

Pieter van Dokkum
Professor at Yale University and Project Leader

Roberto Abraham
Professor at University of Toronto, Dunlap Institute, and Project Leader



Our Specialist Company Portfolio continued

Case Study

Award-winning innovation driving global success

In an outstanding endorsement of its technological capabilities and international growth, InspecVision, our first acquisition of the financial year, was honoured with the prestigious 2025 King's Award for Enterprise in International Trade. This award, one of the UK's highest business honours, underscores the impact of InspecVision's cutting-edge technologies being implemented in practical applications.

InspecVision
› inspecvision.com

This marks the second time in just five years that InspecVision has received this award, a testament to its sustained excellence and growth in overseas markets. The company's international sales have grown by an incredible 126% over the past three years, with exports now amounting to 96% of its total sales across more than 40 countries. This outstanding achievement is powered by a commitment to practical, game-changing innovation that solves real-world manufacturing challenges.

At the heart of this success are innovative applications of artificial intelligence ('AI') and augmented reality ('AR'). InspecVision is pioneering the use of these technologies to create smarter, more efficient and more accurate factory processes.

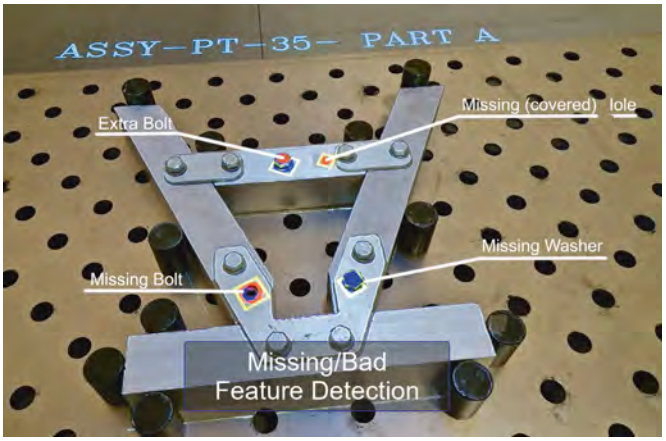
The Planar 2D system with SurfScan demonstrates this forward-thinking approach. By projecting defect and alignment data directly onto a physical part, its AR functionality provides operators with an instant, intuitive visualisation of quality issues. This accelerates the inspection process, enhances accuracy and empowers users of all experience levels to make faster, more reliable decisions.

Taking this a step further, the revolutionary Guidance and Verification ('GAV') system uses AI to learn complex manual tasks simply by observing an expert operator. It then projects clear, step-by-step AR instructions onto the workspace to guide other users, verifying each action in real time. This system is a lifeline in high variation sectors like aerospace and custom manufacturing, ensuring precision while creating a complete digital thread for traceability.

Jan Antonis, Managing Director of InspecVision, commented on the award: "We're incredibly proud to receive this award again. It's a reflection of the hard work and dedication of the whole team, and the trust our customers place in us around the world."

This sentiment is echoed by our CEO, Stephen Brown: "To receive this award twice in five years speaks volumes about the quality of the technology and the team behind it. We're excited to support InspecVision as it continues to grow on the global stage."

The King's Award is confirmation that InspecVision's strategy of developing highly innovative, practical solutions is driving significant global demand. This acquisition brings a world-class, award-winning innovator into the Group, perfectly aligning with our vision for a future defined by intelligent, technology-led growth.



Case Study

Supporting the net zero initiative

From transforming environmental liabilities into revenue streams to supporting cutting-edge cancer treatment and enabling national food production, Collins Walker's robust and reliable electric boiler technology has been the trusted choice for critical infrastructure projects across the UK, supporting the net zero initiative.

Collins Walker
› collins-walker.co.uk

Collins Walker's expertise in delivering precision-engineered, automated heating and steam solutions is demonstrated in a diverse portfolio of demanding applications.

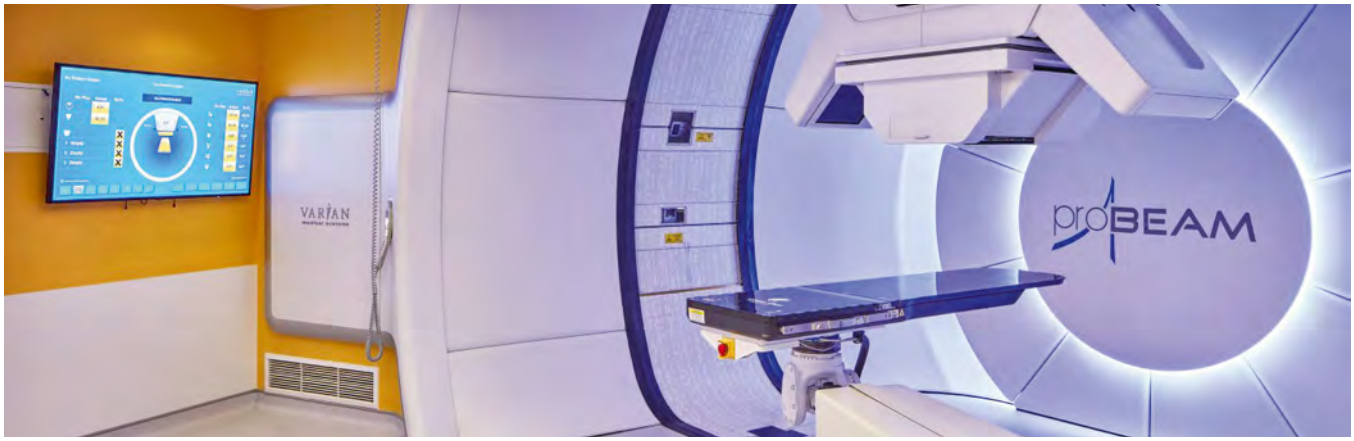
An example of Collins Walker's impact is the pivotal role played in United Utilities' £30m upgrade of the Leigh Wastewater Treatment Works. Here, a Collins Walker IW504 (504kW) hot water boiler is the heart of an advanced thermal hydrolysis plant. This innovative process turns costly waste into a valuable asset by generating biogas through anaerobic digestion.

Collins Walker's boiler, housed in a standalone, prefabricated unit, has operated flawlessly on a 24/7 basis since its installation in 2015, requiring minimal operator input and only a single day per year for routine maintenance. This is a testament to the exceptional reliability and engineering excellence that its clients depend on.

This need for absolute precision is also paramount in the healthcare sector. At the new Proton Beam Therapy Centre at University College London Hospital ('UCLH'), one of the UK's most advanced cancer treatment facilities, two of Collins Walker's IW236 electric hot water boilers were selected. Their critical task is to maintain the underground laboratories at a strictly defined temperature, essential for the operation of the life-saving equipment. Fully integrated with the building's management system in an automated duty/standby arrangement, Collins Walker's boilers provide UCLH with the stability required for such a vital national facility.

Its technology is also a cornerstone of British industry. At Carr's Flour Mills in Cumbria, a company with a rich history, a Collins Walker steam boiler is integral to its manufacturing process. The boiler produces a consistent supply of steam (302kg/h), which is used to process wheat husks into animal feed, demonstrating Collins Walker's ability to support the UK's food and agriculture supply chain with durable and efficient solutions.

Across energy, healthcare and industry, these cases highlight a common thread: Collins Walker delivers more than just boilers. It provides the precise and dependable engineering that powers progress, enhances efficiency and enables its partners to succeed with their net zero goals.



Our Specialist Company Portfolio continued

Case Study

High performance meets sustainability at ATC

In a move that redefines industry standards for environmental responsibility, Applied Thermal Control ('ATC') has launched its novel MG and G Series recirculating chillers. This launch marks a focal moment in the company's history, setting a new benchmark for sustainable process cooling and demonstrating a clear commitment to future-focused innovation.

Applied Thermal Control

› app-therm.com

At the heart of this advancement is the use of R290, a natural refrigerant with a global warming potential ('GWP') of just 3, replacing the previous R134A with a GWP of 1,430. This represents a significant leap forward in reducing the environmental impact of cooling technologies, especially when compared to traditional refrigerants which can have GWPs thousands of times higher. By embracing R290, ATC is not only aligning with stringent global regulations such as the Montreal Protocol and EU F-Gas regulations but is also proactively providing its customers with a competitive advantage in achieving their own sustainability targets.

The MG and G Series are more than just an evolution of existing technology, marking a shift toward future-ready refrigeration. Engineered for precision and efficiency, these compact and powerful chillers, with cooling capacities ranging from 500W to 4kW, are optimised for the demanding environments of modern laboratories and industrial applications.

This strategic launch underpins ATC's long-term vision for a sustainable future. By future-proofing its product line, the company is enabling its customers to stay ahead of regulatory curves and growing environmental pressures. The MG and G Series' design, which includes robust safeguards for the use of flammable refrigerants, ensures that this commitment to sustainability is delivered without compromising on safety or performance.

The introduction of the MG and G Series chillers is a clear indicator of ATC's dedication to leading the charge in sustainable temperature management. For customers, it offers a reliable and efficient solution that not only meets their immediate cooling needs but also supports their long-term environmental and operational goals. This launch solidifies ATC's position as a forward-thinking leader in the process cooling industry, committed to providing innovative solutions that benefit both its clients and the climate.

Chairman's Statement
for the year ended 30 April 2025

Ken Ford
Chairman

A year of resilience and strategic confidence

On behalf of the Board, I am pleased to present the Annual Report and Accounts for SDI Group plc ('SDI') for the financial year ended 30 April 2025. It has been a year in which the Group has demonstrated the fundamental strengths of its decentralised business model and its clear strategic focus. In a complex and rapidly evolving global economic environment, SDI has delivered a resilient performance, making excellent progress against our long-term objectives.

"The Board is confident that we are well positioned to deliver sustainable, long-term value for our shareholders."

This performance is a direct result of our clear strategy, the dedication of our talented colleagues across the Group and the entrepreneurial spirit that sits at the heart of each of our businesses. The Board is confident that we are well positioned to deliver sustainable, long-term value for our shareholders.

Delivering on Our Strategy

SDI's successful buy and build strategy continued with the earnings-enhancing acquisition of InspecVision Limited in October 2024, Collins Walker Limited in April 2025 and, subsequent to the period end, Severn Thermal Solutions Limited. The Group's policy is to acquire small to medium-sized manufacturing companies, operating within the science and technology sectors, with a manufacturing bias. We target businesses in growth markets with niche, high quality products, strong management teams, and a proven record of sustainable profits and cash flows.

Future acquisitions will be funded by earnings and cash flows from our existing businesses where possible. To ensure we maintain the right level of operating capital and funding available for acquisitions, the Board has again decided not to pay a dividend this financial year but will keep this under review. A small dividend was paid as part of our cash management processes to a non-controlling interest within the Group (see page 63).

The Group's strategy to drive growth continues to make good progress with several businesses within the portfolio delivering strong performances alongside good demand and potential for our portfolio companies' offerings.

These financial results have been driven by continuous improvement and investment across the Group together with the benefit of recent acquisitions, delivering Group revenue of £66.2m and adjusted operating profit of £10.0m in the period. This profitability, combined with strong cash conversion, allows us to reinvest for future growth.

Market Opportunity

SDI is a successful Group of UK engineering companies, bringing together highly specialised and innovative businesses and helping them to grow, whilst offering investors exposure to a wide range of technologies and end markets. We are seeing a solid pipeline of interesting businesses as potential acquisitions. Whilst we will consider overseas acquisitions where they are value enhancing, the UK remains a fertile hunting ground and the quality of UK innovation continues to be strong.

Chairman's Statement continued
for the year ended 30 April 2025

Board
There have been no changes to the Board in the year. We continue to have the right skills and experience to support the business as it continues to grow.

In common with our wider team and other stakeholders, the Board is determined that the Group plays its part in addressing climate change and plays a role in being part of the solution. We continue to evaluate our environmental, social and governance ('ESG') position, further details of which can be found in the ESG section of the Annual Report.

Team
All members of the Board visit a selection of our subsidiary companies every year. When I meet our colleagues, I am always impressed by their commitment to the businesses they represent and the skill with which they conduct their day-to-day work. The progress that we have made in the year would not have been possible without their continued efforts. They are key to the long-term success of our businesses. I would like to thank them all, on behalf of the Board, for their contributions.

Outlook
The Board remains confident in the Group's strategy and its ability to capitalise on the opportunities and navigate the challenges ahead. Despite macro-economic concerns facing the manufacturing industry, the diversity of our end markets, our strong financial position and our proven ability to identify and integrate value-enhancing acquisitions provide a firm foundation for future growth for SDI.

We entered the new financial year with positive momentum and are confident in our ability to deliver further progress for all our stakeholders.

Ken Ford
Chairman
30 July 2025

"In a complex and rapidly evolving global economic environment, SDI has delivered a resilient performance, making excellent progress against our long-term objectives."

Chief Executive Officer's Report
for the year ended 30 April 2025

Stephen Brown
Chief Executive Officer

Overview

This year has been a period of significant achievement and strategic progress for SDI. We have delivered a solid financial performance and made excellent progress against our strategic objectives, resulting in a stronger foundation for sustained, profitable growth.

Our revenue growth this year is driven by strategic, value accretive acquisitions. The Group targets businesses with strong reputations that design and manufacture niche products and technology, operating in growth markets.

We were delighted to complete two acquisitions in FY25, welcoming high quality businesses into the Group, enhancing our capabilities and expanding our market reach. InspecVision Limited ('InspecVision') and Collins Walker Limited ('Collins Walker') joined SDI in October 2024 and April 2025, respectively. Post-period end we also successfully completed the acquisition of Severn Thermal Solutions Limited ('Severn').

Our organic growth strategy is focused on driving operational excellence amongst our portfolio companies and leveraging the benefits of being part of the Group to accelerate their growth.

We have successfully established a Group-level marketing function, promoting from within the Group to support the portfolio, and have been proactively supporting R&D and innovative new product launches, in addition to improving knowledge sharing across the portfolio leadership.

SDI's decentralised and entrepreneurial business model has once again demonstrated its remarkable resilience, thriving amidst a complex and unstable global economic landscape. I am proud to report on a year of dedicated effort from our talented teams across the Group, which has positioned us to capitalise on the significant opportunities that lie ahead.

Financial Performance

Our financial results for the year reflect the underlying strength of our business model, with a robust performance in both revenue and profitability. Impressive cash generation in the period also allowed us to continue to invest in our organic growth initiatives and maintain a healthy pipeline of acquisition candidates.

Revenues increased 0.5% to £66.2m (FY24: £65.8m), with new the acquisitions, InspecVision and Collins Walker, contributing £1.6m in the year, demonstrating the success of our strategy of acquiring businesses with strong niche positions, intellectual property and international reach.

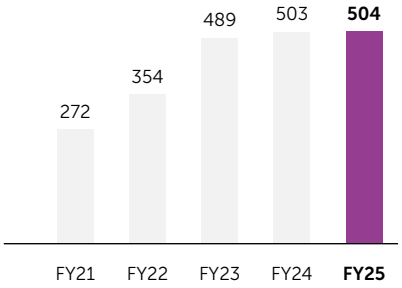
Adjusted operating profit increased to £10.0m (FY24: £9.6m), with gross margins (excluding labour costs) improving to 64.9% (FY24: 63.1%), reflecting the Group's ability to manage costs effectively and navigate market headwinds.

A key highlight of the year has been our strong cash generated from operations, which increased to £12.9m (FY24: £9.4m). This financial discipline provides us with the flexibility to pursue our strategic ambitions, including our active acquisition pipeline.

At 30 April 2025, the Group had net debt of £13.8m (excluding lease liabilities and deferred consideration) and £9.9m of undrawn bank facility (excluding the £5.0m accordion option) and a further £0.6m of deferred consideration payable relating to previous acquisitions.

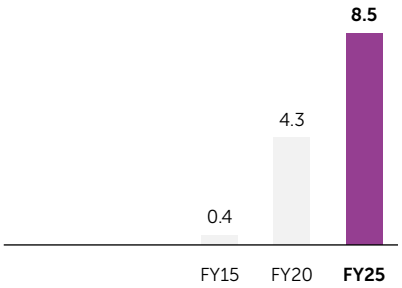
Average number of employees

504
in 2025



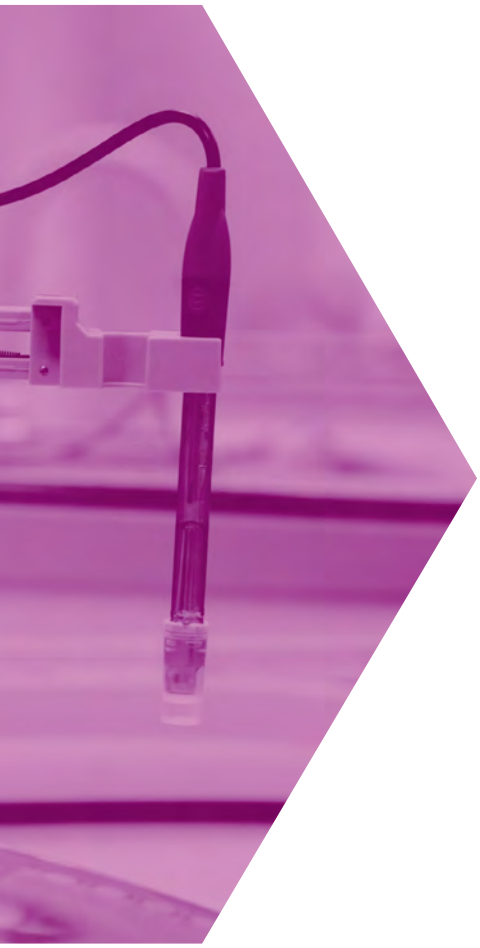
Adjusted PBT

£8.5m
in 2025



Chief Executive Officer's Report continued
for the year ended 30 April 2025

"This year has been a period of significant achievement and strategic progress for SDI. We were delighted to complete two acquisitions in FY25, welcoming high quality businesses into the Group."



Operational Review

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

Industrial & Scientific Products

Fraser Anti-Static Techniques ('FAST'), Atik Cameras ('Atik'), Applied Thermal Control ('ATC'), Graticules Optics, Scientific Vacuum Systems ('SVS'), InspecVision and Collins Walker

Revenues in the Products division increased 9.9% to £25.1m (FY24: £22.9m).

Following the refocusing of Atik's strategy and the consolidation of all its activities to its site in Portugal, the business has performed very strongly, particularly in the professional astronomy market. We expect to see this momentum continue into FY26.

Atik also expanded its product range during the period, including the launch of the APX Series, its most advanced CMOS camera range to date, and suitable for a range of demanding applications including microscopy, neutron imaging, luminescence and astrophotography. Robust cooling technology and no amp glow also make these cameras ideal for very long exposures.

Graticules Optics increased its market share and delivered a record performance in FY25. FAST saw an uptick in organic growth, as a result of a focus on strengthening product awareness across its end markets together with benefitting from an improvement in geographic market conditions.

Industrial & Scientific Sensors

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

The Sensors division increased revenues by 5.5% to £17.0m (FY24: £16.1m), with notable performances from MPB, Chell and Sentek.

Sentek designs bespoke electrochemical sensors for water-based applications across a diverse range of markets. It has seen strong demand for its products from new customers and significant repeat orders from its existing customer base.

Chell continues to expand its innovative product range, launching the 2416 industrial pressure scanner in March 2025, providing 16 points of measurement for high accuracy and unparalleled performance. This was followed by the April 2025 launch of the Q-DAQ pressure scanner, which ensures low uncertainty measurements and durability for the harshest of environments.

Laboratory Equipment

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

Our Laboratory division revenues decreased 10.5% to £24.0m (FY24: £26.8m). While the first half of the year presented challenges in the life sciences and biomedical markets, the division demonstrated a recovery in the second half.

Safelab performed exceptionally well in the period, increasing its market share through excellent contract momentum. Monmouth finished the year on a high, securing its largest ever clean room contract in the period, totalling in excess of £0.6m. The business is well positioned to capitalise on further opportunities in FY26.

New product development remains a cornerstone of our business model. Both LTE and Synoptics delivered new products to market, with LTE launching the sustainability-focused Labclave-L Series of autoclaves, and Synoptics launching the G:Box mini XRQ, a compact imaging system for smaller laboratories keen to maintain high level performance.

Delivering Growth

SDI Group's growth strategy is clear and consistent: to create compounded shareholder value through a combination of organic growth and disciplined, earnings-enhancing acquisitions. Our decentralised model empowers our individual businesses to innovate and respond nimbly to their specific market

dynamics, while the Group provides strategic oversight, financial strength and a collaborative environment that fosters the sharing of best practices.

Our acquisition criteria remain clear. We seek profitable, cash generative manufacturing businesses, within a scientific niche and with strong management teams, trading in multiple sectors and geographies.

The integration of new companies is a core competency and we have a proven ability to unlock further potential in our acquired businesses, helping them to flourish within the SDI Group structure.

Organic Growth

SDI has been working with the individual portfolio businesses to help them expand their reach into existing markets and capitalise on new opportunities. A prime example of this is the work the Group has done with Atik. Following the implementation of an improvement plan involving the consolidation of operations into its Portugal site, Atik has substantially exceeded internal expectations, delivering significant growth in FY25. We have also fostered greater collaboration across the portfolio, as demonstrated by Safelab and Monmouth collaborating on a successful tender for a large contract. In October 2024, six businesses came together to present at UK Lab Innovations, the UK's leading laboratory industry show, with the prominent combined stand driving awareness across fellow exhibitors and prospective customers alike.

We continue to drive other initiatives such as establishing a Group-level marketing function, promoting from within the Group to support the portfolio, organising knowledge sharing events for our leadership teams, white labelling products across businesses and sharing successful strategies for geographic market entry.

Inorganic Growth

During the year, we continued to deliver on our stated strategy of acquiring businesses developing and manufacturing niche products for a global market audience. We were delighted to welcome InspecVision and Collins Walker to the Group during FY25.

In October 2024, we acquired InspecVision for a net consideration of £6.1m. Established in 2003, InspecVision employs 14 people and is based in a 20,400 sq. ft. site in Newtownabbey, Northern Ireland. It provides precision measurement machinery for smart manufacturing, automated inspection and reverse engineering, bringing the Group exposure to the high value metrology market and a global, blue-chip customer base, which includes the US. Performance since acquisition has met our expectations, including the receipt of its first significant order for its new GAV AI and ML product in the period. In May 2025, the business also received the prestigious King's Award for Enterprise in International Trade. This is the second time the business has received that award, a testament to InspecVision's strength and quality.

In April 2025, Collins Walker, a designer and manufacturer of electric boilers, was acquired for a net consideration of £1.9m. Established in 1972, it employs four people and is based in Bedford within an 8,000 sq. ft. site. This acquisition has provided SDI with a strategic entry into the highly regulatory driven electric boiler sector, which is experiencing significant growth due to net zero regulations. Post-acquisition, Collins Walker has been integrated as a bolt-in, providing the platform to drive growth across the combined businesses through expanded manufacturing capacity, strengthened sales capabilities and improved operational efficiencies. We see additional synergies and value-add opportunities with LTE, which utilises electric boilers in its autoclave product line.

Post-period end, we announced the acquisition of Severn Thermal Solutions ('Severn'), a designer and manufacturer of high temperature furnace systems and environmental chambers for advanced material processing and testing, for a net consideration of £4.8m. Established in 2006 and based in Dursley, Severn employs 11 people at its 4,500 sq. ft. site. With a blue-chip customer base and strong international revenues, Severn offers cross-sell opportunities across the Group.

We are constantly evaluating potential acquisitions, and are confident in our continued pipeline of opportunities, which will only serve to further strengthen the Group and drive SDI's growth profile.

People

The success of SDI Group is a direct result of the dedication, expertise and entrepreneurial spirit of our people. Our decentralised culture fosters a sense of ownership and accountability at every level of the organisation. I want to extend my sincere gratitude to all our colleagues for their hard work and commitment throughout the year. It is their contributions that drive our innovation and are fundamental to delivering value to our customers and shareholders.

Outlook

The performance we have achieved in FY25 has been driven by continuous improvement and investment across the Group and delivering inorganic growth through the acquisition of high quality businesses.

Looking forward, our strategy remains consistent. We continue to identify catalysts for growth across the Group, invest in the development of new products and technologies and proactively seek out companies that complement our portfolio and meet our strict investment criteria.

We enter the new financial year with momentum, a strong order book and a clear strategy for growth. While we remain mindful of the ongoing economic uncertainties, we have confidence in the resilience of our business model and the long-term growth drivers in our key markets. We have a robust pipeline of acquisition opportunities and the financial capacity to execute on our plans, and we expect to deliver financial performance for FY26 in line with current market expectations.

The Board and I are excited about the future of SDI Group. We are confident that by continuing to execute our strategy, we will deliver sustainable, long-term value for all our stakeholders.

Stephen Brown
Chief Executive Officer
30 July 2025

Chief Financial Officer's Report
for the year ended 30 April 2025

Amitabh Sharma
Chief Financial Officer

The financial strength to support investment in sustainable growth

"Cash generated from operations was strong, increasing from £9.4m in FY24 to £12.9m."

Revenue and Profits

SDI Group revenues increased by 0.5% to £66.2m in FY25 (FY24: £65.8m). Peak Sensors, acquired in the middle of FY24, together with the new acquisitions made in FY25, InspecVision and Collins Walker, contributed inorganic revenues of £2.8m (4.3%). Uniform Engineering, which was sold in February 2024, and Synoptics Inc., which transferred to its UK business in May 2024, together comprised £1.3m (1.9%) in revenue in FY24. Excluding these from the comparatives, organic revenues declined 1.6% on a constant currency basis, 1.8% (£1.2m) in absolute terms. Positively, the second half of FY25 saw organic growth.

Gross profit (on materials only) increased to £42.9m (FY24: £41.6m) whilst gross margins improved to 64.9% (FY24: 63.1%). On a like-for-like basis (including prior year acquisitions from the anniversary of the acquisition), gross margins increased to 65.5%, a very strong result. Inflation caused our operating overheads to increase by 3.0% on a like-for-like basis.

We saw a pleasing 4.2% improvement in adjusted operating profit to £10.0m (FY24: £9.6m) being operating profit before share-based payments, acquisition costs, reorganisation costs, loss on disposal of subsidiary undertaking (FY24 only) and amortisation of acquired intangible assets. Net adjusted operating margins improved to 15.0% from 14.5% in FY24.

Looking at divisional performance, on a reported basis, the Industrial & Scientific Products ('Products') division grew by 9.9% to £25.1m (FY24: £22.9m), with momentum increasing over the second half of the year. InspecVision and Collins Walker joined the Products division in October 2024 and April 2025 respectively. Adjusting for their contribution, organic growth was 2.8%. Graticules experienced significant growth in demand for its reticules and TEM grid products. Atik Cameras performed very strongly with excellent order intake and profit growth, after a full period of trading with its largest OEM customer and growth in the professional astronomy market. Fraser Anti-Static Techniques saw a recovery in its markets whilst Applied Thermal Controls ('ATC') saw a chiller market slow-down largely due to regulatory changes relating to refrigerant gases. These regulatory pressures are expected to reduce over the second half of FY26.

The Industrial & Scientific Sensors ('Sensors') division saw sales increase by 5.5% to £17.0m (FY24: £16.1m). This included a full period of sales for Peak Sensors, acquired in November 2023. Adjusting for this, Sensors saw an organic decline of 1.6%, due to a return to a normalised ordering pattern for Astles Control System's chemical dosing systems. Other businesses within this division had strong trading periods: Chell Instruments had a very good second half for its DAQ range of products; and MPB Industries saw growth in the flowmeter market. Peak Sensors successfully focused on improving its operating margins. Sentek traded in line with expectations.

The Laboratory Equipment division showed an organic decline of 5.8% compared to FY24, primarily due to challenging conditions in the life sciences and biomedical markets in the first half of the year. The entities that were closed or disposed of in FY24 (as noted above) were in this division. Improving markets in the second half of FY25 led to a broadly flat performance compared to H2 FY24 (down 0.6%). Safelab Systems had a record year for sales and profit, as it delivered a large contract over H2 FY25 and Monmouth Scientific delivered a much-improved performance in the second half of the year. LTE Scientific saw reduced environmental test chamber revenues and a slower NHS market. Operational gearing meant segment margins reduced from 12.1% to 11.3% in FY25.

	2025 Total £'000	2024 Total £'000
Revenue		
Industrial & Scientific Products	**25,135**	22,866
Industrial & Scientific Sensors	**17,035**	16,145
Laboratory Equipment	**24,007**	26,835
Group	**66,177**	65,846
Adjusted operating profit		
Industrial & Scientific Products	**4,950**	3,853
Industrial & Scientific Sensors	**4,493**	4,319
Laboratory Equipment	**2,703**	3,237
Central costs	**(2,189)**	(1,832)
Group	**9,957**	9,577

Reported operating profit decreased to £6.9m (FY24: £7.3m) due to higher acquisition costs from two aborted acquisitions and an increase in the amortisation of intangible assets due to new acquisitions in the period.

Reorganisation Costs

During the period, the Group incurred £0.4m (FY24: £0.3m) in one-off costs relating to the closure of Synoptics Inc. in the US and the consolidation of Atik Cameras to a single site in Portugal.

Divestment of Subsidiary Undertaking

The comparatives include the divestment of Uniform Engineering in FY24 which resulted in a loss of £0.2m.

Intangible Assets (excluding R&D)

Intangible assets increased by £6.0m from £42.0m to £48.0m at the end of FY25. Gross intangible assets (excluding R&D) grew by £7.3m as a result of the two acquisitions in the year: InspecVision (£5.6m) and Collins Walker (£1.7m). Amortisation of £1.7m was charged in the period (FY24: £1.6m) against customer relationships, trade names and other intangible assets. The £7.3m in increased intangible cost was split as follows: £5.2m goodwill, £0.6m customer relationships and £1.6m other intangible assets.

Investment in R&D

Under IFRS we are required to capitalise certain development expenditure, and in the year ended 30 April 2025, £0.6m (FY24: £0.8m) of cost was capitalised. Much of the work of our R&D teams does not qualify for capitalisation and is charged directly to expense. Amortisation for 2025 was £0.3m (FY24: £0.4m). The carrying value of the capitalised development at 30 April 2025 was £1.5m (FY24: £1.2m) to be amortised over three years.

Interest Payable

Interest charges for the year reduced to £1.5m (FY24: £1.6m). This reduction was due to the lower levels of debt through the year as well as reducing base rates.

Taxation

The taxation charge for the year was £1.4m (FY24: £1.4m) representing an effective tax rate of 26.1% compared to 24.9% in FY24. The effective tax rate on adjusted PBT reduced slightly to 22.7% (FY24: 23.5%). The Group continues to benefit from R&D tax credits.

Earnings per Share

Adjusted diluted EPS, an alternative performance measure which excludes certain non-cash and non-recurring expenses, was 6.18p (FY24: 5.78p), an increase of 6.9%. The diluted earnings per share for the Group decreased to 3.81p (FY24: 4.04p).

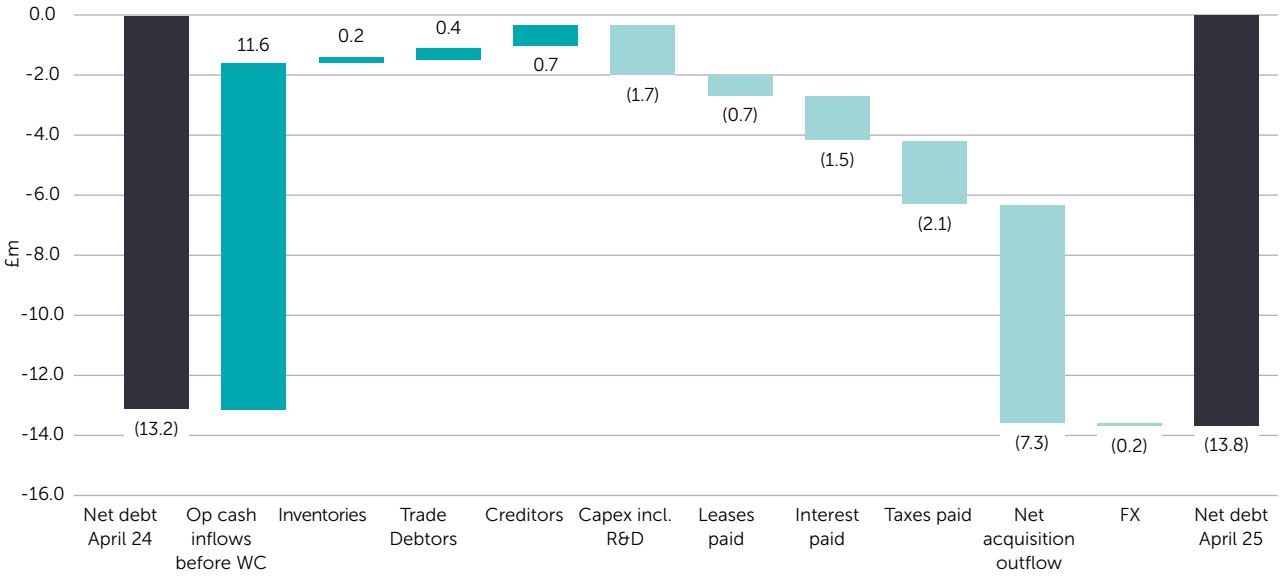
Cash Flow and Working Capital

Cash generated from operations was strong, increasing from £9.4m in FY24 to £12.9m in FY25. This was due to a £1.3m reduction in working capital in FY25, compared to a £2.0m increase the previous financial year. Inventories remained broadly flat, but trade debtors and creditors saw inflows, the former due to a significant effort to reduce overdue debtors and the latter due to a £0.6m increase in customer advances, with the largest advance being received at Atik Cameras.

Taxes paid increased slightly to £2.1m (FY24: £1.9m).

Chief Financial Officer's Report continued
for the year ended 30 April 2025

Net Debt Bridge



Cash Flow and Working Capital continued

Our investment in fixed assets (excluding for acquisitions) increased to £1.2m (FY24: £1.0m), remaining at circa 2% of revenues.

Acquisition of new businesses remains our largest cash outlay, with £7.3m deployed on a cash-free basis (FY24: £2.4m). Of this, £5.6m related to InspecVision and £1.7m to Collins Walker. Deferred consideration of £0.6m (FY24: £nil) was outstanding at the end of FY25, relating to the acquisitions of Collins Walker (£0.1m) and InspecVision (£0.5m).

Funding

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

Net debt (excluding lease liabilities and deferred consideration), or bank debt less cash, was £13.8m at the end of the year, slightly higher than the beginning of the period (£13.2m). This represents a net debt:EBITDA ratio of c1.1x, which is well within the ceiling provided by our bank facility. In April 2024, HSBC approved an extension of the repayment date by one year to November 2026. At the end of the financial year the Group had drawn down £15.1m of its revolving credit facility (FY24: £14.6m), leaving £9.9m in headroom excluding an additional £5.0m accordion option, which is available subject to HSBC's discretion.

The Group has an unstretched balance sheet and has sufficient access to funds, alongside its steady cash flow, to acquire new companies and invest in its current portfolio of businesses.

Post-Balance Sheet Event

On 6 June 2025, SDI acquired Severn Thermal Solutions Limited for a net consideration of £4.8m. This was funded through additional debt.

Amitabh Sharma
Chief Financial Officer
30 July 2025

Key Performance Indicators

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

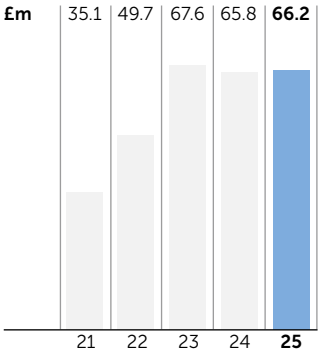
In support of our acquisition strategy as outlined above, we monitor our acquisition pipeline, including any prospects that fail to progress. Post-acquisition, the Board discusses integration progress and monitors financial performance against our initial plans. Over a longer period, we monitor the return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

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

Financial

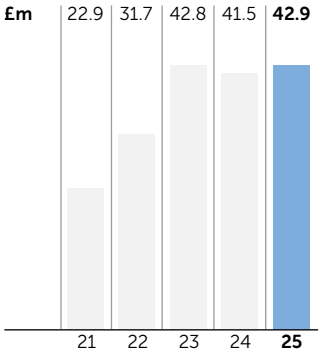
Revenue

£66.2m



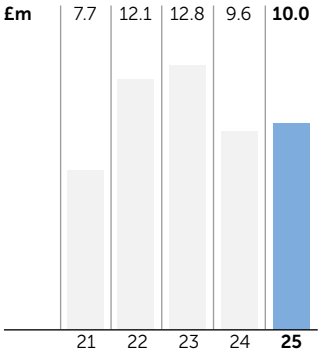
Gross Profit**

£42.9m



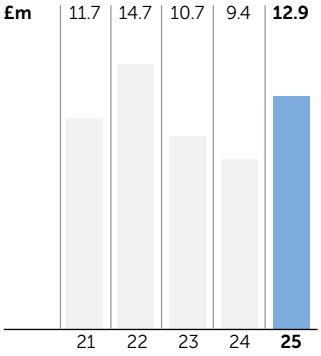
Adjusted Operating Profit*

£10.0m



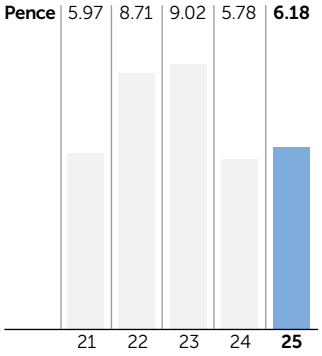
Cash Generated by Operations

£12.9m



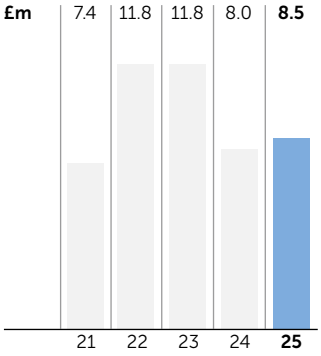
Adjusted Diluted EPS*

6.18p



Adjusted PBT*

£8.5m



* Before share-based payments, acquisition costs, reorganisation costs, loss on disposal of subsidiary undertaking (in FY24 only) and amortisation of acquired intangible assets.

** On materials only, excluding labour costs.

Section 172(1) Report

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

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

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

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

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

Section 172(1) Report continued

Principal Decision Making in Action: the Acquisition Process

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

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

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

By order of the Board,

Amitabh Sharma
Chief Financial Officer
30 July 2025

Environmental, Social and Governance

Maximising positive impact

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

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

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

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

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

FY25 Progress

In FY25, we took substantial steps towards improving our data collection processes and our awareness of environmental issues. Our GHG footprint has improved significantly, with far less reliance on estimated values this year. We consider an accurate understanding of our impacts to be an essential foundation for effective action to reduce them. A full account of our 2024 emissions (and an updated account of our 2023 emissions) is available in the Climate-related Financial Disclosures ('CFD') section on pages 40 to 46.

Several of our subsidiaries have expanded the proportion of their energy backed by renewable generation, including Synoptics, Atik Cameras and Fraser Anti-Static Techniques.

We have also clarified and officially approved several environmentally relevant targets in the realms of emissions reductions, renewable energy and waste management (see our CFD report below). These targets will help to orient our efforts and ensure maintained momentum in these areas.

FY26 Plan

The operations of SDI Group's subsidiaries are unlikely to pose significant risks to the environment, but we recognise the importance of mitigating all impacts where they do arise. To this end we will be taking a number of actions over the coming year.

Some of our largest sources of GHG emissions are the fleets of certain subsidiaries. We will therefore be conducting energy efficiency audits of our fleets, seeking to reduce our associated fuel use. We will also be investigating renewable electricity tariff options for all our subsidiaries, so we can continue to make progress towards our 2030 goal.

The Group's ESG status will continue to be discussed regularly at Board meetings to maintain strong oversight of these matters. This approach will shape the development of our action plan, ensuring steady progress in decarbonisation and environmental performance improvement. We will keep supporting all SDI Group subsidiaries in their ESG efforts and work towards greater alignment of our policies and practices in the years ahead.

Environmental, Social and Governance continued

People

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

Naturally, we comply with all relevant legislation, including:

- **Health and safety regulation:** The Board reviews monthly reports from all its businesses to ensure root causes of any issues are addressed (see our Health and Safety policy below).
- **Anti-bribery and corruption:** The Group operates on an ethical basis in all its activities and takes all reasonable steps to ensure bribery and corruption are prevented by those working for the Group or associated with it, including third parties and agents. The Group formalised its Anti-Bribery and Corruption policy during FY25 and provided training to relevant employees across the Group.
- **Modern slavery and human trafficking:** The Group has approved a Child and Forced Labour policy and updated its Group Modern Slavery policy. Whilst the individual members of the Group are not within the scope of the Modern Slavery Act, we are committed to identifying modern slavery risks across our supply chain, which include slavery, human trafficking, child labour and forced/compulsory labour, and to ensuring that there is no modern slavery within its principal supply chains. During FY25 a training programme was rolled out to relevant employees across the Group.
- **Whistleblowing:** The Group approved a Whistleblowing policy during FY25 and launched a whistleblowing helpline (via a specific website).
- **Equal opportunities**: The Group is a committed equal opportunity employer. We endeavour to treat all employees equally and fairly and encourage them to apply these principles themselves. We are committed to paying a fair wage for their work. We support staff training, appraisals and personal development and we seek to maintain a good working environment. We use professional advisors to ensure our personnel practices are up to date with legal requirements.
- **Disabilities:** The Group gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Employees who become disabled are provided, where practicable, with continuing employment under normal terms and conditions and are provided with training and career development where appropriate (see DEI section below).

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

Diversity, Equity and Inclusion ('DEI')

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

This policy applies equally to the treatment of any third party which interacts with SDI Group plc.

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

Ethics Policy

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

We have considered and discussed our values this year. It is expected that these will be developed further over the forthcoming year.

Health and Safety

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

We routinely monitor health and safety adherence across our businesses. As we operate a decentralised structure, performance is monitored at a Group level with each portfolio company directly responsible for compliance with local health and safety regulations. SDI companies report incidents or near misses to the Group if any occur.

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

Planet

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

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

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

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

Applied Thermal manufactures and supplies a range of chillers, coolers and heat exchangers used within the scientific instrument support market. Its products have been used to help develop and manufacture vaccines during COVID-19 and are included in MRI machines and equipment that is used for cancer therapy. Applied Thermal's products reduce water consumption, and the company is developing a range of chillers that use refrigerants with much lower global warming potential than conventional alternatives. Applied Thermal's chillers are already designed to a very high standard and do not leak refrigerants.

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

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

Atik Cameras has produced a high volume of specialist cameras over recent years that were used in PCR machines. These products were in the vanguard of the battle against COVID-19, particularly in China. Atik produces a variety of specialist cameras that are used in different applications such as sky surveillance equipment to look for sky objects/debris and predicting weather. One particular range of cameras is included within gel-doc machines used in medicine and other life science-related research.

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

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

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

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

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

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

Climate-Related Financial Disclosures

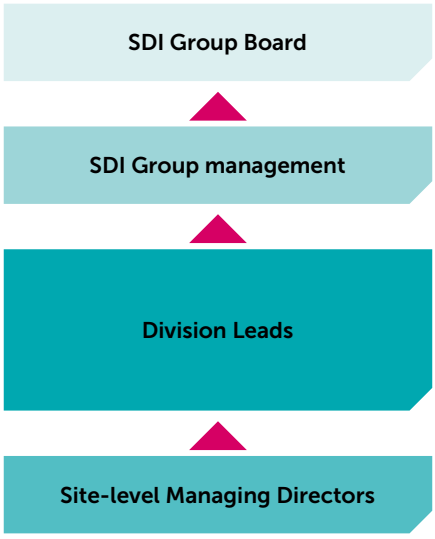
Introduction

SDI Group has continued to improve its understanding of climate-related risks and opportunities over the past year, taking further steps to manage and mitigate these risks and enhance its governance frameworks. We have complied with all the requirements of the Climate-related Financial Disclosures regulation.

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

The Group Board retains overall accountability for managing material risks across the Group. It is, however, the responsibility of each company's local Managing Director to identify, evaluate and manage risks and opportunities specific to their operations. Any material risks or opportunities – climate-related or otherwise – are escalated by Managing Directors to SDI Group management and subsequently reviewed by the Board as appropriate.

We are in the process of instituting a governance system of Division Leads who will oversee groups of subsidiary companies serving similar markets. These Division Leads will play an active role in risk management and the sustainability-relevant areas more generally. Emerging risks and opportunities, or those that have been significantly updated, will be communicated by site Managing Directors ('MDs') to Division Leads and escalated to management/the Board as necessary (see figure below).



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

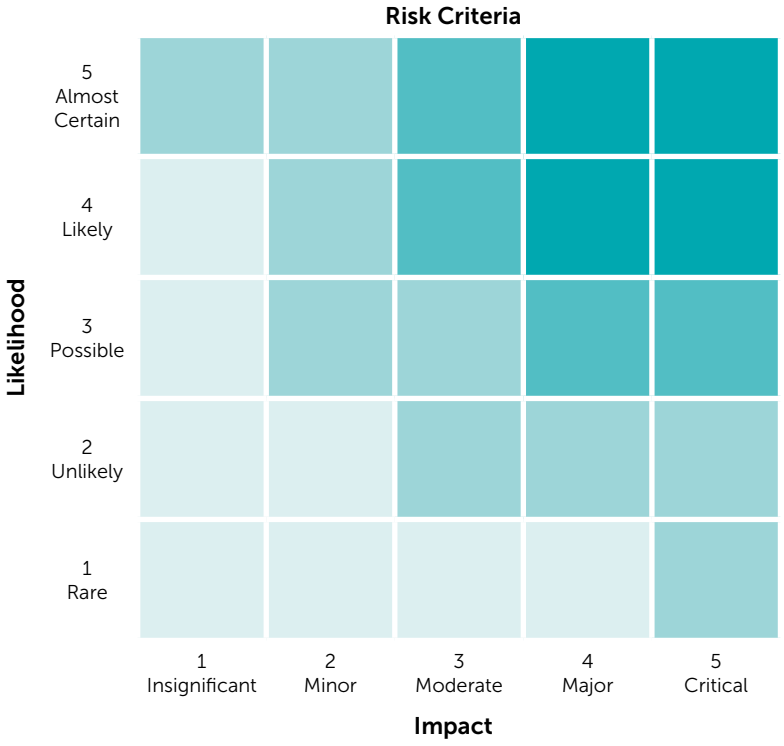
Identify

SDI Group identifies material climate-related risks and opportunities by screening all TCFD recommended risk types for materiality at a Group level. This includes both physical risks and transition risks. Physical risks refer to the direct environmental effects and can be either acute, such as floods, storms and heatwaves, or chronic, involving gradual shifts in climate patterns like rising temperatures, changing rainfall and sea level rise. Transition risks stem from the move toward a low carbon economy and include challenges related to regulations, technological changes, legal and policy developments, market dynamics and reputational concerns driven by evolving stakeholder expectations.

Opportunities are categorised as relating to either resource efficiency, energy source, products and services, markets or improved resilience. Given that many of these risks arise at the subsidiary level, a climate-related risks and opportunities survey is sent annually to all Group subsidiaries, for completion by the Managing Director. The results of this survey are reviewed in partnership with a specialist consultancy and any identified emerging risks are incorporated into the existing Group risk register. The Managing Directors' are responsible for reviewing and updating subsidiary-level risk registers at least annually and incorporating climate-related risks when deemed material.

Assess

At the Group level, climate-related risks and opportunities are assessed in terms of their impact and probability. Impact ratings span five qualitative levels, ranging from insignificant to critical. Impact is understood to encompass both financial and operational impacts. Probability is categorised into five defined levels, from rare (with a probability of less than 5%) to almost certain (with a probability exceeding 90%). Overall risk ratings are determined by multiplying impact and probability ratings, as defined in a 5 x 5 risk matrix (see figure below).



Monitoring and Managing

Identified risks and opportunities are monitored on an ongoing basis, with formal review and updates occurring annually in collaboration with external experts, taking into account all relevant internal and external developments. Any material changes in a risk or opportunity's overall risk rating will be raised with Group and Division Management and control plans will be put in place as and when necessary.

Risk management – how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process

Material risks and opportunities are managed via the same processes regardless of type. We maintain a dedicated climate-related risk and opportunity register and are working to ensure that all material risks from this resource are incorporated into subsidiary-level and Group-level registers where relevant.

Over the coming year, we will also undertake the harmonisation of our approach to risk identification and assessment across all subsidiaries to allow for direct comparability of different risks and opportunities and simplified aggregation/prioritisation processes.

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

We update our climate-related risk and opportunity register annually with input from subsidiaries and management, and an expert review of external updates. Identified risks and opportunities are assessed according to the impact and probability matrix described above and categorised by the time horizon over which they are expected to become material: short term (less than one year), medium term (one to three years), and long term (more than three years). This system has been determined with reference to budget cycles (which operate on a yearly basis) and strategic planning time horizons (which look ahead three years), with anything beyond three years in the future considered 'long-term.'

The most material risks and opportunities identified are outlined in the table below.

Table 1 Principal Climate-Related Risks and Opportunities

Risk Risk rating change from prior year: ↘, ↗, →	Likelihood	Impact	Timeframe	Primary potential financial impact	Description	Mitigating factors/controls in place
Increase in extreme weather events impacting the supply chain (physical – acute) →	Possible	Moderate	Long term	Increased operational expenditure	Acute physical events, such as hurricanes, floods or wildfires, could cause supply chain disruptions, leading to operational delays or cost increases. Several Group companies rely on relatively scarce minerals, such as rhodium and platinum. These resources are concentrated in countries like South Africa and Zimbabwe, which are considered high-risk for extreme heat, droughts, and floods. Disruptions to supply chains may entail operational delays and the necessity of sourcing more expensive alternatives.	In order to optimise supply chain efficiency and enhance resilience, we prioritise sourcing components locally whenever feasible. Additionally, a number of businesses within the Group have implemented a dual sourcing strategy for key components.
Costs of compliance with new climate-related regulation (transition – policy and legal) →	Possible	Moderate	Short to medium term	Increased capital and operational expenditure	As governments endeavour to achieve climate commitments, a variety of environmental regulations in areas such as energy efficiency, refrigerant gas restrictions and new disclosure requirements have already begun to affect SDI Group and its subsidiaries. This impact is likely to increase over time as further regulation is put into place, which could entail further expenditure on environmental monitoring, R&D and decarbonisation initiatives.	We engage in ongoing monitoring of the regulatory landscape to ensure compliance. We have a strategic partnership in place with Energise (a sustainability consultancy) for ongoing collaboration, guidance and support.

Climate-Related Financial Disclosures continued

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

Table 1 Principal Climate-Related Risks and Opportunities continued

Risk Risk rating change from prior year: ↘, ↗, →	Likelihood	Impact	Timeframe	Primary potential financial impact	Description	Mitigating factors/controls in place
Increasingly stringent customer requirements (transition – market/ policy and legal) ↗	Likely	Moderate	Short term	Reduced revenue	Several SDI Group subsidiaries serve customers in the public sector, which often have significant requirements for the climate performance of suppliers. We also serve customers in jurisdictions with stringent sustainability requirements, such as California. Other customers may put in further requirements in an effort to reach their own climate goals. If unable to keep pace with these requirements, we may lose business.	Our subsidiaries serve a variety of customers in diverse jurisdictions, thus limiting risk exposure. Our ongoing efforts to improve our understanding of our sustainability impacts and reduce them help to ensure we remain compliant with all customer requirements.
Carbon taxes (transition – policy and legal) →	Possible	Moderate	Long term	Increased operational expenditure	Rising taxes on fossil fuels and other emission sources would entail direct expenditure increases in areas like transport and heating. Given current dependence on fossil fuels throughout the economy, carbon taxes would likely lead to price inflation in supply chains. There is likely little appetite for increased carbon taxation in the near term, but this is likely to be a key tool for reaching net zero in the long term.	We benefit from the ability to pass supplier costs on to our end customers and have cultivated strong relationships with our suppliers, fostering collaboration, reliability and mutual support.
Economic turbulence, downturns, and stagnation (transition – market) ↗	Possible	Major	Short to medium term	Decreased revenue	Second and third order impacts of climate change (such as crop failures, famines, industry collapse, involuntary migration, etc.) could result in economic turbulence or stagnation, or prolonged downturns. Global economic uncertainty is deemed to have increased since last year. Although not due to climate change, this increases the underlying fragility of the system to climate impacts. Wider economic turbulence could result in declines in revenue and investor sentiment, a reduced valuation or diminishing access to capital.	We maintain a diversified portfolio of companies, which serve diverse customers. These companies operate in high growth sectors, positioning the Group for continued expansion and resilience. We are also able to adjust the composition of the Group in response to changing market conditions.

Table 1 Principal Climate-Related Risks and Opportunities continued

Opportunity (Category) Risk rating change from prior year: ↘, ↗, →	Likelihood	Impact	Timeframe	Primary potential financial impact	Description	Accelerating factors/steps taken to realise opportunity
Increased demand for low carbon products (transition – market) →	Likely	Major	Long term	Increased revenue	Societal mitigation and adaptation efforts will result in the expansion of numerous markets that companies within the Group can serve. The Group can continue to acquire transition-aligned businesses to benefit from this wider economic evolution. This is driven in part by regulation and in part by shifting consumer preferences.	We have recently acquired a leading provider of industrial electric boilers, a company likely to significantly benefit from the ongoing decarbonisation of heating systems. Several other Group companies have also identified opportunities related to the societal transition, such as the growing market for environmental monitoring equipment and climate-resilient outdoor equipment, and are capitalising on them.
Increased renewable energy generation (transition – energy source/resilience) →	Possible	Minor	Medium to long term	Reduced operational expenditure	Investments in on-site renewables, and the transition to increasingly electrified assets and vehicles (all potentially facilitated by subsidies and supportive regulation), will reduce operational expenditure-related energy and build resilience to future carbon taxes and fossil fuel market volatility.	Solar panels have been installed at various sites and we will continue to encourage active investigation of expanding on-site renewables across the Group. We are undertaking fleet audits in the near term to assess the feasibility of transitioning to electric vehicles and the economic implications of doing so.
Reputational impacts of positive climate performance (transition – reputation) →	Possible	Minor	Medium to long term	Increased revenue/ access to capital	As a growing concern of investors and customers, cultivating a reputation of strong performance in sustainability and climate areas could lead to reputational gains and business growth, and facilitate access to capital.	We have now agreed on our long-term net zero target at the Board level and have put in place an associated strategy to reach it. We continue to improve our knowledge of our environmental impacts and will be undertaking initiatives to reduce them such as auditing fleets and sites for energy efficiency opportunities. We will continue to transparently report on progress in the sustainability space and seek continual improvement.

Climate-Related Financial Disclosures continued

Impacts on Business Model/Strategy

An awareness of the risks and opportunities described above has influenced the Group's strategic thinking in several ways. Acknowledging the size of the market opportunity presented by the low carbon transition has motivated the targeted expansion into this area with the acquisition of Collins Walker, which specialises in electric boilers. An appreciation for the potential risks associated with insufficient climate performance has motivated ongoing attention to these areas and prompted actions such as upskilling our subsidiaries in GHG data collection, an energy audits of fleets (to be undertaken in the near term), a commitment to move all subsidiaries onto green electricity tariffs and Board approval of our net zero strategy.

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

We undertake an annual refresh of our scenario analysis, exploring the impact different climate scenarios would have on our risk and opportunity exposure. Socioeconomic challenges to climate mitigation and adaptation are uncertain and could entail vastly different climate outcomes.

This year we have updated our scenario analysis to conform with increasingly recognised Shared Socioeconomic Pathways ('SSPs') utilised in the latest IPCC report. We assess a range of potential warming levels, defined by Representative Concentration Pathways ('RCPs'), ranging from RCP 2.6 (an optimistic, low warming scenario) to 6.0 (a more extreme warming scenario with significant physical impacts), which we believe encompasses the plausible range of climate outcomes over the coming decades. These combinations of SSPs and RCPs (outlined in the table below) allow us to assess our strategic resilience in the context of a wide variety of different societal and physical challenges.

Scenario	Description
SSP1 – 2.6	Low mitigation and adaptation challenges contribute to a smooth transition to <2°C of warming by 2100. Substantially more global action is taken in the near term and high levels of electrification are achieved in transport and industry. Successful management of GHGs limits overall physical risk exposure and associated economic disruption.
SSP2 – 4.5	Medium challenges to mitigation and adaptation lead to warming between 2°C and 3°C by 2100. A more familiar path is maintained with uneven progress internationally. Significant efforts are still undertaken, but with less consistency and coordination, resulting in higher levels of warming and more widespread physical risks.
SSP3 – 6.0	High challenges to mitigation and adaptation are encountered with warming reaching between 3°C and 4°C by 2100. Rising nationalism undermines international efforts to limit climate change and competing economic and security concerns are prioritised. Low levels of electrification are achieved in transport and industry. The physical impacts of climate change become severe over time and significantly disrupt economic systems.

This analysis yielded several key insights:

SSP1 – 2.6

- This scenario would see increased impact from transition risks such as carbon taxation, but risk exposure would be mitigated by the well managed nature of the transition, high levels of public support and significant technological innovation. Physical risks would continue to increase over time, but to the lowest extent of any analysed scenario and would remain unlikely to materially threaten Group operations.

SSP2 – 4.5

- This middle-of-road scenario sees both transition and physical risks rise over time. The slower nature of the transition allows time for adaptation, although more obstacles are encountered in terms of lack of coordinated international action and lower levels of innovation. Physical risks increase significantly and regular disruptive impacts would be expected by 2050.

SSP3 – 6.0

- This would be the highest risk scenario for the Group. High challenges to both adaptation to and mitigation of climate change would entail a fractious geoeconomic environment and unpredictable regulatory apparatus. The Group would suffer from a macro-economic context of low growth and frequent market shocks. Physical risks would increase to a high level and further disrupt the economy.

Overall, we consider the Group's strategy to be resilient across all assessed scenarios. This is primarily due to specialising in sectors that are not among the most vulnerable to climate change, and the fact that we can adjust the composition of the Group via acquisitions and divestments to ensure consistent high performance across a range of possible scenarios.

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

We have taken steps to improve the quality of our data over the past year, providing training to subsidiaries in the collection and reporting of GHG-relevant data. In the past year we have also reviewed and approved a net zero strategy, sharpening our definition of net zero for the Group and allowing for robust assessments of progress.

Due to the acquisitional nature of the Group, maintaining a like-for-like comparison of progress against a baseline would entail re-baselining as frequently as every year. We have instead decided to measure progress from the earliest date of available GHG data for each subsidiary, with each company working towards its own net zero target of a 90% absolute reduction from the baseline by 2050 across all operations and geographies (and a commitment to offset the remaining emissions). The total emissions in 2023 and 2024 presented below offer a like-for-like comparison, as each year featured the same composition of Group subsidiaries.

An appreciation of the climate-related risks and opportunities highlighted in the previous sections has made GHG-relevant data and targets a priority for the Group. Consistent progress in decarbonisation and transparency around our carbon impacts mitigates our exposure to reputational risks, facilitates compliance with a growing suite of stakeholder requests, and limits the eventual impact of regulation such as carbon taxes.

See the table below for an overview of our monitored KPIs and variance from last year. Several metrics have directly associated targets; we also monitor additional metrics, such as our emissions and energy use relative to our revenue. While we have no associated targets for these metrics, these figures provide us with useful perspective on the progress we are making in reducing our GHG footprint and improving our energy efficiency without the complicating variable of organic business growth.

Metrics and Targets

KPI	2023	2024	Variance (%)	Associated target
Absolute quantities of GHG emissions *(all scopes) (market based) (tCO_2e)*	11,042	10,222	↓ 7.4%	Net zero across all scopes by 2050*
Proportion of procured electricity from renewable sources	23.8%	20.2%	↓ 3.6%	90% by 2030*
Proportion of waste diverted from landfill	85.2%	91.5%	↑ 6.3%	95% of waste diverted from landfill by 2030*

Additional Metrics

GHG emissions intensity relative to turnover (all scopes) (market based) *(tCO_2e/£m)*	167.8	158.3	↓ 5.7%	
GHG emissions intensity relative to turnover *(Scope 1 and 2) (market based) (tCO_2e/£m)*	22.1	13.4	↓ 40.5%	
Operational energy use relative to turnover *(MWh/£m)*	97.6	92.1	↓ 5.6%	

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

Climate-Related Financial Disclosures continued

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

As can be seen, trends were positive in most areas. Our total footprint declined by approximately 7.4% in absolute terms from our base year 2023, and we managed to divert a larger proportion of our waste from landfill. Some of these improvements in terms of GHG emissions are due to improving data quality, as we continue to refine our systems for collecting relevant data, as well as normal fluctuations in business activity and procurement. While some subsidiaries increased their procurement of renewable energy over the past year, overall sourcing of renewable energy declined slightly as a proportion of Group-level totals. Expanding our use of renewable energy tariffs is a priority in the near term.

Progress towards targets and all complementary KPIs are reviewed by Group Management on an annual basis upon finalisation of the GHG report. If found to be materially off-track, the Group will put in place action plans to address this and ensure consistent progress.

A breakdown of our Scope 1, 2 and 3 (Upstream) emissions, inclusive of all subsidiaries in the Group during calendar year 2024, is provided below. All emissions are calculated in line with the GHG protocol, according to an operational control reporting boundary.

GHG footprint by Category

Emissions category	2023* (tCO_2e) (market based)	2024 (tCO_2e) (market based)	Variance (%)
Scope 1	1,347	696	↓48.4%
Scope 2	135	170	↑25.8%
Scope 3	9,560	9,356	↓2.2%
Purchased goods & services	6,805	8,058	↑18.4%
Business travel	885	265	↓70.0%
Waste generated in operations	758	57	↓92.5%
Capital goods	433	287	↓33.9%
Employee commuting (incl. homeworking)**	411	468	↑13.8%
Fuel and energy-related activities	268	221	↓17.7%
Total	11,042	10,222	↓7.4%

* Please note, all emissions from 2023 have been recalculated based upon an updated methodology and more accurate carbon factors, allowing a like-for-like comparison between 2024 and this year.

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

Next Steps

In the coming years, we will continue to improve our understanding of our GHG impacts and endeavour to expand the coverage of our GHG footprinting to include downstream emissions sources (Use of Sold Products) as soon as we are confident that the available data will provide us with meaningful results. We will continue to monitor our impacts and take action over time to reduce them. We are committed to transparently reporting progress in these areas on an annual basis.

Principal Risks and Uncertainties

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

Acquisitions

Risk Status: Unchanged

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

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

Dependence on Key Distributors and OEM Customers

Risk Status: Unchanged

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

Competition and Technological Obsolescence

Risk Status: Unchanged

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

Profitability Risk

Risk Status: Unchanged

This remains high. Where a portfolio business experiences a decline in profitability without control, the impact on the Group performance needs to be managed. Given the autonomous nature of the SDI model, SDI Group needs to intervene when necessary. The operational skillsets/resource at Group level are considered a mitigation.

Supply Chain Failures

Risk Status: Unchanged

Geopolitical events such as Brexit, the COVID-19 pandemic and the Russian invasion of Ukraine have combined to make supply chain robustness a key competitive advantage. There may be further logistical disruptions resulting from the reconfiguration of borders, possibly combined with other supply chain disturbances due to shipping issues and geopolitical events.

The Group has taken appropriate steps to minimise disruption and has cooperated with customers to ensure continuity of their supply chain.

Recruitment and Staffing

Risk Status: Unchanged

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

Currency and Foreign Exchange

Risk Status: Increased

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

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

Principal Risk and Uncertainties continued

Cyber

Risk Status: Unchanged

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

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

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

The Group also periodically conducts detailed reviews of the robustness of cyber security measures for both existing businesses and acquisitions which has resulted in investment in more robust systems and procedures.

Inflation Risk

Risk Status: Unchanged

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

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

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

Liquidity

Risk Status: Unchanged

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

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

On behalf of the Board

Amitabh Sharma
Chief Financial Officer
30 July 2025

Governance Report

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Board of Directors

N

Ken Ford
Chairman

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

Stephen Brown
Chief Executive Officer

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

Amitabh Sharma
Chief Financial Officer

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

Key

- N **Nomination Committee**
- A **Audit Committee**
- R **Remuneration Committee**

Committee member
Committee Chairman

N A R

David Tilston

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

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

N A R

Andrew Hosty

Non-executive, Chairman of the Remuneration Committee

Andrew joined the Board in August 2022. He has over 30 years of executive and management experience, spanning private equity, UK plc and global blue-chip corporates. Andrew was Chief Operating Officer of Morgan Advanced Materials and served on the plc Board as an executive director from 2010 to 2016. He is also a non-executive Chairman of the Rights and Issues Investment Trust PLC, Chairman of Nexeon Ltd, Chairman of mOm Incubators Ltd. and Chairman of Rheon Labs Limited. Andrew holds a PhD in Materials Science and is a Fellow of the Royal Academy of Engineers.

N A R

Louise Early

Non-executive

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

About the Board

Women on the Board

Women	1
Men	5

Independent Directors on the Board

Independent	3
Non-independent	3

Age profile of the Board

41–50	1
51–65	3
Over 65	2

Executive/non-executive directors on the Board

Executive	2
Non-Executive	4

Corporate Governance Statement

Chairman's introduction

Ken Ford
Chairman

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

The 2023 QCA Corporate Governance Code

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

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

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

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

Corporate Governance Statement continued

The 2023 QCA Corporate Governance Code continued

Principle	Commentary	Further information
5. Maintain the board as a well-functioning, balanced team led by the chair	Our Board consists of two executive directors (CEO and CFO) together with the Chairman and three independent non-executive directors. We believe this to be a good balance for a business of our size. Due to their working backgrounds and professional experience the non-executive directors provide a solid foundation for good corporate governance for the Group. They are also independent of management and ensure that no individual or group dominates the Board's decision-making process. To ensure the Board functions well, our non-executive directors are requested to attend Board and Committee meetings during the year. They are also required to be available at other times between meetings when necessary for face-to-face and phone/web meetings. We also hold an annual strategy meeting which the directors attend. Each non-executive director must demonstrate that they have sufficient time to devote to our business. To support the Board, we have put in place Audit, Remuneration and Nomination Committees, all of which have agreed formal terms of reference.	› Biographies of the directors are presented on pages 50 and 51 in this Annual Report and on our website › Reports of the Board Committees are also presented on pages 58 and 59 in this report
6. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	We undertake regular monitoring of personal and corporate performance. The responsibility for assessing and monitoring the performance of the executive directors lies with the independent non-executive directors. Agreed personal objectives and targets are set each year for the executive directors and performance measured against these metrics. A formal Board evaluation process took place during the year. The process was led by our Chairman assisted by the Senior Independent Director and required directors to answer a set of questions setting out their views on the effectiveness of the Board and on the value of their Board contributions. The questions were based around issues arising from the ten principles of the QCA Code. The results of that assessment process were used by the Chairman to facilitate discussions with each individual director and with the Board as a whole. The Board concluded that its Board processes had improved over the last year, that Board discussions would be more strategic in focus going forwards and that a more formalised approach to reporting on risk management processes around the Group would be introduced.	
7. Promote a corporate culture that is based on ethical values and behaviours	We believe it is the responsibility of the Board and senior leaders to ensure that the culture of our organisation is based on ethical values and behaviours. As well as leading by example, our ethics-based culture is promoted through our business behaviours, decisions, processes and operations, as well as the management of the risk of ethical misconduct. In addition, we have mechanisms to support high ethical standards, e.g. for raising concerns and reporting misconduct via a whistleblowing website. We also aim to include ethical criteria in recruitment and in performance appraisals and have detailed policies relating to important issues such as discrimination, whistleblowing, modern slavery, harassment, bribery and corruption, and conflicts of interest. We expect all our staff to adhere to these high standards. We are keen to invest in our people, not just our companies. With that in mind we seek to make our workplaces a better environment and to encourage all our staff to undergo relevant training and development.	

Principle	Commentary	Further information
8. Maintain appropriate governance structures and ensure that, individually and collectively, the directors have the necessary up-to-date experience, skills and capabilities	Our non-executive directors scrutinise the performance of management against the Group's objectives and also monitor the reporting of performance. The Board has considered mechanisms by which the business and the financial risks facing the Group are managed and reported to the Board. The principal business and financial risks have been identified and control procedures implemented. The Board acknowledges its responsibility for reviewing the effectiveness of the systems that are in place to manage risk. To achieve this aim the Board has a formal schedule of matters specifically reserved to it for decisions including the approval of annual and interim results and recommendation of dividends, approval of annual budgets, approval of larger capital expenditure and investment proposals, review of the overall system of internal control and risk management and review of corporate governance arrangements. Other responsibilities are delegated to the Board Committees, being the Audit, Remuneration and Nomination Committees, which as explained in section 5 above operate within clearly defined terms of reference, and which report back to the Board. Our directors have been chosen because of the skills and experience they offer. Of our six directors one is female and five are male. All have listed company experience and one was the CEO of an investment bank, one was the COO of a listed business, one has significant marketing and commercial experience and three are accountants. Our directors attend industry and regulatory learning and networking events to keep up to date with relevant developments.	› Reports of the Board Committees are also presented on pages 58 and 59 in this report › Biographies of the directors are presented on pages 50 and 51 in this Annual Report and on our website
9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture	The Remuneration Committee sets out its Remuneration Policy in its report annually. Each component of the policy links to the Group purpose and strategy, with the Committee mindful of the Group culture as it also reviews the senior management compensation packages. This is balanced with the need to both attract and retain executives of appropriate calibre. Long-term value creation is supported through the use of different types of option schemes. Consistent with best practice, two separate advisory votes will be taken to the 2025 AGM for shareholder approval being the: (i) directors' remuneration report comprising the annual statement and annual report on remuneration; and (ii) directors' Remuneration Policy report.	› The directors' remuneration report (including the Remuneration Policy report) is presented on pages 60 to 62 in this report
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	We have set out in section 2 above how we maintain a regular dialogue with our shareholders including welcoming all shareholders to our AGMs.	› Further information and the resolutions put to a vote at Annual General Meetings can be found on our website

Corporate Governance Statement continued

The Board

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

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

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

The Board is collectively responsible for the performance of the Group and is responsible to shareholders for proper management of the Group. A statement of directors' responsibilities is given on page 63 and a statement on going concern is given on page 64.

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

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

Board Committees

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

Audit Committee

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

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

› A report of the Audit Committee is provided on page 58.

Remuneration Committee

› A report of the Remuneration Committee and the directors' remuneration report can be found on pages 59 to 62.

Nomination Committee

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

The Nomination Committee focuses on evaluating the Board of directors, examining the skills and characteristics which are needed in Board candidates, and succession issues. The Nomination Committee did not meet formally during the year. However, the non-executive directors discussed the current composition of the Board during a Board meeting in FY25.

The Nomination Committee continued to assist the Chairman with the Board evaluation process as set out in Principle 6 of our governance statement above.

Attendance at Board and Committee Meetings

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

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

Conformance With Best Practice

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

That the Company Secretary Should Not Be an Executive Director

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

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

Report of the Audit Committee

David Tilston
Audit Committee Chairman

I am pleased to present the Audit Committee report for the year ended 30 April 2025.

Composition of the Committee

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

Responsibilities

The Committee's main duties are to:

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

Audit Process

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

Internal Audit

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

Risk Management and Internal Controls

The corporate governance statement on pages 52 to 57 explains the measures taken to embed effective risk management throughout the Group which is dependent upon the close involvement of the executive directors in the day-to-day operations of the Group, the strength of portfolio company management teams and reporting from the operating subsidiaries. A review of evolving risks forms part of the regular portfolio companies' operational reviews.

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

David Tilston
Audit Committee Chairman
30 July 2025

Report of the Remuneration Committee

Andrew Hosty
Remuneration Committee Chairman

On behalf of the Remuneration Committee (the 'Committee'), I am pleased to present the Directors' Remuneration report for the year ended 30 April 2025.

This report is divided into three sections, being:

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

Remuneration Committee

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

We meet as a Committee at least two times every year. In 2025 we met three times, and our role is to determine the Group's policy for executive remuneration and the individual remuneration packages for executive directors together with other designated senior management. A particular function of the Committee is the approval of all awards of share options to directors and staff. The Committee's terms of reference are available on the Group's website.

The details of the remuneration packages for the CEO and CFO are set out in the directors' remuneration report on pages 60 to 62.

Directors' Remuneration in Respect of the Year Ended 30 April 2025

- In respect of executive director salary levels, Stephen Brown received a salary of £300k (increased from £260k the previous year) and Amitabh Sharma received a salary of £257k (increased from £244k the previous year) respectively.
- Pension provision was capped at 5% of salary.
- The annual bonuses of £188k and £160k were awarded to the CEO and CFO respectively for the year ended 30 April 2025. Awards reflected performance against the personal objectives and financial performance for the year although following an assessment of performance by the Committee, it determined that 100% of the bonus awards should be deferred into SDI shares, vesting one year after grant date.
- During the year, no directors exercised options over the ordinary shares of the Company.
- In September, the Board approved a proposal from the executive directors to increase the non-executive director fees from the beginning of October 2024. The Chairman's fee increased from £70k to £75k pa. The non-executive director fee levels were set at a basic £40k pa, with a further £6k pa for the Audit and Remuneration Chairmen respectively. The Senior Independent Director role attracts a further £5k pa. These scales were set based on market information and a peer review.
- The Committee agreed to increase the maximum of bonus opportunity to 125% of salary, part cash, part equity. Equity awards will vest between one and three years after grant.

Andrew Hosty
Remuneration Committee Chairman
30 July 2025

Directors' Remuneration Report

Remuneration Policy Report

Executive Director Remuneration Policy

In setting the Group's Remuneration Policy, the Committee considers a number of factors including:

- salaries and benefits available to executive directors of comparable companies;
- the need to both attract and retain executives of appropriate calibre; and
- the continued commitment of executives to the Group's profitable growth and sustainable development through appropriate incentive schemes.

Consistent with this policy, the benefit packages awarded to our executive directors comprise a mix of basic salary and performance-related remuneration aimed at incentivising executive behaviour to achieve the Group's goals. We are keen to ensure that the package is simple and straightforward so that there is a clear link between Group performance and executive remuneration.

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To ensure that the Company can recruit and retain high quality executives to deliver on the Company strategy in the interest of the shareholders.	Executive directors' base salaries reflect the responsibilities and the skills, knowledge and experience of the individual and the complexity of the role.	Not applicable.	Not applicable.
Benefits	To provide a market-competitive package.	Offered in line with market practice and may include life assurance and private medical insurance.	Not applicable.	Not applicable.
Pension	To provide an appropriate level of benefits that allow for retirement planning.	Group contribution into a personal pension scheme (or by means of a cash alternative, provided there is no additional cost to the Company).	5% of salary.	Not applicable.
Annual bonus	To reward performance against annual targets which support the strategic direction of the Group.	The Committee sets annual performance targets. The Remuneration Committee reserves the right to settle the bonus in cash and/or deferred shares.	125% of salary for FY25.	Sliding scale financial and/or non-financial/strategic/personal targets.
LTIP	To drive and reward the achievement of longer-term objectives to deliver sustainable earnings growth. To support the retention and promote share ownership for executive directors.	Nominal (or nil) cost share options. Vesting is normally subject to the achievement of challenging performance conditions, normally over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards are subject to malus/clawback provisions at the discretion of the Committee.	100% of salary for FY25.	Performance metrics may be linked to financial and/or share price and/or strategic performance.

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

Non-Executive Director Remuneration Policy

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

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

Annual Report on Remuneration

Directors' Remuneration and Pension Entitlements

The remuneration of the directors is set out below:

	Salary/ fees[1] £'000	Bonus £'000	Taxable benefits £'000	Pension[2] £'000	2025 Total £'000	2024 Total £'000
K Ford	**73**	**–**	**–**	**–**	**73**	70
S Brown	**301**	**188**	**3**	**15**	**507**	205
M Creedon*	**–**	**–**	**–**	**–**	**–**	251
D Tilston	**46**	**–**	**–**	**–**	**46**	40
A Sharma	**257**	**160**	**4**	**11**	**432**	291
A Hosty	**44**	**–**	**–**	**–**	**44**	40
L Early	**40**	**–**	**–**	**–**	**40**	40
Total	**761**	**348**	**7**	**26**	**1,142**	937

* Resigned during the previous year.

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

The bonus award for the year ended 30 April 2025 reflects performance against the personal objectives that were set at the start of that financial year and the financial performance for FY25. Following an assessment of performance by the Committee, it determined that 100% of the bonus awards should be deferred into SDI shares which will vest after a one-year period following grant.

During the year, no directors (FY24: nil directors) exercised options over the ordinary shares of the Company realising no gain on exercise (FY24: £nil).

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Directors' Beneficial Interests

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

	2025 Number	2024 Number
K Ford	**1,205,217**	905,217
S Brown	**25,573**	25,573
D Tilston	**100,000**	100,000
A Sharma	**28,762**	28,762

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

	2025 Number	2024 Number
K Ford	**135,455**	175,835
S Brown	**786,720**	250,000
A Sharma	**865,228**	411,056

Share Awards

Awards under the scheme in previous years have been made in December 2018, March 2020, October 2021, October 2022 and February 2024. Under the terms of the grant, a proportion of the options will vest after three years, depending on: a) the ranking of total shareholder return ('TSR') to Group shareholders compared with a basket of 20 comparator companies; and b) the earnings per share growth for the Group over the three-year period.

An LTIP award was made on 27 September 2024 with performance conditions as follows: 50% based on growth in adjusted fully diluted earnings per share ('EPS') in the three years starting 1 May 2024 and 50% on the TSR over three years compared with a basket of 20 comparable companies.

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

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

	27 September 2024 award	Total awards
K Ford	–	135,455
S Brown	455,158	705,158
A Sharma	389,312	800,368

Based on the ten-day average closing share price of 58.2p on 25 September 2024, the awards equated to 88.2% of annual salary for the CEO and CFO respectively.

The October 2021 LTIP award reached its vesting date in October 2024. The vesting criteria were not met for the EPS or TSR performance conditions and hence the awards lapsed in full.

The above table is a subset of the share option table on the previous page. The market price of the Company's shares at the end of the financial year was 54p and ranged from 47.5p to 73p during the year. The exercise price of the ordinary options ranges from £0.010 to £1.740, and of LTIP options is £0.010.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report comprising the directors' report, strategic report, governance report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have to prepare the consolidated financial statements in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and have elected to prepare separate parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 101 'Reduced Disclosure Framework'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards and those parts of the Companies Act 2006 applicable to companies reporting under IFRS for the parent company have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

The directors confirm that:

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

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

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

To the best of our knowledge:

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

Group Results

The Group's profit for the year after taxation amounted to £4.0m (FY24: £4.3m) and has been transferred to reserves.

All KPIs and risks are disclosed in the strategic report on page 33 and pages 47 and 48 respectively.

During the year, as part of our cash management processes from our 70% owned Chinese subsidiary, Shanghai Fraser Static Technology Co., Ltd paid a dividend of £34k (FY24: £41k) to its non-controlling interest as well as a dividend to its parent company, Fraser Anti-Static Techniques Limited.

Directors' Report

Directors

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

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

The interests of the directors and their families in the share capital of the Company are shown in the directors' remuneration report on pages 60 to 62. The appointment and replacement of directors of the Company are governed by its Articles of Association and the Companies Act 2006. The Articles of Association may be amended by special resolution of the shareholders.

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

Directors' Indemnities

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

Power of Directors

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

At the Annual General Meeting held on 26 September 2024, the directors were given the power to:

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

We have reviewed the latest Pre-Emption Group Statement of Principles 2022 in preparation of the forthcoming AGM expected to be held on 24 September 2025. In line with the latest Statement of Principles, the directors will be seeking shareholder approval to:

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

Going Concern

The consolidated financial statements have been prepared on a going concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out within this strategic report. The financial position of the Group and its cash flows and liquidity position are provided in the financial statements on pages 74 to 111.

The Group ended FY25 with net debt (excluding lease liabilities and deferred consideration) of £13.8m, only 5% up on the last year end (£13.2m), despite spending £7.3m on two acquisitions during the period. The Group generated free cash flow (before acquisition consideration but after lease payments) of £6.9m, which was significantly higher than FY24 (£3.4m). Free cash flow improved due to a working capital reduction of £1.3m largely driven by efforts to reduce overdue debtors and a £0.6m increase in customer advances, the largest being received at Atik Cameras. Inventories were broadly flat.

On 30 November 2022, the Group reached agreement with HSBC to exercise £5m of an available £10m accordion option, which increased the committed loan facility from £20m to £25m. £15.1m was drawn down under this facility at the year end (note 22). In April 2024, HSBC approved an extension of the repayment date by one year to November 2026. This provides the Group with greater certainty over long-term liquidity.

The Board has considered the potential of a downturn given the current economic environment. The Group is in a strong financial position with available facilities, sufficient headroom on all covenants associated with the revolving credit facility, good profitability, and a strong future order book, enabling it to face any reasonable likely challenge of the continued uncertain global economic environment. The Board has reviewed forecasts for the period to 30 April 2027, evaluated a severe but plausible downside scenario and performed a sensitivity analysis, all of which the Board considers unlikely. In the event of a more severe scenario (without applying any mitigations), both covenants would come under some (but not severe) stress. However, mitigations would be obviously applied should this unlikely scenario present itself, such as (but not restricted to) further cost cutting, sale and leaseback of freehold property and potential disposal of assets. This would not cause any significant challenges to the Group's continued existence.

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

Post-Balance Sheet Events

On 6 June 2025, the Group acquired Severn Thermal Solutions Limited ('Severn') for a net consideration of £4.8m. The cash consideration was funded from the Group's revolving credit facility with HSBC UK Bank. Severn is a designer and manufacturer of high temperature furnace systems and environmental chambers for advanced material processing and testing. Severn employs 11 people and is based on a 4,500 sq. ft. site in Dursley, UK. For the year ended 30 September 2024, Severn delivered revenue of £2.4m and a reported EBIT of £1.1m. Severn will join the Laboratory Equipment segment.

Research and Development

Each of the Group's businesses devotes appropriate resources to maintaining and expanding its competitive position by researching and developing new products and processes as well as updating existing products. 53 employees were employed for development activities in the year (FY24: 46). Research and development spend in the year amounted to £1.4m, of which £0.6m was capitalised, compared to £1.8m in the previous year, of which £0.8m was capitalised.

Future Development

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

Structure of Share Capital

As at 30 April 2025 the Company's authorised share capital was £10,000,000 comprising 1,000,000,000 ordinary shares of 1p each. As at 30 April 2025 the Company had 104,551,326 (FY24: 104,551,326) ordinary shares in issue with a nominal value of 1p each.

Corporate Governance

Corporate Governance is discussed on pages 52 to 57.

Financial Risk Management Objectives and Policies

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

Employee Engagement with Other Stakeholders

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

Health and Safety Policies

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

Streamlined Energy and Carbon Reporting ('SECR')

Each individual company within the Group is not obliged to include SECR specific disclosure due to size criteria. The parent company and its subsidiaries are all low energy users individually, consuming less than 40MWh per annum. The Group presents disclosures relating to its emissions, including those related to operational energy use, in its strategic report on pages 40 to 46.

Substantial Shareholdings

As at 30 July 2025 the Company is aware of the following shareholders which hold an interest of 3% or more in the Company's ordinary share capital.

	Number of ordinary shares	Percentage of share capital
Business Growth Fund	14,375,000	13.7%
Danske Bank A/S	8,359,818	8.0%
Shareholder Value Beteiligungen	5,280,000	5.1%
Universal-Investment-Gesellschaft mbH/Berenberg Bank	5,218,184	5.0%
Herald Investment Management	4,983,149	4.8%
Octopus Investments	3,719,640	3.6%

Auditor

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

On behalf of the Board

Ken Ford
Chairman
30 July 2025

Stephen Brown
Chief Executive Officer
30 July 2025

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

Opinion

We have audited the financial statements of SDI Group plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 30 April 2025 which comprise the consolidated income statement and statement of comprehensive income, the consolidated and Company balance sheets, the consolidated statement of cash flows, the consolidated and Company statements of changes in equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 April 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's base case forecasts covering the period to 31 August 2026, assessing how these forecasts were compiled and assessing their appropriateness by challenging management's assumptions and also applying sensitivities to the underlying assumptions;
- assessing the adherence to covenants in the going concern period forecasts;
- agreeing the latest post-year-end cash balances to the working capital position within the going concern forecast and testing the mathematical accuracy of the forecasts;
- considering the impact of the external market and macro-economic factors affecting the Group and Company and their future economic viability;
- obtaining management's downside scenarios, which reflects management's assessment of uncertainty and the mitigating actions in place, and evaluating the assumptions regarding reduced trading levels under this scenario;
- evaluating the accuracy of management's historical forecasting and the impact of this on management's assessment; and
- assessing the appropriateness of disclosures in respect of going concern made in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for a period of at least 12 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.

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

Our Application of Materiality

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

	Group financial statements	Company financial statements
Materiality for the financial statements as a whole ('overall materiality')	£400,000 (FY24: £390,000)	£277,000 (FY24: £180,000)
Basis of materiality	5% of adjusted profit before tax (excluding exceptional and non-underlying items).	1% of gross assets; however, as this exceeds Group materiality, capped at 70% of Group materiality.
Rationale benchmark	We consider adjusted profit before tax, as set out above, to be the most relevant performance indicator as the Group is profit generating and the financial statements contain a number of profit-focused KPIs, such as: adjusted operating profit; adjusted profit before tax; and adjusted diluted EPS.	We consider an asset-based benchmark the most appropriate benchmark because the parent company is a non-trading holding company. We then capped the materiality level to 70% of the Group materiality for the reasons set out below.
Rationale percentage	The percentage applied to the benchmark has been selected to bring into scope all significant classes of transactions, account balances and disclosures relevant for the shareholders, and also to ensure that matters that would have a significant impact on the results were appropriately considered.	
Performance materiality	£280,000 (FY24: £273,000)	£193,900 (FY24: £126,000)
70% of overall materiality	In determining performance materiality, we considered the following factors: › the number and quantum of identified misstatements in the prior year audit; and › the consistency in the level of judgement required in key accounting estimates and the level of significant or other key risks, including KAMs, identified during our planning procedures.	

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

For each operating component in the scope of our audit, we allocated a materiality based on the maximum aggregate component performance materiality. The range of component materiality allocated across these components was between £51,100 and £100,000. Materiality allocated to components included for specified audit procedures only, ranging between £45,000 and £140,000, was based on the levels of trading activities in said components.

We agreed with the Audit Committee that we would report to it misstatements identified during our audit above £20,000 (FY24: £19,500) for the Group and £13,850 (FY24: £9,000) for the Company, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Our Approach to the Audit

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

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

Our Approach to the Audit continued

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

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

Audit approach	No. of components	% coverage revenue	% coverage adjusted profit before tax
Full-scope audit	9	65	57
Specified audit procedures	6	29	22

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

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

Key Audit Matters

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

Key audit matter	How our scope addressed this matter
Fraud in revenue recognition Occurrence and cut-off (note 5)	
Under ISA (UK) 240, there is a rebuttable presumption that revenue recognition is a significant fraud risk. **Whilst this is an ISA-mandated risk, revenue is a material balance for the Group and represents the largest balance in the Group income statement. An error in this balance could significantly affect users' interpretation of the financial statements.** **The Group's revenue for the year ended 30 April 2025 totalled £66.2m and comprises several individually material streams recognised either at a point in time or over time in accordance with International Financial Reporting Standard ('IFRS') 15 'Revenue from Contracts with Customers'.** **The significant risk specifically relates to:** › **transactions initiated through manual journal postings that did not follow the normal business process;** › **contracts which are highly material to a subsidiary and the Group; and** › **estimates involved in recognising revenue overtime in relation to open contracts at year end and revenue recognised within the last two months of the year (pre-year-end cut-off).** **Given the significant value of revenue and the judgements required to be made by management in respect of the recognition of revenue over time in relation to open contracts, this has been assessed as a key audit matter.**	Our work in this area included, but was not limited to: › performing a walkthrough for each material revenue stream in order to gain an understanding of the internal control environment and to ensure that the key controls within these systems have been operating in the period under audit; › utilising data analytics procedures to identify unexpected journal entries impacting the revenue cycle, for testing; › testing the occurrence of revenue arising from the sale of goods by agreeing a sample of transactions to supporting documentation such as invoices, cash receipts PODs/contracts; › testing material contracts in the year by obtaining the proof of despatch, invoice and cash received, and assessing whether this is in line with the contract terms and our expectations; and › testing the occurrence of revenue arising from service contracts with unfulfilled performance obligations by selecting a sample of transactions and agreeing the revenues to supporting evidence, recalculating the revenue recognised, and assessing the appropriateness of any accrued or deferred income balance at the year end. We have evaluated and tested the disclosures relating to revenue in the financial statements.

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

Key Audit Matters continued

Key audit matter	How our scope addressed this matter
Carrying value of intangible assets (note 12)	
In accordance with International Accounting Standard ('IAS') 36 'Impairment of Assets', an annual impairment review is required to be performed by management to determine whether the carrying value of goodwill is appropriate. **The carrying value of acquired intangibles and goodwill as at 30 April 2025 totalled £46.6m.** **We identified the risk of impairment of intangible assets as one of the most significant assessed risks of material misstatement due to fraud. The impairment assessments are performed using value in use calculations, which requires forecasted cash flows, extrapolated growth rates and an applicable discount rate. This therefore relies on a significant amount of judgement and estimate and is considered to be a key audit matter.**	Our work in this area included, but was not limited to: › obtaining an understanding of the relevant controls and procedures in place, including the assessment of impairment indicators; › reviewing the impairment assessment prepared by management and challenging the assumptions made thereto, including the identification of cash generating units; › reviewing the discounted cash flows for each separate CGU with impairment indicators and each group of CGUs where goodwill is monitored, performing sensitivity analysis on management's estimates and assessing against the carrying value of the CGUs at the period end; › performing sensitivity analysis on other key assumptions in the impairment model; › working with our PKF valuations team in the review of the discount and terminal growth rates used in the model; and › assessing the adequacy of the financial statement disclosures, including the accounting policies. Based on the work performed and evidence obtained, we consider the assumptions used by management to perform the impairment assessment to be reasonable.
Valuation of investment (note 5) and intra-group receivables (note 7) (Company only) Valuation	
The Company's investments in subsidiaries had a carrying value of £69.5m as at 30 April 2025 and therefore there is a risk that these balances may be materially impaired. **The amounts due to the Company from its subsidiaries as at 30 April 2025 had a carrying value of £11.5m and therefore there is a risk that management has not applied the IFRS 9 expected credit loss model appropriately and therefore the balance may be misstated.** **Given the significant value of both balances and the judgement and estimation required to be made by management when conducting its impairment assessments and expected credit loss model review, this risk has been assessed as a key audit matter.**	Our work in this area included, but was not limited to: › obtaining management's indicators of impairment assessment, and where relevant detailed impairment assessments, in respect of investments in subsidiaries. Reviewing and discussing with management; ascertaining and challenging the key assumptions, estimates and judgements made by management and assessing whether any impairment indicators are met; › where it was assessed that impairment indicators exist in respect of investments in subsidiaries, we obtained management's assessment of the recoverable value of these investments. Reviewing and discussing with management; ascertaining and challenging the key assumptions, estimates and judgements made by management and assessing whether the assessed recoverable value is reasonable; and › obtaining management's IFRS 9 expected credit loss assessment in respect of amounts due from subsidiaries. Reviewing and discussing with management; ascertaining and challenging the key assumptions, estimates and judgements made by management and assessing the IFRS 9 expected credit loss charge recorded is materially accurate. Based on the work performed and evidence obtained, we consider the assumptions used by management to perform the impairment assessment to be reasonable.

Key Audit Matters continued

Key audit matter	How our scope addressed this matter
Application of acquisition accounting including the valuation of intangible assets on acquisition (note 31) Valuation, presentation and disclosure and accuracy	
In October 2024 and April 2025 respectively, the Group acquired InspecVision Limited and Collins Walker Limited. This resulted in investments recognised in the parent company totalling £10.6m and, within the consolidated financial statements, acquired intangible assets and goodwill being recognised with a carrying value of £2.2m and £5.2m (prior to the amortisation charge for the period). We identified the accounting for these acquisitions and the valuation of intangible assets on recognition of the acquired businesses as a significant risk of material misstatement due to error. This is due to the fact that there is a risk the subsidiaries' results post-acquisition and their assets and liabilities have not been incorporated correctly into the consolidation and that the intangible assets, including goodwill, are not recognised in accordance with IFRS 3 'Business Combinations'. **There is significant management judgement and complexity associated with the allocation of excess consideration over net assets acquired between separable intangible assets and remaining goodwill and thus this risk has been identified as a key audit matter.**	Our work in this area included, but was not limited to: › assessing the Group's accounting for the acquisitions of InspecVision and Collins Walker to confirm whether it was in accordance with the Group's financial reporting framework, including IFRS 3; › obtaining the sale purchase agreements for the acquisitions of InspecVision and Collins Walker, to ensure the completeness of consideration recorded by management; › obtaining supporting purchase price allocation, prepared by management and its expert, to support the valuation of intangible assets acquired; › considering the competency of the expert used by management, including qualifications and experience; › evaluating management's considerations as to the nature of the separately identified intangibles, and challenging whether any other intangible assets should have been separately identified; › recalculating the fair value of consideration paid in respect of the acquisitions of InspecVision and Collins Walker to determine whether these have been accurately recorded; › using an Auditor's expert to assess the appropriateness of the valuation methodology used by management, including the methodology adopted for identifying separate intangible assets distinct from goodwill and assessing the appropriateness of discount rates and growth rates applied; › performing procedures over the subsidiaries' opening balance sheets on the acquisition date to ensure transactions are recorded within the correct accounting period; and › assessing the adequacy of the financial statement disclosures, including the accounting policies. We have evaluated and tested the disclosures relating to the acquisitions in the financial statements. Based on the work performed and evidence obtained, we consider the assumptions used by management to fair value the intangible assets to be reasonable.

Other Information

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

We have nothing to report in this regard.

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

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the Group and the Company and their environments obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of Directors

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements continued

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

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

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

Use of Our Report

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

Hannes Verwey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
30 July 2025

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated Income Statement and Statement of Comprehensive Income
for the year ended 30 April 2025

	Note	2025 £'000	2024 £'000
Revenue	5	**66,177**	65,846
Other income		**577**	104
Operating costs	6	**(59,822)**	(58,660)
Operating profit	4	**6,932**	7,290
Net financing expenses	10	**(1,470)**	(1,627)
Profit before tax	4 & 7	**5,462**	5,663
Income tax	11	**(1,424)**	(1,409)
Profit for the year		**4,038**	4,254
Attributable to:			
Equity holders of the parent company		**3,984**	4,231
Non-controlling interest		**54**	23
Profit for the year		**4,038**	4,254

Statement of Comprehensive Income	Note	2025 £'000	2024 £'000
Profit for the year		**4,038**	4,254
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss:			
Remeasurement of net defined benefit liability	9	**–**	–
Items that will be reclassified subsequently to profit and loss:			
Exchange differences on translating foreign operations		**(141)**	(38)
Total comprehensive income for the year		**3,897**	4,216
Attributable to:			
Equity holders of the parent company		**3,843**	4,193
Non-controlling interest		**54**	23
Total comprehensive income for the year		**3,897**	4,216

Earnings per share	Note	2025 £'000	2024 £'000
Basic earnings per share	25	**3.86p**	4.09p
Diluted earnings per share	25	**3.81p**	4.04p

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

Consolidated Balance Sheet
as at 30 April 2025

Company registration number: 06385396	Note	30 April 2025 £'000	30 April 2024 £'000
Non-current assets			
Intangible assets	12	**48,027**	42,040
Property, plant and equipment	13	**8,151**	8,219
Right-of-use leased assets	14	**6,243**	6,488
Deferred tax asset	16	**86**	144
		62,507	56,891
Current assets			
Inventories	17	**11,079**	10,577
Trade and other receivables	18	**13,116**	12,677
Corporation tax asset		**216**	87
Cash and cash equivalents	19	**1,313**	1,430
		25,724	24,771
Total assets		**88,231**	81,662
Non-current liabilities			
Borrowings	22	**(21,070)**	(20,636)
Provisions	21	**(281)**	(245)
Deferred tax liability	16	**(4,900)**	(4,841)
		(26,251)	(25,722)
Current liabilities			
Trade and other payables	20	**(11,331)**	(9,647)
Provisions	21	**(68)**	(22)
Borrowings	22	**(906)**	(841)
		(12,305)	(10,510)
Total liabilities		**(38,556)**	(36,232)
Net assets		**49,675**	45,430
Equity			
Share capital	24	**1,046**	1,046
Merger reserve		**2,606**	2,606
Merger relief reserve		**424**	424
Share premium account		**10,858**	10,858
Share-based payment reserve		**902**	764
Foreign exchange reserve		**2**	143
Retained earnings		**33,803**	29,575
Total equity due to shareholders		**49,641**	45,416
Non-controlling interest		**34**	14
Total equity		**49,675**	45,430

The financial statements were approved and authorised for issue by the Board of directors on 30 July 2025.

Stephen Brown
Chief Executive Officer

Amitabh Sharma
Chief Financial Officer

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

Consolidated Statement of Cash Flows
for the year ended 30 April 2025

	Note	2025 £'000	2024 £'000
Operating activities			
Profit after tax		**4,038**	4,254
Depreciation and amortisation on right-of-use assets	13 & 14	**2,133**	2,021
Amortisation on intangible assets	12	**2,038**	1,963
Finance costs	10	**1,470**	1,627
Impairment of intangible assets	12	**31**	–
Increase/(decrease) in provisions	21	**82**	(15)
Taxation in the income statement	11	**1,424**	1,409
Employee share-based payments		**338**	128
Operating cash flows before movement in working capital		**11,554**	11,387
Decrease in inventories		**156**	3,343
Decrease/(increase) in trade and other receivables		**430**	(92)
Increase/(decrease) in trade and other payables		**719**	(5,252)
Cash generated from operations		**12,859**	9,386
Interest paid		**(1,470)**	(1,627)
Income taxes paid		**(2,091)**	(1,925)
Net cash generated from operating activities		**9,298**	5,834
Investing activities			
Capital expenditure on fixed assets	13	**(1,238)**	(966)
Sale of property, plant and equipment		**187**	144
Expenditure on development and other intangibles	12	**(641)**	(820)
Proceeds from loan receivable settlement		**750**	–
Payment of deferred consideration		**–**	(961)
Acquisition of subsidiaries, net of cash	31	**(8,090)**	(2,386)
Net cash used in investing activities		**(9,032)**	(4,989)
Financing activities			
Finance leases repayments	23	**(706)**	(796)
Dividends paid to non-controlling interests in subsidiaries		**(34)**	(41)
Proceeds from bank borrowing	23	**8,895**	3,700
Repayment of borrowings	23	**(8,360)**	(5,100)
Issues of shares and proceeds from option exercise	24	**–**	85
Net cash used in financing activities		**(205)**	(2,152)
Net changes in cash and cash equivalents		**61**	(1,307)
Cash and cash equivalents, beginning of year		**1,430**	2,711
Foreign currency movements on cash balances		**(178)**	26
Cash and cash equivalents, end of year		**1,313**	1,430

Not included in the above is a non-cash flow item of £nil (FY24: £215k) relating to additional dilapidation provisions which were capitalised.

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

Consolidated Statement of Changes in Equity
as at 30 April 2025

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

	Share capital £'000	Merger reserve £'000	Merger relief reserve £'000	Foreign exchange £'000	Share premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity due to shareholders £'000	Non-controlling interest £'000	Total equity £'000
At 30 April 2023	1,041	2,606	424	181	10,778	557	25,673	41,260	32	41,292
Shares issued	5	–	–	–	80	–	–	85	–	85
Tax in respect of share options	–	–	–	–	–	–	(249)	(249)	–	(249)
Share-based payment transfer	–	–	–	–	–	80	(80)	–	–	–
Share-based payment charge	–	–	–	–	–	127	–	127	–	127
Dividends paid	–	–	–	–	–	–	–	–	(41)	(41)
Transactions with owners	5	–	–	–	80	207	(329)	(37)	(41)	(78)
Profit for the year	–	–	–	–	–	–	4,231	4,231	23	4,254
Other comprehensive income for the year:										
Foreign exchange on consolidation of subsidiaries	–	–	–	(38)	–	–	–	(38)	–	(38)
Total comprehensive income for the period	–	–	–	(38)	–	–	4,231	4,193	23	4,216
At 30 April 2024	1,046	2,606	424	143	10,858	764	29,575	45,416	14	45,430

Notes to the Consolidated Financial Statements
for the year ended 30 April 2025

1 Reporting Entity

SDI Group plc, a public limited company, is the Group's ultimate parent. The principal activities of the Group can be seen on page 1. It is registered and domiciled in England and Wales. The consolidated financial statements of the Group for the year ended 30 April 2025 comprise the Company and its subsidiaries (together referred to as the 'Group'). The details of subsidiary undertakings are listed in note 5 to the Company financial statements.

2 Basis of Preparation

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

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

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

Going Concern

The consolidated financial statements have been prepared on a going concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out within this strategic report. The financial position of the Group and its cash flows and liquidity position are provided in the financial statements on pages 74 to 111.

The Group ended FY25 with net debt (excluding lease liabilities and deferred consideration) of £13.8m, only 5% up on the last year end (£13.2m), despite spending £7.3m on two acquisitions during the period. The Group generated free cash flow (before acquisition consideration but after lease payments) of £6.9m, which was significantly higher than FY24 (£3.4m). Free cash flow improved due to a working capital reduction of £1.3m largely driven by efforts to reduce overdue debtors and a £0.6m increase in customer advances, the largest being received at Atik Cameras. Inventories were broadly flat. On 30 November 2022, the Group reached agreement with HSBC to exercise £5m of an available £10m accordion option, which increased the committed loan facility from £20m to £25m. £15.1m was drawn down under this facility at the year end (note 22). In April 2024, HSBC approved an extension of the repayment date by one year to November 2026. This provides the Group with greater certainty over long-term liquidity.

The Board has considered the potential of a downturn given the current economic environment. The Group is in a strong financial position with available facilities, sufficient headroom on all covenants associated with the revolving credit facility, good profitability, and a strong future order book, enabling it to face any reasonable likely challenge of the continued uncertain global economic environment. The Board has reviewed forecasts for the period to 30 April 2027, evaluated a severe but plausible downside scenario and performed a sensitivity analysis, all of which the Board considers unlikely. In the event of a more severe scenario (without applying any mitigations), both covenants would come under some (but not severe) stress. However, mitigations would be obviously applied should this unlikely scenario present itself, such as (but not restricted to) further cost cutting, sale and leaseback of freehold property and potential disposal of assets. This would not cause any significant challenges to the Group's continued existence.

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

Accounting Judgements and Estimates

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

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

2 Basis of Preparation continued

Accounting Judgements and Estimates continued

Judgements in Applying Accounting Policies

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

Sources of Estimation Uncertainty

Fair Value Assessments of Business Combinations

Following an acquisition, management makes an assessment of the fair value of all assets and liabilities acquired, including intangible assets and goodwill. The valuation process requires a number of estimates to be made, including an estimate of any earnout cash payment which is contingent on specific performance targets being met. For details of assumptions, see note 31.

Carrying Value of Goodwill and Other Intangible Assets

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

Assessment of the Percentage of Completion of Long-Term Contracts

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

3 Principal Accounting Policies

The principal accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 April 2024.

Basis of Consolidation

Subsidiaries are entities controlled by the Group where control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is obtained where more than 50% of the voting rights are held. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The subsidiaries' financial statements have been prepared in accordance with FRS 101.

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

Business Combinations

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

Foreign Currency

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

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

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

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

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

3 Principal Accounting Policies continued

Property, Plant and Equipment

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

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

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

Goodwill

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

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

Research and Development

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

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

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

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

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

3 Principal Accounting Policies continued

Other Intangible Assets

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

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

Capitalised development costs	3 years
Other intangible assets	3–15 years
Customer relationships and trademarks	10–15 years
Order book	Up to 2 years
Technology	8 years

Impairment

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

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units). As a result, some assets are tested individually for impairment, and some are tested at cash generating unit level.

Goodwill is allocated to those cash generating units or groups of cash generating units that are expected to benefit from synergies of the related business combination, the Group's operating segments, which represent the lowest level within the Group at which management monitors goodwill. During the year, as a result of operational changes in the business, management changed the level at which goodwill is monitored. Refer to note 12 for more information.

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

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

Inventories

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

Cash and Cash Equivalents

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

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

3 Principal Accounting Policies continued

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

Equity
Equity comprises the following:

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

Contributions to Pension Schemes
Defined Contribution Scheme
Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when they are due.

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

The liability recognised in the consolidated statement of financial position for defined benefit plans is the present value of the defined benefit obligation ('DBO') at the reporting date less the fair value of plan assets.

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

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

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

3 Principal Accounting Policies continued

Financial Liabilities

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

Revenue Recognition

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

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

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

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

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

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

Leased Assets

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

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

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

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

3 Principal Accounting Policies continued

Leased Assets continued

Measurement and Recognition of Leases as a Lessee

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

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

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

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

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

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

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

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

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

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

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

3 Principal Accounting Policies continued

Taxation

Income tax expense comprises current and deferred tax.

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

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

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

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

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

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

Segment Reporting

The Group identifies operating segments based on internal management reporting that is regularly reviewed by the chief operating decision maker. The chief operating decision maker is the Executive Board of directors. Refer to note 5 for more information regarding the re-segmentation that took place from the start of the financial year.

Provisions

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

Share-Based Payments

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

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

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

4 Alternative Performance Measures

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

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

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

	2025 £'000	2024 £'000
Revenue	**66,177**	65,846
Cost of purchases	**(23,251)**	(24,297)
Gross profit (on materials only)	**42,926**	41,549
Gross margin (on materials only)	**64.9%**	63.1%

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

	2025 £'000	2024 £'000
Operating profit (as reported)	**6,932**	7,290
Adjusting items (all costs):		
Non-underlying items		
Share-based payments	**338**	128
Amortisation of acquired intangible assets	**1,725**	1,558
Exceptional items		
Reorganisation costs	**398**	447
Acquisition costs	**564**	155
Total adjusting items	**3,025**	2,288
Adjusted operating profit	**9,957**	9,578

4 Alternative Performance Measures continued

Adjusted profit before tax is defined as follows:

	2025 £'000	2024 £'000
Profit before tax (as reported)	**5,462**	5,663
Adjusting items (all costs):		
Non-underlying items		
Share-based payments	**338**	128
Amortisation of acquired intangible assets	**1,725**	1,558
Exceptional items		
Reorganisation costs	**398**	447
Acquisition costs	**564**	155
Total adjusting items	**3,025**	2,288
Adjusted profit before tax	**8,487**	7,951

Adjusted diluted EPS is defined as follows:

	2025 £'000	2024 £'000
Profit for the year	**4,038**	4,254
Adjusting items (all costs):		
Non-underlying items		
Share-based payments	**338**	128
Amortisation of acquired intangible assets	**1,725**	1,558
Exceptional items		
Reorganisation costs	**398**	447
Acquisition costs	**564**	155
Total adjusting items	**3,025**	2,288
Less taxation on adjusting items calculated at the UK statutory rate	**(503)**	(462)
Adjusted profit for the year	**6,560**	6,080
Divided by diluted weighted average number of shares in issue (note 25)	**106,097,371**	105,253,543
Adjusted diluted EPS	**6.18p**	5.78p

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

4 Alternative Performance Measures continued

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

	2025 £'000	2024 £'000
Net assets	**49,675**	45,430
Deferred tax asset	**(86)**	(144)
Corporation tax asset	**(216)**	(87)
Cash and cash equivalents	**(1,313)**	(1,430)
Borrowings and lease liabilities (current and non-current)	**21,571**	21,477
Deferred and contingent consideration	**645**	–
Deferred tax liability	**4,900**	4,841
Total adjusting items within net assets	**25,501**	24,657
Net operating assets	**75,176**	70,087

5 Segment Analysis

On 1 May 2024, the Group implemented a new strategy, with the SDI businesses being re-segmented into the following divisions:

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

The Board of directors reviews operational results of these segments on a monthly basis and decides on resource allocations to the segments and is considered the Group's chief operating decision maker.

	2025 Total £'000	Restated 2024 Total £'000
Revenues		
Industrial & Scientific Products	**25,135**	22,866
Industrial & Scientific Sensors	**17,035**	16,145
Laboratory Equipment	**24,007**	26,835
Group	**66,177**	65,846
Adjusted operating profit		
Industrial & Scientific Products	**4,950**	3,986
Industrial & Scientific Sensors	**4,493**	4,319
Laboratory Equipment	**2,703**	3,103
Central costs	**(2,189)**	(1,830)
Group	**9,957**	9,578
Amortisation of acquired intangible assets		
Industrial & Scientific Products	**(759)**	(656)
Industrial & Scientific Sensors	**(582)**	(514)
Laboratory Equipment	**(384)**	(388)
Group	**(1,725)**	(1,558)

Adjusted operating profit has been defined in note 4.

5 Segment Analysis continued

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

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

	2025 Total £'000	Restated 2024 Total £'000
Operating assets excluding acquired intangible assets		
Industrial & Scientific Products	**13,193**	11,886
Industrial & Scientific Sensors	**6,723**	6,630
Laboratory Equipment	**18,595**	19,783
Central costs	**1,132**	827
Group	**39,643**	39,126
Acquired intangible assets		
Industrial & Scientific Products	**25,830**	19,225
Industrial & Scientific Sensors	**12,444**	13,000
Laboratory Equipment	**8,294**	8,654
Group	**46,568**	40,879
Operating liabilities		
Industrial & Scientific Products	**(3,442)**	(2,074)
Industrial & Scientific Sensors	**(2,466)**	(2,339)
Laboratory Equipment	**(4,625)**	(4,610)
Central costs	**(502)**	(895)
Group	**(11,035)**	(9,918)
Net operating assets		
Industrial & Scientific Products	**35,581**	29,037
Industrial & Scientific Sensors	**16,701**	17,291
Laboratory Equipment	**22,264**	23,827
Central costs	**630**	(68)
Group	**75,176**	70,087
Depreciation and amortisation of right-of-use assets		
Industrial & Scientific Products	**718**	573
Industrial & Scientific Sensors	**453**	406
Laboratory Equipment	**962**	1,036
Central costs	**–**	7
Group	**2,133**	2,022

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

5 Segment Analysis continued

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

Revenue by destination of external customer	2025 £'000	2024 £'000
United Kingdom (country of domicile)	**34,791**	36,809
Europe	**12,749**	12,127
USA	**6,591**	5,926
Americas (excl. USA)	**1,441**	2,416
Asia	**9,165**	6,976
Rest of World	**1,440**	1,592
	66,177	65,846

Revenue by product or service	2025 £'000	2024 £'000
Instruments and spare parts	**59,823**	61,046
Services	**6,354**	4,800
	66,177	65,846

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

Analysis of revenue by performance obligation	2025 £'000	2024 £'000
Sale of goods, recognised at a point in time	**57,483**	56,534
Sale of services, recognised over time	**6,354**	4,801
Sale of goods, recognised over time	**2,340**	4,511
	66,177	65,846

Non-current assets by location	2025 £'000	2024 £'000
United Kingdom	**61,517**	56,432
Portugal	**897**	581
USA	**90**	220
China	**3**	–
	62,507	57,233

6 Operating Costs

	2025 £'000	2024 £'000
Raw materials and consumables	**23,251**	24,297
Staff costs	**24,574**	23,184
Other administrative expenses	**11,997**	11,179
	59,822	58,660

7 Profit Before Taxation

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

	2025 £'000	2024 £'000
Amortisation of intangible assets	**2,038**	1,963
Amortisation charge for the year – right-of-use assets	**915**	911
Depreciation charge for the year – tangible fixed assets	**1,218**	1,110
Fees payable to the Company's Auditor in respect of audit services:		
– Audit of Group consolidated accounts	**75**	72
– Audit of Company's subsidiaries pursuant to legislation	**255**	267
– Audit of overseas subsidiaries	**18**	14
Fees paid to the Auditor and its associates in respect of other services:		
– Audit-related assurance services	**30**	20
Currency exchange (gain)/loss	**(16)**	31
Reorganisation costs	**398**	447
Acquisition costs	**564**	155

8 Directors' and Employees' Remuneration

Staff costs during the year were as follows:

	2025 £'000	2024 £'000
Wages and salaries (including reorganisation costs and other termination benefits £274k (FY24: £225k))	**21,313**	20,525
Social security costs	**2,232**	2,161
Share-based payment charge	**338**	128
Employer's National Insurance costs on share-based remuneration	**–**	(124)
Pension contributions	**957**	844
	24,840	23,534

Key management for the Group is considered to be the directors of the Group. Remuneration of directors is set out in the directors' remuneration report on pages 60 to 62. Total emoluments of £506k (FY24: £476k which included termination payments of £225k (including £75k compensation for loss of office)) were paid to the highest paid director during the year.

During the year, a motor vehicle was sold by a subsidiary of the Group to a director of the Company. The transaction was conducted on an arm's length basis, with the sales price determined based on an independent market valuation at the time of the sale. The transaction was approved by the Board in accordance with the Group's related party transaction policy and was not materially different from terms available to unrelated third parties.

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

	2025 Number	2024 Number
Management/administration	**123**	117
Product development	**53**	46
Sales and marketing	**62**	53
Production	**266**	287
	504	503

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

8 Directors' and Employees' Remuneration continued

Share-Based Employee Remuneration

The Company has two active EMI option schemes, 'approved' and 'unapproved', which share similar features, but may be treated differently regarding taxation of the option holder. Both schemes have been approved by shareholders in general meetings. The approved scheme has been approved by HM Revenue & Customs. The options can be exercised three years after the share options are granted. Upon vesting, each option allows the holder to purchase one ordinary share. The options lapse if share options remain unexercised after a period of 10 years after the date of grant or if the employee leaves. During the year, 371,422 of such options were granted under these schemes, at exercise prices between £0.010 and £0.580. The weighted average remaining contractual life of all outstanding options under these schemes is 7.68 years.

The LTIP award made on 27 September 2024 had the following performance conditions: 50% based on growth in adjusted fully diluted earnings per share ('EPS') in the three years starting 1 May 2024 and 50% on the TSR over three years compared with a basket of 20 comparable companies.

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

A summary of options outstanding currently is as follows:

Scheme	Options outstanding at 1 May 2024	Granted	Lapsed	Exercised	Options outstanding at 30 April 2025	Of which exercisable	Weighted average exercise price
EMI, approved	121,800	–	–	–	**121,800**	**121,800**	**£0.444**
EMI, unapproved	1,252,200	371,422	(165,000)	–	**1,458,622**	**620,000**	**£1.151**
LTIP	968,263	844,470	(98,985)	–	**1,713,748**	**135,455**	**£0.010**
Total	2,342,263	1,215,892	(263,985)	–	**3,294,170**	**877,255**	**£0.531**

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

- interest rate 3.7%;
- dividend 0%;
- volatility 48.1%; and
- expected life of option 3 years.

The charge for the year ended 30 April 2025 was £338k (FY24: £128k).

9 Pension Obligations

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

Defined Benefit Plan

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

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

- **Investment risk –** the plan assets at 30 April 2025 are now more weighted to bonds.
- **Longevity risk –** the Group is required to provide benefits for life for the members of the defined benefit liability. Increase in the life expectancy of the member will increase the defined benefit liability.
- **Inflation risk –** a significant proportion of the defined benefit asset is linked to inflation. An increase in the inflation rate will increase the Group's liability. A portion of the plan assets are inflation-linked debt securities which will mitigate some of the effects of inflation.

Based on historical data, the Group expects contributions of £nil to be paid for 2026.

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

	2025 £'000	2024 £'000
Defined benefit obligation	**802**	857
Fair value of plan assets	**(974)**	(1,032)
Surplus restriction	**172**	175
Pension asset	**–**	–
Classified as:		
– Non-current asset (net) not recognised	**(172)**	(175)
	(172)	(175)

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

Defined benefit obligation	2025 £'000	2024 £'000
Defined benefit obligation b/f	**857**	914
Interest	**43**	43
Benefits paid	**(65)**	(59)
Actuarial gains arising from changes in demographic assumptions	**–**	(31)
Actuarial (gains)/losses arising from changes in financial assumptions	**(33)**	2
Other actuarial gains	**–**	(12)
Defined benefit obligation c/f	**802**	857

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

9 Pension Obligations continued

Defined Benefit Plan continued

Plan assets	2025 £'000	2024 £'000
Fair value of plan assets b/f	**1,032**	1,023
Expected return	**52**	49
Benefits paid	**(65)**	(59)
Contributions paid	**15**	–
Expenses paid	**(28)**	(8)
Actuarial (losses)/gains	**(32)**	27
Fair value of plan assets c/f	**974**	1,032

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

	2025 £'000	2024 £'000
Equities	**370**	695
Bonds	**584**	282
Cash	**20**	55
	974	1,032

Estimates and Assumptions

Defined Benefit Obligation

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

	2025 %/years	2024 %/years
Discount rate at date shown	**5.40%**	5.20%
Inflation	**2.70%**	2.80%
Average life expectancies:		
Male mortality at 30 April 2025	**20.8**	20.3
Female mortality at 30 April 2025	**22.9**	22.5
Male mortality for birth year 1960/1959	**21.1**	21.0
Female mortality for birth year 1960/1959	**23.6**	23.5
Male mortality for birth year 1975/1975	**21.7**	21.8
Female mortality for birth year 1975/1975	**24.4**	24.4

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

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

The weighted average duration of the defined benefit obligation at 30 April 2025 is 10 years (FY24: 11 years).

9 Pension Obligations continued

Plan Assets

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

Defined Benefit Plan Expenses

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

	2025 £'000	2024 £'000
Net interest expense	**9**	6
	9	6

Gains related to the Group's defined benefit plans are as follows:

	2025 £'000	2024 £'000
Actuarial (losses)/gains on plan assets	**(32)**	27
Actuarial gains arising from financial assumptions	**–**	31
Actuarial gains/(losses) arising from demographic assumptions	**33**	(2)
Other actuarial gains	**–**	12
	1	68

No actuarial gains/losses (FY24: nil) resulting from the remeasurement of the defined benefit asset have been recognised in the consolidated statement of other comprehensive income as the pension surplus has been restricted as explained above.

Changes in the Significant Actuarial Assumptions

The calculation of the net defined benefit asset is sensitive to the significant actuarial assumptions mentioned above. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 30 April 2025:

	Assumption %/years	Defined benefit obligation £'000
Discount rate 0.5% p.a. lower	4.9%	834
Inflation rate 0.5% p.a. higher	3.2%	817
Life expectancy 1 year longer	22.1/24.6 years	831

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

10 Finance Costs

	2025 £'000	2024 £'000
Loans	**1,225**	1,404
Leases and hire purchase contracts	**245**	223
	1,470	1,627

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

11 Taxation

	2025 £'000	2024 £'000
Current tax charge		
Current year	**1,708**	1,703
Adjustments in respect to prior periods	**146**	25
Deferred tax charge		
Origination and reversal of temporary differences	**(417)**	(234)
Adjustments in respect to prior periods	**(13)**	(85)
Total tax charge	**1,424**	1,409

Reconciliation of effective tax rate	2025 £'000	2024 £'000
Profit on ordinary activities before tax	**5,462**	5,663
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (FY24: 25%)	**1,366**	1,416
Effects of:		
Expenses not deductible	**(73)**	204
R&D expenditure credits	**(13)**	(258)
Adjustments to tax charge in respect of previous periods – current tax	**146**	25
Adjustments to tax charge in respect of previous periods – deferred tax	**(13)**	(85)
Foreign tax credits	**–**	15
Movement in tax not recognised	**–**	120
Difference in overseas tax rate	**11**	(28)
	1,424	1,409

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

The UK Finance Act 2021 which was substantively enacted on 24 May 2021 included provisions to increase the corporation tax rate to 25% effective from 1 April 2023.

12 Intangible Assets

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

	Customer relationships £'000	Other intangibles £'000	Goodwill £'000	Development costs £'000	Total £'000
Cost					
At 30 April 2023	21,250	2,804	25,897	2,013	51,964
Adjustments to goodwill	–	–	24	–	24
Additions	–	–	–	820	820
Additions on acquisition	660	10	1,139	–	1,809
Disposals/eliminations	–	–	–	(298)	(298)
At 30 April 2024	21,910	2,814	27,060	2,535	54,319
Additions	–	–	–	641	641
Additions on acquisition	625	1,557	5,233	–	7,415
Disposals/eliminations	–	–	–	(590)	(590)
At 30 April 2025	**22,535**	**4,371**	**32,293**	**2,586**	**61,785**
Amortisation and impairment					
At 30 April 2023	4,593	1,537	3,206	1,278	10,614
Amortisation for the year	1,431	137	–	395	1,963
Disposals/eliminations	–	–	–	(298)	(298)
At 30 April 2024	6,024	1,674	3,206	1,375	12,279
Amortisation for the year	1,485	239	–	314	2,038
Disposals/eliminations	–	–	–	(559)	(559)
At 30 April 2025	**7,509**	**1,913**	**3,206**	**1,130**	**13,758**
Net book value					
At 30 April 2025	**15,026**	**2,458**	**29,087**	**1,456**	**48,027**
At 30 April 2024	15,886	1,140	23,854	1,160	42,040

Capitalised development costs include amounts totalling £915k (FY24: £550k) relating to incomplete projects for which amortisation has not yet begun.

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12 Intangible Assets continued

On 1 May 2024, the Group implemented a new strategy, with the SDI businesses being re-segmented into three divisions: Laboratory Equipment, Industrial & Scientific Sensors and Industrial & Scientific Products. The new strategy is focused on both organic and inorganic growth, with SDI looking to generate organic growth across the Group as well as acquiring companies (where possible) to provide synergies to the existing portfolio. Business leaders would be appointed to lead the divisions. The new strategy has meant SDI now monitors goodwill, which relates to various acquisitions and is not amortised, at the segment level by aggregating the appropriate goodwill. As a result, Goodwill is tested for impairment in accordance with IAS 36 at the segment/divisional level, taking into account the group of cash generating units ('CGUs') that are expected to benefit from the synergies. Prior to this approach, goodwill was allocated to each individual business which are considered to be the smallest cash generating units in the Group. There has been no change in the assessment of cash generating units.

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

	2024 £'000	Reclassification £'000	Acquisitions £'000	2025 £'000
Synoptics	453	(453)	–	–
Atik	1,229	(1,229)	–	–
Graticules	1,278	(1,278)	–	–
Sentek	1,282	(1,282)	–	–
Astles Control Systems	2,503	(2,503)	–	–
Applied Thermal Control	1,028	(1,028)	–	–
MPB Industries	630	(630)	–	–
Chell Instruments	2,492	(2,492)	–	–
Scientific Vacuum Systems	2,734	(2,734)	–	–
Safelab Systems	3,561	(3,561)	–	–
LTE Scientific	676	(676)	–	–
Fraser Anti-Static Techniques	4,849	(4,849)	–	–
Peak Sensors Limited	1,139	(1,139)	–	–
Industrial & Scientific Products	–	11,118	5,233	**16,351**
Industrial & Scientific Sensors	–	8,046	–	**8,046**
Laboratory Equipment	–	4,690	–	**4,690**
	23,854	–	5,233	**29,087**

During the year the Group acquired the two Industrial Products businesses, InspecVision and Collins Walker, as detailed in note 31.

The recoverable amount of the Group's goodwill was assessed by reference to the value in use ('VIU') calculations derived from three-year forecast cash flows and two years of extrapolated cash flows using appropriate growth rates used for that business. These range from inflationary increases of 2%, to 50% for the scale up of a small business. This is equivalent to a five-year forecast period, which is the maximum period expected unless a longer period is justifiable. Management's key assumption for all cash generating units and resulting cash flows is to maintain market share in their markets. Thereafter, the VIU is based on estimated long-term growth ('LTG') rates of 2% (FY24: 2%). These assumptions were applied to each business within the three divisions.

A risk-adjusted, pre-tax discount rate specific to asset light and asset heavy businesses has been calculated and these all ranged between 18.50% and 19.00% (FY24: 16.67% and 20.67%). The Laboratory Equipment division CGU is largely an asset heavy segment. The other two division CGUs are asset light segments.

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

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

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

The average remaining amortisation period of intangible assets excluding goodwill is 9.3 years (FY24: 9.3 years).

13 Property, Plant and Equipment

	Motor vehicles £'000	Computer equipment £'000	Tools and other equipment £'000	Furniture, fixtures and fittings £'000	Building and leasehold improvement £'000	Total £'000
Cost						
At 30 April 2023	744	441	2,944	547	5,590	10,266
Additions	158	116	408	246	253	1,181
Additions on acquisition	1	14	7	20	–	42
Foreign exchange	–	–	–	8	–	8
Disposals	(180)	–	(428)	(40)	(34)	(682)
At 30 April 2024	723	571	2,931	781	5,809	10,815
Additions	407	47	498	167	119	1,238
Additions on acquisition	9	–	87	2	–	98
Foreign exchange	–	–	(3)	–	–	(3)
Disposals	(276)	(14)	(282)	(112)	(17)	(701)
At 30 April 2025	**863**	**604**	**3,231**	**838**	**5,911**	**11,447**
Depreciation						
At 30 April 2023	80	218	1,158	302	289	2,047
Charge for year	232	44	529	143	162	1,110
Disposals	(155)	–	(346)	(27)	(33)	(561)
At 30 April 2024	157	262	1,341	418	418	2,596
Charge for year	253	47	583	139	196	1,218
Disposals	(207)	(14)	(191)	(105)	(1)	(518)
At 30 April 2025	**203**	**295**	**1,733**	**452**	**613**	**3,296**
Net book value						
At 30 April 2025	**660**	**309**	**1,498**	**386**	**5,298**	**8,151**
At 30 April 2024	566	309	1,590	363	5,391	8,219

Notes to the Consolidated Financial Statements continued
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14 Right-of-Use Leased Assets

	Motor vehicles £'000	Property £'000	Total £'000
Cost			
At 30 April 2023	119	8,308	8,427
Additions	2	747	749
Additions on acquisition	–	183	183
Disposals	–	(2)	(2)
At 30 April 2024	121	9,236	9,357
Additions	14	317	331
Additions on acquisition	–	405	405
Disposals	(73)	(678)	(751)
At 30 April 2025	**62**	**9,280**	**9,342**
Depreciation			
At 30 April 2023	60	1,898	1,958
Charge for year	30	881	911
Disposals	–	–	–
At 30 April 2024	90	2,779	2,869
Charge for year	19	896	915
Disposals	(73)	(612)	(685)
At 30 April 2025	**36**	**3,063**	**3,099**
Net book value			
At 30 April 2025	**26**	**6,217**	**6,243**
At 30 April 2024	31	6,457	6,488

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

15 Leases

Lease liabilities are presented in the balance sheet as follows:

	2025 £'000	2024 £'000
Current	**906**	841
Non-current	**5,935**	6,036
	6,841	6,877

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

15 Leases continued

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

The lease liabilities are secured by the related underlying assets. Total contractual undiscounted lease liabilities at 30 April 2025 were as follows:

	2025 £'000	2024 £'000
Within one year	**1,109**	1,090
Within two to five years	**3,331**	3,104
After five years	**3,824**	4,055
Total undiscounted lease liabilities	**8,264**	8,249

Lease Payments Not Recognised as a Liability

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

16 Deferred Tax

	2025 Deferred tax liability £'000	2024 Deferred tax liability £'000
Opening (net)	**4,697**	4,602
Deferred tax liability on acquisition	**544**	165
Deferred tax charged in the income statement	**(430)**	(303)
Deferred tax included directly in equity	**(44)**	275
Deferred tax asset on disposal	**–**	(46)
Foreign exchange differences	**47**	4
At 30 April (net)	**4,814**	4,697
Fixed asset temporary differences	**1,199**	1,214
Short-term temporary differences	**(503)**	(487)
Losses	**(3)**	–
Capital gains	**20**	20
Intangible assets	**4,101**	3,950
At 30 April (net)	**4,814**	4,697
Deferred tax asset	**(86)**	(144)
Deferred tax liability	**4,900**	4,841
At 30 April (net)	**4,814**	4,697

Deferred tax assets are recognised for tax losses available for carrying forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of £261k (FY24: £261k) in respect of losses. These losses are all pre-1 April 2017 and therefore cannot be offset against trading profits of the same trade post-1 April 2017. Total losses (provided and unprovided) totalled £1.0m (FY24: £1.0m).

The Group benefits from tax deductions related to actual gains made by employees on exercise of share options, which are different, in both magnitude and timing, from the share-based payments expense recorded in the Group's income statement (for which no tax deduction is received). A deferred tax asset is recorded for the tax deductions expected to result from future share option exercises, based on the calculated earned gains inherent in share options outstanding at period end, at the current enacted tax rate. To the extent that the deductible employee gains exceed the recorded share-based payments, the excess of the associated current or deferred tax is recognised directly in equity. Deferred tax deductions totalling £45k (FY24: £250k) have been recognised directly in equity.

Notes to the Consolidated Financial Statements continued
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17 Inventories

	2025 £'000	2024 £'000
Raw materials and consumables	**8,625**	8,783
Work in progress	**1,348**	946
Finished goods	**1,106**	848
	11,079	10,577

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

In the year ended 30 April 2025 a total of £23,251k (FY24: £24,297k) of inventories were consumed and charged to the income statement as an expense.

18 Trade and Other Receivables

	2025 £'000	2024 £'000
Trade receivables	**10,735**	10,571
Other receivables	**370**	325
Prepayments and accrued income	**2,011**	1,781
	13,116	12,677

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

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

	2025 £'000	2024 £'000
At 1 May	**102**	257
Charged/(released) in year	**39**	(155)
At 30 April	**141**	102

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

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

19 Cash and Cash Equivalents

	2025 £'000	2024 £'000
Cash at bank and in hand	**1,313**	1,430

20 Trade and Other Payables

	2025 £'000	2024 £'000
Trade payables	**3,981**	3,567
Social security and other taxes	**1,442**	1,250
Deferred consideration	**645**	–
Other payables	**635**	431
Accruals, deferred income and contract liabilities	**4,628**	4,399
	11,331	9,647

Accruals and deferred income includes an amount of £2,638k (FY24: £2,085k) in respect of contract liabilities for revenues relating to performance obligations expected to be satisfied within the next 12 months. The contract liabilities balance has increased during the year as those advanced payments have unwound and additional advance payments received by customers. A significant amount of the contract liabilities were recognised as revenue during the current year.

During the year, no deferred consideration was paid in relation to any acquisitions made (FY24: £961k) and £645k remains outstanding at the year end (FY24: £nil).

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

21 Provisions

	Dilapidations		Warranties	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 May	**245**	30	**22**	37
Charged/(released) in the year	**–**	215	**82**	(15)
At 30 April	**245**	245	**104**	22

	Total	
	2025 £'000	2024 £'000
At 1 May	**267**	67
Charged in the year (net)	**82**	200
At 30 April	**349**	267

	Total	
Analysis of provision	2025 £'000	2024 £'000
Current	**68**	22
Non-current	**281**	245
	349	267

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

Notes to the Consolidated Financial Statements continued
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22 Borrowings

Borrowings are repayable as follows:

	2025 £'000	*Restated 2024 £'000
Within one year		
Finance lease liabilities	**906**	841
	906	841
After one and within five years		
Bank finance	**15,135**	14,600
Finance lease liabilities	**2,803**	2,537
	17,938	17,137
After more than five years		
Finance lease liabilities	**3,132**	3,499
	3,132	3,499
	21,070	20,636
Total borrowings	**21,976**	21,477

* The prior year figures were restated to split out the borrowings repayable after more than 5 years.

Bank finance relates to amounts drawn down under the Group's bank facility with HSBC Bank plc, which is secured against all assets of the Group. On 1 November 2021 the Group renewed and expanded its committed loan facility with HSBC to £20m, with an accordion option of an additional £10m and with a termination date of 1 November 2024 extendable for two further years.

On 30 November 2022, the Group reached an agreement with HSBC to exercise £5m of an available £10m accordion option, which increased the committed loan facility from £20m to £25m. The balance of the accordion option (£5m) remains available to the Group (at the discretion of HSBC) for future exercise. In April 2024, HSBC approved an extension of the repayment date by one year to November 2026. At the end of the financial year the Group had drawn down £15.1m of its revolving credit facility (FY24: £14.6m), leaving £9.9m in headroom (excluding the additional £5m accordion option).

23 Reconciliation of Net Debt

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

	Cash £'000	Long-term borrowing £'000	Leases £'000	Total £'000
At 30 April 2023	(2,711)	16,000	6,741	20,030
Non-cash movement				
– New loans for existing businesses	–	–	749	749
Cash movement				
– New loans on acquisition	–	–	183	183
– New loans	–	3,700	–	3,700
– Repayments	–	(5,100)	(796)	(5,896)
– Movement in cash	1,281	–	–	1,281
At 30 April 2024	(1,430)	14,600	6,877	20,047
Non-cash movement				
– Early settlement of right of use leases	–	–	(65)	(65)
– New loans for existing businesses	–	–	331	331
– New loans on acquisition	–	–	405	405
Cash movement				
– New loans	–	8,895	–	8,895
– Repayments	–	(8,360)	(706)	(9,066)
– Movement in cash	117	–	–	117
At 30 April 2025	**(1,313)**	**15,135**	**6,842**	**20,664**

24 Share Capital

	2025 £'000	2024 £'000
Authorised		
1,000,000,000 (FY24: 1,000,000,000) ordinary shares of 1p each	**10,000**	10,000
Allotted, called up and fully paid 104,551,326		
(FY24: 104,551,326) ordinary shares of 1p each	**1,046**	1,046

25 Earnings per Share

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

	Profit attributable to shareholders £'000	Weighted average number of shares	Earnings per share amount in pence
Basic earnings per share:			
Year ended 30 April 2025	**4,038**	**104,551,326**	**3.86**
Year ended 30 April 2024	4,254	104,099,565	4.09
Dilutive effect of share options:			
Year ended 30 April 2025		**1,546,045**	
Year ended 30 April 2024		1,153,978	
Diluted earnings per share:			
Year ended 30 April 2025	**4,038**	**106,097,371**	**3.81**
Year ended 30 April 2024	4,254	105,253,543	4.04

At the year end, there were 1,546,045 (FY24: 1,421,200) share options which were anti-dilutive but may be dilutive in the future.

26 Contingent Liabilities

Performance guarantees totalling £16k (FY24: £32k) are held by the bank. These would become payable by the Group if, once the customer has placed an order, the Group fails to deliver goods to the customer.

27 Related Party Transactions and Controlling Related Party

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

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

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

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

Financial Instruments

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

Interest Rate Risk

The Group finances its operations through a mixture of retained profits, short-term and long-term bank borrowings and shareholders' equity. The Group has an exposure to interest rate fluctuations on its borrowings which are generally linked to SONIA. An increase in SONIA of 1% would result in an increase in interest costs of approximately £203k (FY24: £146k) annually, based on the loan outstanding at 30 April 2025.

Currency Risk

A large proportion of the Group's monetary assets (principally bank balances and trade receivables) and liabilities (principally borrowings) are denominated in Dollars and Euros but held in entities with Sterling as the functional currency. An adverse movement in exchange rates could lead to losses on these positions. As at 30 April 2025 an adverse movement in the Dollar of 5% would result in a reduction in the Group's equity and profit or loss of £27k (FY24: £24k). An adverse movement in the Euro of 5% would result in a reduction in the Group's equity and profit or loss of £85k (FY24: £73k). An adverse movement in Chinese Yuan of 5% would result in a reduction in the Group's equity and profit or loss of £20k (FY24: £33k).

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

	Assets	
	2025 £'000	2024 £'000
US Dollars	558	889
Euros	1,784	1,523
Chinese Yuan	410	690

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

Credit Risk

The Group's exposure to credit risk is limited to the carrying amount of cash deposits and trade and other receivables recognised at the balance sheet date of £14,645k (FY24: £14,194k). Risks associated with cash deposits are limited as the banks used are reputable with quality external credit ratings.

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

28 Financial Risk Management Objectives and Policies continued

Liquidity Risk

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

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

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

	Current		*Restated non-current	
At 30 April 2024	Within 6 months £'000	Between 6 and 12 months £'000	Between 1 and 5 years £'000	Later than 5 years £'000
Trade and other payables	9,647	–	–	–
Borrowings	–	841	17,137	3,499

	2025		2024	
Ageing of receivables:	Gross £'000	Provision £'000	Gross £'000	Provision £'000
Less than 1 month	**6,623**	**–**	5,892	–
Past due 1–3 months	**3,674**	**(137)**	4,337	(174)
Past due 3–6 months	**566**	**(38)**	522	(175)
Past due 6–12 months	**56**	**(9)**	50	–
Past due greater than 12 months	**–**	**–**	268	(149)
	10,919	**(184)**	11,069	(498)

* The prior year figures were restated to split out the borrowings repayable after more than 5 years.

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for the year ended 30 April 2025

29 Summary of Financial Assets and Liabilities by IFRS 9 Category

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

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

Balance sheet headings	Financial assets at amortised cost 2024 £'000	Non-financial assets 2024 £'000	Financial liabilities at amortised cost 2024 £'000	Non-financial liabilities 2024 £'000	Total balance sheet heading 2024 £'000
Cash and cash equivalents	1,430	–	–	–	1,430
Trade and other receivables	10,983	1,781	–	–	12,764
Borrowings – current	–	–	(841)	–	(841)
Borrowings – non-current	–	–	(20,636)	–	(20,636)
Trade and other payables – current	–	–	(8,397)	(1,250)	(9,647)
Total	12,413	1,781	(29,874)	(1,250)	(16,930)

The fair values of the financial assets and liabilities at 30 April 2025 and 30 April 2024 are not materially different from their book values.

30 Capital Management Policies and Procedures

The Group's capital management objectives are:

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

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

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

31 Business Combinations

Acquisition of InspecVision Limited

On 29 October 2024, the Company acquired 100% of the share capital of InspecVision Limited, a company incorporated in England and Wales, for a consideration payable in cash.

31 Business Combinations continued

Acquisition of InspecVision Limited continued

The assets and liabilities acquired were as follows:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Assets			
Non-current assets			
Intangible assets	7	2,060	2,067
Property, plant and equipment	89	–	89
Right-of-use assets	405	–	405
Total non-current assets	501	2,060	2,561
Current assets			
Inventories	600	–	600
Trade and other receivables	3,150	–	3,150
Cash and cash equivalents	179	–	179
Liabilities			
Trade and other payables	(293)	–	(293)
Borrowings – Lease commitments	(405)	–	(405)
Corporation tax liability	(98)	–	(98)
Deferred tax liability	(16)	(515)	(531)
Net assets acquired	3,618	1,545	5,163
Goodwill			3,508
Consideration and cost of investment			8,671
Fair value of consideration transferred			
Cash paid			6,565
Less: cash acquired			(179)
Net cash paid in year (see cash flow)			6,386
Non-cash item: acquired receivable netted on consolidation against SDI loan payable			1,606
Cash acquired			179
Deferred payment			500
			8,671

A loan of £750k was repaid immediately post-acquisition taking the net cash paid from £6,386k to £5,636k.

InspecVision Limited contributed £1,557k revenue and approximately £333k to the Group's profit before tax for the period between the date of acquisition and the balance sheet date, not including £136k of acquired intangible asset amortisation.

If the acquisition of InspecVision Limited had been completed on the first day of the financial year, the additional impact on Group revenues for the period are estimated to have been £1.6m and the additional impact on Group profit before tax is estimated to have been £512k, before an additional £0.1m of amortisation expense.

The goodwill of £3,508k arising from the acquisition relates to the assembled workforce and to expected future profitability, synergy and growth expectations.

A third-party expert performed a detailed review of the acquired intangible assets and recognised acquired customer relationships and technology. The customer relationships intangible asset was valued using a multi-period excess earnings methodology. The estimated fair value of the customer relationships therefore reflects the present value of the projected stream of cash flows that are expected to be generated by existing customers going forward, net of orders on hand at the date of acquisition. Key assumptions are the discount rate and attrition rate. A value of 14.8% was used for the discount rate. Attrition rates vary significantly, with distributors showing around 10% attrition and direct customers around 70%. Given these differences, the valuation of customer relationships has been split into two groups to account for their unique characteristics. After consulting with management to discuss their findings, management agreed with the inputs used and results obtained.

Notes to the Consolidated Financial Statements continued
for the year ended 30 April 2025

31 Business Combinations continued

Acquisition of InspecVision Limited continued

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

The last financial year for InspecVision Limited before the acquisition completed was to 31 December 2023 and the current financial year has been extended by four months to April 2025 to align with that of SDI Group plc.

Acquisition of Collins Walker Limited

On 3 April 2025, the Company acquired 100% of the share capital of Collins Walker Limited, a company incorporated in England and Wales, for a consideration payable in cash.

The assets and liabilities acquired were as follows:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Assets			
Non-current assets			
Intangible assets	–	115	115
Property, plant and equipment	9	–	9
Total non-current assets	9	115	124
Current assets			
Inventories	57	–	57
Trade and other receivables	41	–	41
Cash and cash equivalents	46	–	46
Liabilities			
Trade and other payables	(25)	–	(25)
Corporation tax	(44)	–	(44)
Deferred tax liability	–	(29)	(29)
Net assets acquired	84	86	170
Goodwill			1,725
Consideration and cost of investment			1,895
Fair value of consideration transferred			
Cash paid			1,750
Less: cash acquired			(46)
Net cash paid in year (see cash flow)			1,704
Cash acquired			46
Deferred payment			145
			1,895

Collins Walker Limited contributed £69k revenue and approximately £18k to the Group's profit before tax for the period between the date of acquisition and the balance sheet date, not including £1k of acquired intangible asset amortisation.

If the acquisition of Collins Walker Limited had been completed on the first day of the financial year, the additional impact on Group revenues for the period are estimated to have been £0.7m and the additional impact on Group profit before tax is estimated to have been £156k (before exceptional items) or (£436)k (after exceptional items), before an additional £1k of amortisation expense.

The goodwill of £1,725k arising from the acquisition relates to the expected future profitability, synergy and growth expectations.

A third-party expert performed a detailed review of the acquired intangible assets and recognised acquired customer relationships. The customer relationships intangible asset was valued using a multi-period excess earnings methodology. The estimated fair value of the customer relationships therefore reflects the present value of the projected stream of cash flows that are expected to be generated by existing customers going forward, net of orders on hand at the date of acquisition. Key assumptions are the discount rate and attrition rate. Values of 23% and 15% were selected. After consulting with management to discuss their findings, management was in agreement with the inputs used and results obtained.

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

31 Business Combinations continued

Acquisition of Collins Walker Limited continued

The last financial year for Collins Walker Limited before the acquisition completed was to 31 March 2025 and the current financial year has been extended by one month to April 2026 to align with that of SDI Group plc.

32 Post Balance Sheet Events

Acquisition of Severn Thermal Solutions Limited

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

The assets and liabilities acquired were as follows:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Assets			
Non-current assets			
Intangible assets	–	2,500	2,500
Property, plant and equipment	167	–	167
Total non-current assets	167	2,500	2,667
Current assets			
Inventories	289	–	289
Trade and other receivables	2,997	–	2,997
Cash and cash equivalents	853	–	853
Liabilities			
Trade and other payables	(435)	–	(435)
Corporation tax liability	(274)	–	(274)
Deferred tax liability	–	(625)	(625)
Net assets acquired	3,597	1,875	5,472
Goodwill			2,825
Consideration and cost of investment			8,297
Fair value of consideration transferred			
Cash paid			5,100
Less: cash acquired			(853)
Net cash paid in year			4,247
Non-cash item: Acquired receivable netted on consolidation against SDI loan payable			2,997
Cash acquired			853
Deferred payment			200
			8,297

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

Due to the short period of time since acquisition, fair value adjustments are provisional and will be finalised within 12 months of acquisition date.

Severn Thermal Solutions Limited were acquired post-year end on 6 June 2025 and therefore did not contribute any revenue or profit in the year.

The expected goodwill of £2,825k arising from the acquisition relates to the assembled workforce and to expected future profitability, synergy and growth expectations. A customer relationships intangible asset has been recognised and the estimated fair value of this asset reflects the present value of the projected stream of cash flows that are expected to be generated by existing customers going forwards, net of orders on hand at the date of acquisition.

The last financial year for Severn Thermal Solutions Limited was to 30 September 2024. The current financial year will continue to 30 September 2025. The following financial period will be shortened to 9 months to 30 April 2026 to align with that of SDI Group plc.

Company Balance Sheet
as at 30 April 2025

	Note	2025 £'000	2024 £'000
Non-current assets			
Property, plant and equipment	4	**72**	61
Investments	5	**69,484**	64,951
Deferred tax asset	6	**110**	55
		69,666	65,067
Current assets			
Trade and other receivables	7	**12,925**	7,374
Cash		**281**	328
		13,206	7,702
Creditors: amounts falling due within one year	8	**(15,519)**	(6,979)
Net current (liabilities)/assets		**(2,313)**	723
Total assets less current liabilities		**67,353**	65,790
Provisions for liabilities	6	**(18)**	(15)
Creditors: amounts falling due after more than one year	9 & 10	**(15,135)**	(18,585)
Net assets		**52,200**	47,190
Capital and reserves			
Called up share capital	11	**1,046**	1,046
Share premium account		**10,858**	10,858
Share-based payment reserve		**902**	968
Merger relief reserve		**424**	424
Profit and loss account		**38,970**	33,894
Shareholders' funds		**52,200**	47,190

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the financial year was £4,628k (FY24: £4,908k).

The financial statements were approved and authorised for issue by the Board of directors on 30 July 2025.

Stephen Brown
Chief Executive Officer

Amitabh Sharma
Chief Financial Officer

Company registration number: 06385396

Company Statement of Changes in Equity
as at 30 April 2025

	Share capital £'000	Merger reserve relief £'000	Share premium reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total £'000
At 30 April 2024	1,046	424	10,858	968	33,894	47,190
Shares issued	–	–	–	–	–	–
Share-based payment transfer	–	–	–	(404)	404	–
Share-based payments	–	–	–	338	–	338
Transactions with owners	–	–	–	(66)	404	338
Tax in respect of share options	–	–	–	–	44	44
Profit for the year	–	–	–	–	4,628	4,628
Total comprehensive income	–	–	–	–	4,672	4,672
At 30 April 2025	1,046	424	10,858	902	38,970	52,200

	Share capital £'000	Merger reserve relief £'000	Share premium reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total £'000
At 30 April 2023	1,041	424	10,778	557	29,470	42,270
Shares issued	5	–	80	–	–	85
Share-based payment transfer	–	–	–	283	(283)	–
Share-based payments	–	–	–	128	–	128
Transactions with owners	5	–	80	411	(283)	213
Tax in respect of share options	–	–	–	–	(201)	(201)
Profit for the year	–	–	–	–	4,908	4,908
Total comprehensive income	–	–	–	–	4,707	4,707
At 30 April 2024	1,046	424	10,858	968	33,894	47,190

Notes to the Company Financial Statements
for the year ended 30 April 2025

1 Principal Accounting Policies

Basis of Preparation
The separate financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements are prepared under the historical cost convention.

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

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

Sources of Estimation Uncertainty

Carrying Value of Investments

The carrying value of investments is assessed based on the current trading performance, the expected future performance and net assets of the investment. If actual results differ or changes in expectations arise, impairment charges may be required which would adversely impact the parent company results. See note 12 to the Group accounts for a summary of the key assumptions for the value in use calculations.

Disclosure Exemptions Adopted
In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- a statement of cash flows and related notes;
- the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions entered between two or more members of the Group as they are wholly owned within the Group;
- disclosure of key management personnel compensation;
- capital management disclosures;
- presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period;
- the effect of future accounting standards not adopted;
- certain share-based payment disclosures;
- disclosures in relation to impairment of assets; and
- financial instrument disclosures under IFRS 9.

Investments
SDI Group plc qualifies for merger relief under the Companies Act 2006 section 612 and has recorded the investment in Synoptics Limited at the nominal value of the shares issued, less provision for impairment. The shares issued on acquisition of Opus Instruments Limited also qualified for merger relief under the Companies Act 2006 section 612 and so the premium has been classified as a merger relief reserve. All other investments are recorded at cost, less any provision for impairment.

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

Computer equipment	3 years

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

1 Principal Accounting Policies continued

Share Options

SDI Group plc regularly issues share options to employees, including to employees of portfolio companies. The fair value of the employee services received in exchange for the grant of options is recognised as an expense which is written off to the income statement over the vesting period of the option. The amount to be expensed is determined by reference to the fair value of the options at the grant date adjusted for the number expected to vest. The expense relating to these options is recognised in the relevant portfolio company income statement. The carrying value of the investment in those subsidiaries is increased by an amount equal to the value of the share-based payment charge attributable to the option holders in the respective subsidiaries if considered material.

Taxation

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

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

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

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

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

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that results in a residual interest in the assets of the Company after deducting all of its financial liabilities. Equity instruments do not include a contractual obligation to deliver cash or other financial asset to another entity.

Any instrument that does have the obligation to deliver cash or another financial asset to another entity is classified as a financial liability. Financial liabilities are presented under creditors on the balance sheet.

Pension

The pension costs charged against profits represent the amount of the contributions payable to the defined contribution scheme in respect of the accounting period.

Borrowings

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

Equity

Equity comprises the following:

- 'Share capital' represents the nominal value of equity shares.
- 'Merger reserve relief' represents the difference between the parent company's cost of investment and the portfolio company's share capital and share premium where a Group reorganisation qualifies as a common control transaction.
- 'Share premium account' represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- 'Share-based payment reserve' represents equity-settled share-based employee remuneration until such share options are exercised. The equity component of convertible loan stock, if any, is also included. On conversion of the loan stock the equity component is transferred into the retained earnings reserve.
- 'Retained earnings' represents retained profits.

Notes to the Company Financial Statements continued
for the year ended 30 April 2025

2 Employee Remuneration

Remuneration in respect of directors paid by the Company was as follows:

	2025 £'000	2024 £'000
Emoluments	**1,331**	954
Termination payments	**–**	225
Social security costs	**130**	83
Pension	**23**	21
	1,484	1,283

The current year emoluments include £84k of share-based payment costs which relate to other Group companies.

During the year, no directors (FY24: no directors) exercised options over the ordinary shares of the Company realising no gain on exercise (FY24: £nil).

Details of directors' interest in the shares and options of the Company are provided in the directors' remuneration report on pages 60 to 62. The highest paid director's aggregate entitlements were £506k (£476k which included termination payments of £225k (this includes £75k compensation for loss of office)), in addition to Company pension contributions of £15k (FY24: £11k) made to a money purchase scheme. As at 30 April 2025 the highest paid director held a total of 786,720 share options (FY24: 411,056 share options).

Key management for the Company is considered to be the directors of the Company. Employer's National Insurance in respect of directors was £130k (FY24: £194k) which has decreased this year due to the exercise of share options in the prior year.

Share-Based Employee Remuneration

Further details of the Company's share-based remuneration are set out in note 8 to the consolidated financial statements. The share-based payment expense for the Company totalled £338k (FY24: £25k).

3 Auditor's Remuneration

Auditor's remuneration attributable to the Company is as follows:

	2025 £'000	2024 £'000
Fees payable to the Company's Auditor for the audit of the financial statements	**45**	40

4 Property, Plant and Equipment

	Right-of-use assets £'000	Computer equipment £'000	Total £'000
Cost			
At 30 April 2024	24	58	82
Additions	–	13	13
Disposals	(24)	–	(24)
At 30 April 2025	**–**	**72**	**72**
Depreciation			
At 30 April 2024	21	–	21
Charge for year	–	–	–
Disposals	(21)	–	(21)
At 30 April 2025	**–**	**–**	**–**
Net book value			
At 30 April 2025	**–**	**72**	**72**
At 30 April 2024	3	58	61

5 Investments

Investments in Group undertakings

	2025 £'000
Cost and net book amount at 30 April 2024	64,951
Additions (see note 31 of Group accounts)	10,566
Return on capital	(6,033)
Cost and net book amount at 30 April 2025	69,484

Details of the investments are as follows:

Subsidiary undertakings	Country of incorporation	Holdings	% of voting rights	Nature of business
Synoptics Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Atik Cameras Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Atik Cameras Unipessoal Lda	Portugal	Share quotas	100%	Design and manufacture
Opus Instruments Limited	England and Wales	Ordinary shares	100%	Dormant
Sentek Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Astles Control Systems Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Applied Thermal Control Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Fistreem International Limited	England and Wales	Ordinary shares	100%	Dormant
Thermal Exchange Limited	England and Wales	Ordinary shares	100%	Dormant
Graticules Optics Limited	England and Wales	Ordinary shares	100%	Design and manufacture
MPB Industries Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Chell Instruments Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Monmouth Scientific Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Ducthub Limited	England and Wales	Ordinary shares	100%	Dormant
Labhub Limited	England and Wales	Ordinary shares	100%	Dormant
Scientific Vacuum Systems Ltd	England and Wales	Ordinary shares	100%	Design and manufacture
Safelab Systems Limited	England and Wales	Ordinary shares	100%	Design and manufacture
LTE Scientific Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Fraser Anti-Static Techniques Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Peak Sensors (Holding) Limited	England and Wales	Ordinary shares	100%	Holding
InspecVision Limited	Northern Ireland	Ordinary shares	100%	Design and manufacture
Collins Walker Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Scientific Digital Imaging Limited	England and Wales	Ordinary shares	100%	Dormant
Synoptics Inc	USA	Ordinary shares	100%	Dormant
The following companies are held by Fraser Anti-Static Techniques Limited:				
Fraser Elektrostatik GmbH	Germany	Ordinary shares	100%	Distributor
Shanghai Fraser Static Technology Co., Ltd	China	Ordinary shares	70%	Distributor
The following companies are held by Peak Sensors (Holding) Limited:				
Peak Sensors (Property) Limited	England and Wales	Ordinary shares	100%	Design and manufacture
Peak Sensors Limited	England and Wales	Ordinary shares	100%	Design and manufacture

Notes to the Company Financial Statements continued
for the year ended 30 April 2025

5 Investments continued

Investments in Group undertakings continued

All of the companies above have a registered office of Beacon House, Nuffield Road, Cambridge, Cambridgeshire CB4 1TF except for the following:

Atik Cameras Unipessoal Lda	Rua Horta dos Bacelos 15, 2690-390 Santa Iria de Azoia, Portugal
Monmouth Scientific Limited	Monmouth House, Peninsula Business Park, Bristol Road, Bridgwater, England TA6 4QB
Safelab Systems Limited	Airone Building, Beaufighter Road, Weston-super-Mare, England BS24 8EE
Synoptics Inc	5108 Pegasus Ct # M, Frederick, MD 21704, United States
Fraser Elektrostatik GmbH	Friedrich-Rottra-Str.66, D-79588 Efringen-Kirchen, Germany
Shanghai Fraser Static Technology Co., Ltd	Room 501 Unit 15, No. 159 Tianzhou Road, 200233 Shanghai, China PR
InspecVision Limited	10 Trench Road, Newtownabbey, County Antrim, Northern Ireland BT36 4TY

Each of the above investments has been included in the consolidated financial statements. A parental guarantee has been granted to Synoptics Limited (company number 01874861), Applied Thermal Control Limited (company number 03079409), MPB Industries Limited (company number 04966728), Graticules Optics Limited (company number 01395088), Monmouth Scientific Limited (company number 04716008), Atik Cameras Limited (company number 05948849), Peak Sensors (Holding) Limited (company number 10942202), Peak Sensors (Property) Limited (company number 10942852), InspecVision Limited (company number NI045832) and Collins Walker Limited (company number 01087370), in accordance with section 479A of the Companies Act 2006, relating to the audit of its individual accounts. Dormant companies are exempt for filing accounts under section 394 of the Companies Act 2006.

6 Deferred Tax

	2025 £'000	2024 £'000
Opening (net)	**40**	344
Deferred tax credited in the income statement	**7**	(80)
Deferred tax included directly in equity	**45**	(224)
At 30 April (net)	**92**	40
Short-term temporary differences	**110**	55
Fixed asset temporary differences	**(18)**	(15)
At 30 April (net)	**92**	40
Deferred tax asset	**110**	55
Deferred tax liability	**(18)**	(15)
At 30 April (net)	**92**	40

Deferred tax assets are recognised for tax losses available for carrying forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred tax assets of £261k (FY24: £261k) in respect of losses. Total losses (provided and unprovided) totalled £1.0m (FY24: £1.0m). These losses are all pre-1 April 2017 and therefore cannot be offset against trading profits of the same trade post-1 April 2017. The deferred tax asset relates to tax deductions for share options as they are exercised.

7 Trade and Other Receivables

	2025 £'000	2024 £'000
Amounts owed by Group undertakings	**11,411**	5,718
Prepayments and accrued income	**89**	146
Other debtors	**18**	11
Corporation tax	**1,407**	1,499
	12,925	7,374

All debtors fall due within one year of the balance sheet date. No provisions are made for inter-group debtors as the credit risk is not significant. All amounts owed by Group undertakings are repayable on demand.

8 Trade and Other Payables: Within One Year

	2025 £'000	2024 £'000
Amounts owed to Group undertakings	**14,395**	6,249
Trade creditors	**147**	56
Finance lease liabilities	**–**	2
Social security and other taxes	**46**	180
Deferred consideration	**645**	–
Accruals and deferred income	**286**	492
	15,519	6,979

All debtors fall due within one year of the balance sheet date. All amounts owed by Group undertakings are repayable on demand. Included with amounts owed to Group undertakings for InspecVision Limited and Fraser Anti-Static Techniques Limited, is a loan amount on which interest is accrued at the base rate set by the Bank of England, plus 1%.

9 Trade and Other Payables: Greater Than One Year

	2025 £'000	2024 £'000
Bank loans	**15,135**	14,600
Amounts owed to Group companies	**–**	3,985
	15,135	18,585

10 Borrowings

	2025 £'000	2024 £'000
Within one year		
Finance lease liabilities	**–**	2
	–	2
After one and within five years		
Bank loans	**15,135**	14,600
Intercompany	**–**	3,985
	15,135	18,585
Total borrowings	**15,135**	18,587

Bank finance relates to amounts drawn down under the Group's bank facility with HSBC Bank plc, which is secured against all assets of the Group. On 1 November 2021 the Group renewed and expanded its committed loan facility with HSBC to £20m, with an accordion option of an additional £10m and with a termination date of 1 November 2024 extendable for two further years.
On 30 November 2022, the Group reached agreement with HSBC to exercise £5m of an available £10m accordion option, which increased the committed loan facility from £20m to £25m. The balance of the accordion option (£5m) remains available to the Group (at the discretion of HSBC) for future exercise. In April 2024, HSBC approved an extension of the repayment date by one year to November 2026. At the end of the financial year the Group had drawn down £15.1m of its revolving credit facility (FY24: £14.6m), leaving £9.9m in headroom (excluding the additional £5m accordion option).

Notes to the Company Financial Statements continued
for the year ended 30 April 2025

11 Called Up Share Capital

	2025 £'000	2024 £'000
Authorised		
1,000,000,000 ordinary shares (FY24: 1,000,000,000) of 1p each	**10,000**	10,000
Allotted, called up and fully paid 104,551,326		
(FY24: 104,551,326) ordinary shares of 1p each	**1,046**	1,046

Share Options

A summary of options outstanding currently is provided in note 8 to the consolidated financial statements.

12 Related Party Transactions

Transactions with directors are disclosed within the directors' remuneration report and note 8 to the consolidated financial statements. The Company is not required to disclose transactions with its wholly owned subsidiaries.

13 Ultimate Controlling Party

The directors believe that there is no overall controlling party.

14 Post-Balance Sheet Events

Post-period end on 6 June 2025, we announced the acquisition of Severn Thermal Solutions, a designer and manufacturer of high temperature furnace systems and environmental chambers for advanced material processing and testing, for a net consideration of £4.8m.

Seven-Year Summary

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Revenue	**66,177**	65,846	67,577	49,656	35,076	24,498	17,427
Cost of purchases*	**(23,251)**	(24,297)	(24,810)	(17,998)	(12,206)	(7,899)	(5,902)
Gross profit (on materials only)*	**42,926**	41,549	42,767	31,658	22,870	16,599	11,525
Gross margin (on materials only)* %	**64.9%**	63.1%	63.3%	63.8%	65.2%	67.8%	66.1%
Other income	**577**	104	112	55	21	19	–
All other operating costs	**(33,546)**	(32,075)	(30,070)	(19,640)	(15,191)	(12,016)	(8,423)
Adjusted operating profit*	**9,957**	9,578	12,809	12,073	7,700	4,602	3,102
Reorganisation costs	**(398)**	(447)	–	(125)	(132)	(110)	(124)
Share-based payments	**(338)**	(128)	(351)	(313)	(305)	(276)	(136)
Acquisition costs	**(564)**	(155)	(331)	(341)	(179)	(58)	(288)
Impairment of intangible assets	**–**	–	(3,520)	–	–	–	–
Amortisation of acquired intangible assets	**(1,725)**	(1,558)	(1,795)	(1,115)	(1,153)	(647)	(356)
Operating profit	**6,932**	7,290	6,812	10,179	5,931	3,511	2,198
Net financing expenses	**(1,470)**	(1,627)	(970)	(295)	(287)	(254)	(77)
Profit before tax	**5,462**	5,663	5,842	9,884	5,644	3,257	2,121
Income tax	**(1,424)**	(1,409)	(1,939)	(2,341)	(936)	(666)	(209)
Profit for the year	**4,038**	4,254	3,903	7,543	4,708	2,591	1,912
Attributable to:							
Equity holders of the parent company	**3,984**	4,231	3,871	7,543	4,708	2,591	1,912
Non-controlling interest	**54**	23	32	–	–	–	–
Profit for the year	**4,038**	4,254	3,903	7,543	4,708	2,591	1,912
Cash generated from operations	**12,859**	9,386	10,873	14,689	11,710	5,169	3,620
Earnings per share							
Basic earnings per share	**3.86p**	4.09p	3.80p	7.53p	4.81p	2.66p	2.10p
Diluted earnings per share	**3.81p**	4.04p	3.72p	7.23p	4.58p	2.56p	2.05p
Adjusted diluted earnings per share*	**6.18p**	5.78p	9.02p	8.71p	5.97p	3.43p	2.83p

* Alternative performance measure.

Shareholder Information

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E K Ford	Chairman
S M Brown	Chief Executive Officer
A Sharma	Chief Financial Officer
D F Tilston	Non-executive, Senior Independent Director
L E Early	Non-executive director
A J Hosty	Non-executive director

Company Secretary
A Sharma

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Auditor
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London E14 4HD

Tax Advisors
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