



Annual Report and Accounts 2025

eurocell

Our purpose

Creating sustainable building solutions for the trade of today, the homes of tomorrow and the environment of the future.

➤ Understand our customer growth initiatives on [pages 16 and 17](#)

➤ Learn about our progress on our sustainability goals [pages 20 to 35](#)

2025 Highlights

Revenue	Adjusted Operating Profit¹	Adjusted Profit Before Tax¹	Adjusted Basic Earnings Per Share¹
£403.5m (2024: £357.9m)	£24.1m (2024: £22.8m)	£19.0m (2024: £20.0m)	14.6p (2024: 14.4p)
Gross Margin	Operating Profit	Profit Before Tax	Basic Earnings Per Share
50.9% (2024: 52.6%)	£17.3m (2024: £16.6m)	£12.2m (2024: £13.8m)	9.5p (2024: 9.8p)



Pre-IFRS 16 Net Debt

£22.1m

(2024: Net Debt £3.1m)

Net Debt

£98.2m

(2024: £62.5m)

1 Adjusted measures are stated before non-underlying items and the related tax effect (see page 48). We use alternative performance measures to assess business performance and they are provided here, in addition to statutory measures, to help describe the underlying results of the Group.

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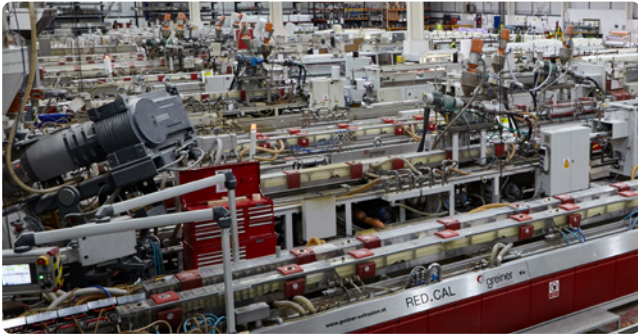
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View the latest results online at investors.eurocell.co.uk

Our Business at a Glance

We are the leading UK manufacturer and distributor of window, door and roofline products to the trade.

Our core strengths



Manufacturing expertise

Our PVC extrusion facilities manufacture profiles for use in building products such as windows and roofline, using raw materials including PVC resin and recycled materials produced in our own plants.

Our aluminium systems house (Alunet Systems) sources aluminium profile for use in residential windows and doors.

We also have specialist manufacturing sites for entrance doors, profile foiling, conservatory roofs and injection moulding products, along with a technical centre for innovation and product development.



Recycling at the heart of operations

Our PVC window recycling operation produces materials, which are used to generate brand new extruded rigid PVC profiles.

We recycle factory offcuts and old windows that have been replaced, into reusable raw materials for our manufacturing process, putting recycling at the heart of our operation.

Over 50 years

PVC extrusion knowledge and expertise

30%

Proportion of recycled material used in extrusion

[Read more about our sustainable goals on page 22](#)

Our Values

[Read more about our culture on pages 25 to 27](#)

Agile

Gritty

Proud

Decent

Our Purpose

Creating sustainable building solutions for the trade of today, the homes of tomorrow and the environment of the future. We operate a vertically integrated business model with a differentiated customer proposition for fabricators, installers, housebuilders, and small independent builders.



Nationwide Branch Network

We distribute our roofline profile (such as fascias and soffits), along with a range of third-party adjacent products (traded goods), via our nationwide network of over 200 branches.

Our Branch Network also sells windows, made by our fabricator partners using our manufactured window profile, and entrance doors made in our own door manufacturing plants.

In addition, Branch Network sales include other made-to-order products, such as conservatory roofs and garden rooms.

215

**Number of branches
at 31 December 2025**



State-of-the-art distribution centre

We operate a state-of-the-art central warehouse, with cantilever racking and mobile platform picking, plus a fleet of over 250 road vehicles.

260,000sq ft

**Bespoke state-of-the-art
warehouse**

How our Business Model creates value

Vertically integrated model

The coordination of our procurement, manufacturing and distribution processes enables us to enhance margin throughout all stages of our value chain.

Our recycling activities typically help lower material costs.

Scale

We operate modern extrusion and door manufacturing facilities and we are the UK's largest PVC window recycler.

Our extensive Branch Network is a driver of sales growth and market share. It also pulls-through demand for our manufacturing facilities, driving higher factory utilisation.

Innovative products

We are committed to a strategy of continually developing new and existing products.

We support the use of Building Information Modelling ('BIM') software, giving architects and contractors access to a library of Eurocell products, making it easier to specify them.

Brand strength

Eurocell has a strong brand image and our marketing activities seek to maximise our brand awareness.

People and culture

We have an experienced management team. Our corporate culture is one of openness, trust, encouragement and clarity of purpose. We train and empower our people to help our customers grow their businesses.

Local footprint

Our branches are conveniently located and have readily available inventory, thereby providing excellent service to local customers and national groups alike.

We strive to help our customers through the provision of technical expertise, business development and marketing support services.

What We Do

We operate our business through three divisions.

Profiles Division

The Profiles division supplies our manufactured PVC rigid profile to a network of window and door fabricators, who in turn supply end products to installers, retail outlets and house builders. The division also manufactures and sells GRP core composite doors and PVC panel doors direct to the trade.

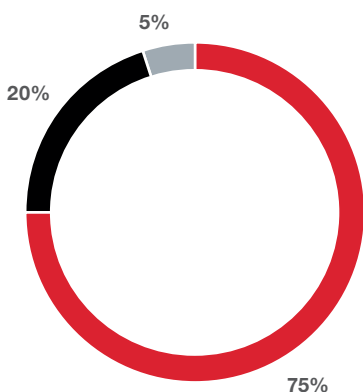
Customer base

Third-party window and door fabricators:

- **Trade frame fabricators:** supply finished products to the trade or small retail outlets
- **New build fabricators:** supply and install products for housebuilders
- **Commercial fabricators:** supply and install products for office spaces and education facilities.

Fabricators have production facilities, which are customised to the window or door system they make. We form strong partnerships with our fabricators and we have a loyal customer base.

Profiles Division – product mix (%)



- Window profile
- Doors
- Roofs

Product range



PVC Window and Door Profile (rigid profile)



Composite and PVC Entrance Doors (Vista Doors brand)



Conservatory Roofs



Patio Doors



Cavity Closers



Injection Moulding Products (S&S Plastics brand)



Bi-fold Doors

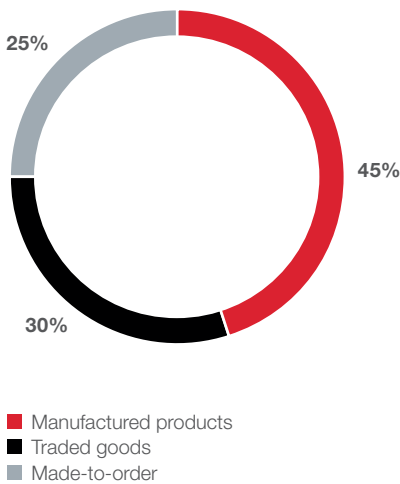
Branch Network Division

The Branch Network division sells, through more than 200 stores, our manufactured PVC roofline profile, along with a range of third-party related products. The stores also sell our manufactured entrance doors and windows fabricated by third parties using products manufactured by the Profiles division. Customers are mainly installers, small builders, roofing contractors and independent stockists.

Customer base

- Window and roofline installers
- Small and independent builders
- Nationwide maintenance companies
- Independent wholesalers (roofline only).

Branch Network Division – product mix (%)



Manufactured products



Fascias, Soffits and Trims



Fencing



Cladding

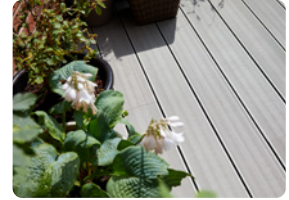
Traded goods



Rainwater and Drainage



Sealants and Cleaners

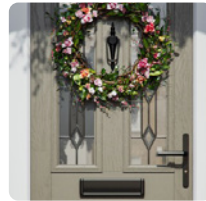


Composite Decking

Made-to-order products



Windows



Entrance Doors



Conservatories and Conservatory Roofs



Extended Living Products (garden rooms and extensions)

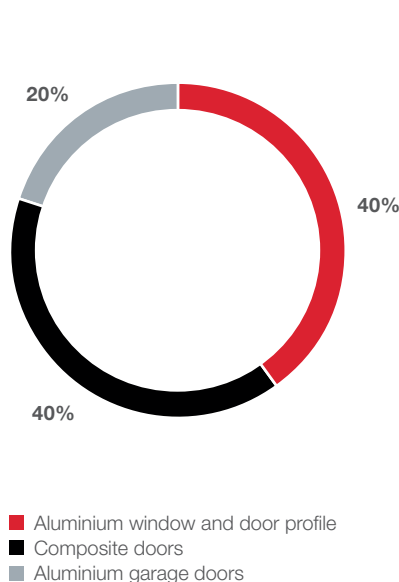
Alunet

In March 2025, we completed the acquisition of Alunet, which comprises a range of innovative, fast-growing, home improvement brands. The Alunet businesses, sell aluminium profile, sourced from third-party extruders, to window and door fabricators. Alunet also manufactures and sells solid timber core composite doors and sells aluminium garage doors to the trade.

Customer base

- **Trade frame fabricators:** supply finished products to the trade or small retail outlets
- **New build fabricators:** supply and install products for housebuilders
- **Commercial fabricators:** supply and install products for office spaces and education facilities
- **Small and independent builders.**

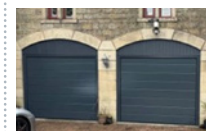
Alunet – product mix (%)



Alunet Systems:
Aluminium Window and Door Profile



Comp Door:
Solid Timber Core Composite Entrance Doors



JDUK and UK Doors (Midlands):
Sectional and Side-hung Aluminium Garage Doors



Roller Shutter Garage Doors

Continuing to Drive Shareholder Returns

Against a weak market backdrop, Eurocell delivered a resilient financial performance for the year, with adjusted operating profit ahead of 2024.

The progress we are making in the business is testament to the commitment, hard work and dedication of our teams in every part of the Group, and I would like to offer, on behalf of the Board, my sincere thanks to them all.

Financial performance

Adjusted operating profit was up 6% at £24.1 million (2024: £22.8 million), with the acquisition of Alunet and further progress with our strategic initiatives offsetting the impact of weakening markets. Adjusted profit before tax was down 5% at £19.0 million, reflecting higher interest costs on debt arising following the acquisition.

The business continued to generate good cash flows, and the acquisition of Alunet in March 2025 was funded primarily from our debt facility. Pre-IFRS 16 net debt at 31 December 2025 was £22.1 million, down from £29.0 million at 30 June 2025 (31 December 2024: £3.1 million). We have a strong balance sheet and good headroom on our debt facility, which was refinanced in March 2026.

Capital allocation

In line with our strategy, significant investments in the next 12 months include delivering the project to modernise our IT infrastructure, where we expect transition at the end of 2026.

We are committed to driving shareholder returns through a combination of ordinary dividends and supplementary distributions (currently via share buybacks) where appropriate.

The £5 million share buyback announced in March 2025 is now complete. Our intention remains to continue share buybacks, assuming no prolonged impact from the situation in the Middle East and subject to maintaining a strong financial position.

We paid an interim dividend in October 2025 of 2.3 pence per share, up 5% on the prior year (2024: 2.2 pence per share). The Board proposes a final dividend of 4.1 pence per share (2024: 3.9 pence per share), which results in total dividends for the year of 6.4 pence per share (2024: 6.1 pence per share), up 5% and totalling £6.4 million (2024: £6.2 million). Total returns announced for 2025 are, therefore, £11.4 million, equivalent to a yield of c.8%. This follows total returns for 2024 of £21.2 million (including a buyback of £15 million), equivalent to a yield of c.14%.

▶ See our strategy in action on [pages 18 to 19](#)



The appointment of Will Truman as CEO will bring both valuable stability and an injection of pace, as we continue to progress our strategy.”

Derek Mapp
Chair



Strategy and acquisition of Alunet

Alunet is a highly complementary acquisition and a good strategic fit for Eurocell, reflecting the growth of aluminium fabrication for windows and doors. The acquisition enhances our leadership position in fenestration by expanding the Group's aluminium offering, with a wider range of products and ownership of our own aluminium system, and also improves our offering in composite doors. The Alunet team has strengthened the Group's management and I was delighted to welcome all 200 Alunet employees to the Eurocell Group in March.

Our strategy, launched at the beginning of 2024, identifies an ambitious pathway to building a £500 million revenue, £50 million operating profit business, generating a 10% operating profit margin, over a five-year period. We have made further progress with our strategic initiatives, but reported financial results so far have been below our original projections, impacted by weakening demand.

However, with a strong contribution from Alunet, we are confident that our targets remain achievable, although the timing and pace of market recovery will continue to be a factor in determining when we achieve our goals.

The Business Review includes an update on progress with our key strategic initiatives.

Board changes and governance

As previously announced, Darren Waters stepped down as Chief Executive Officer ('CEO') on 9 February 2026. The Board's view is that to achieve our strategic objectives in this critical year, it is in the best interests of the Company to have surety of strong leadership and a seamless handover and, therefore, Will Truman was appointed as CEO with immediate effect.

Will was CEO at Imagesound for nine years up to April 2023, having served as Chief Financial Officer ('CFO') for seven years prior to that. Previously, he was an Associate Director within Transaction Services at KPMG.

I am pleased that Will has agreed to step into this role. Having served on our Board as a Non-executive Director since 2023, he has a deep understanding of the Group, its culture, and its strategic objectives. The Board is confident Will's appointment will bring both valuable stability and an injection of pace, as we continue to progress our strategy.

Will vacated his role as CFO Designate and we are grateful that Michael Scott has agreed to postpone his previously announced retirement and continue as CFO, while the Board completes a full and rigorous recruitment process to identify a permanent CFO for the business.

In order to balance the workload across our Non-executive Directors, Angela Rushforth will take over as Chair of the Remuneration Committee from Alison Littlely, with effect from the Annual General Meeting ('AGM') on 14 May 2026. Alison will continue in her position as Senior Independent Non-executive Director and Chair of the Social Values and ESG Committee.

Finally, I can confirm that as a Board, we are committed to the highest standards of corporate governance and ensuring effective communication with shareholders.

Derek Mapp
Chair



I am delighted to be leading Eurocell. We have a strong business with a clear strategy, and I look forward to working with the team to drive opportunities and accelerate our growth."

Will Truman
Chief Executive Officer



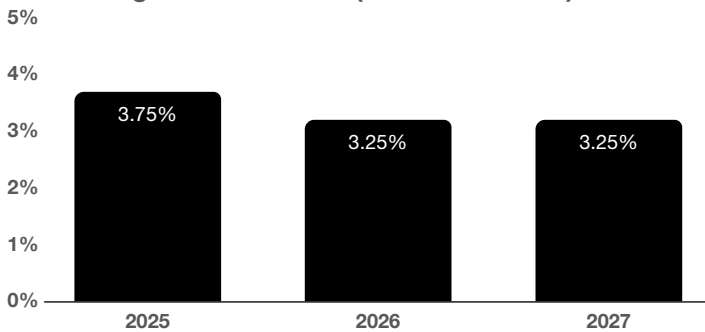
A Challenging Marketplace

While current market conditions are challenging, we have confidence that with our strategic initiatives, we have potential to outperform.

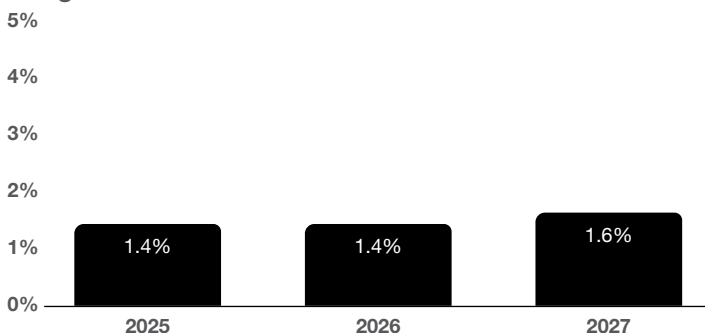
UK economic forecasts

GDP and interest rate trends are expected to be slightly positive over the next two years, although the growth is unlikely to be as early, or as fast, as anticipated back in mid-2024.

Bank of England base rates (at 31 December)¹



GDP growth¹

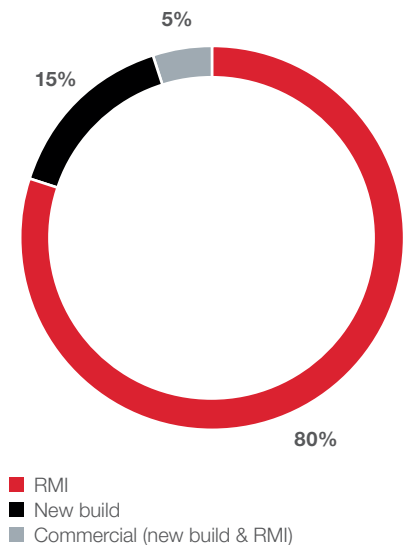


The level of UK economic activity, in particular the state of the repair, maintenance and improvement ('RMI') and new build housing markets, are important drivers of our performance.

CPA Construction Industry Forecasts (2025–27)

The market growth estimates of the Construction Products Association ('CPA'), provide informative baseline indicators of the markets we operate in. The data and graphs on the following pages summarise the CPA forecasts published in January 2026 for our key markets, together with a summary of the current drivers in these markets and our response.

Eurocell market by revenue %



¹ Source: CPA Construction Industry Forecasts (central scenario – published January 2026).

Private RMI

c.80%

Proportion of Eurocell revenue

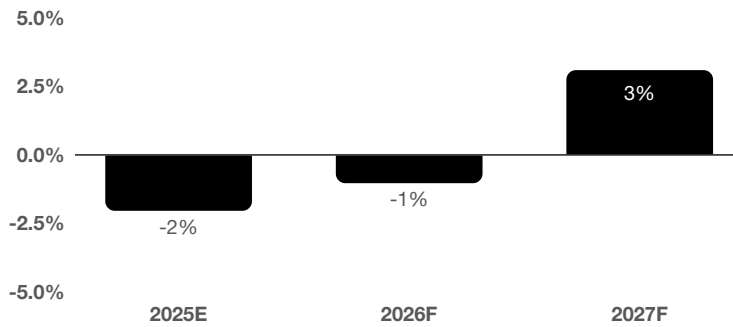
CPA market growth projections and their rationale

Private housing RMI output fell 2% in 2025 and is expected to fall by a further 1% in 2026, before growing 3% in 2027. These forecasts have been lowered since the Autumn, reflecting weaker consumer confidence. The CPA assumes real-wage growth and interest rate reductions, plus positive house price inflation and a willingness to invest savings back into the home, will fuel increased home improvement projects in the medium term. However, they acknowledge that consumer confidence and willingness to spend following the recent cost-of-living pressures remains a challenge.

Market drivers

- **Improve vs move**
Property prices, housing supply and moving costs affect whether homeowners improve their homes rather than move. The UK's ageing housing stock should also drive RMI demand
- **Disposable income**
Inflation, real-wage growth and mortgage interest rates affect disposable income for repairs and maintenance

Private Housing RMI growth¹



Consumer confidence

Macroeconomic factors, including unemployment levels, influence consumers' appetite for large discretionary spend

Focus on the home

Although moderated from post-pandemic highs, the focus on improving living spaces, and developing home offices, drives demand for conservatories and garden rooms.

Our response

- Optimise our Branch Network through a programme of estate transformation, including new branches and relocations, supported by enhanced site-selection methodology
- Develop our customer offering for the Branch Network, including increased sales of windows and doors

- Become the homeowner's choice for extended living spaces through products such as garden rooms and roof lanterns, supported by our Select installer scheme
- Leverage our website, plus increased investment in digital technology to drive incremental e-commerce sales, generate homeowner leads, attract new trade accounts and drive traffic to our Branch Network
- Protect our Profiles trade fabricator business and maintain our value-added service propositions that support our customers
- Customer-centric approach to new product development
- A solid reputation within the industry that creates loyal trade fabricator partner advocates.

New Build

c.15%

Proportion of Eurocell revenue

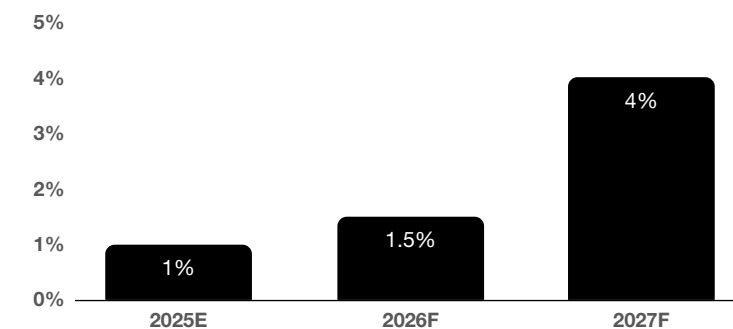
CPA market growth projections and their rationale

Private housing (new build) output grew 1% in 2025 and is forecast to grow by 1.5% in 2026 and 4% in 2027. Similar to RMI, these forecasts have been revised downwards since the Autumn, with a full recovery in new build now expected to be a little later due to lower economic growth and higher than previously forecast mortgage rates.

Market drivers

- **Housing supply**
Structural deficit in new house building, compared to government targets
- **Government incentives**
Although the deliverability and pace of the government's targets is yet to be proven, the policy direction is positive
- **Housebuilders' plots**
Housebuilders have a strong pipeline of plot builds but uncertainty exists regarding starts/completions/targets

Private Housing growth¹



Homeowner demand

Rising rental costs and the enduring desire to own your own property drive home ownership, and this is expected to be supported by the projected reductions in the cost of borrowing

Buyer incentives

'Share ownership' schemes, although subject to eligibility, and 'Right to Buy' schemes in the public sector, make home ownership more affordable and accessible.

Our response

- Protect our Profiles new build fabricator business and maintain the value-added service propositions that support our customers

- Address the growing trend towards aluminium fabrication in fenestration through the acquisition of Alunet
- Leverage our strong proposition with national housebuilders in the regional new build market
- Provide a fit-for-purpose solution to address the Future Homes Standard regulations
- Continue proactive engagement with our customer base regarding sustainable product development
- Provide a sector-leading technical support service
- Leverage our ESG credentials, including our market-leading recycling operations.

¹ Source: CPA Construction Industry Forecasts (central scenario – published January 2026).

Driving Opportunities To Accelerate Our Growth

Trading conditions remained subdued in 2025, with challenging macroeconomic conditions and weak consumer confidence continuing to impact demand in both the repair, maintenance and improvement market ('RMI') and new build housing. These trends were compounded in the fourth quarter of the year, with increasing uncertainty over the Autumn Budget announcements driving a further slowdown in activity.

Group revenues for 2025 were up year-on-year, enhanced by the acquisition of Alunet in March 2025, which continues to perform strongly. Organic revenues for the year were level with 2024 and include further progress with our growth strategy, which we are pleased to see coming through in the sales performance of our key initiatives.

We have faced ongoing competitive pressure on selling prices in the branches, as well as overhead cost inflation across the business. Our focus remains on further operational improvements and cost reduction initiatives to drive greater efficiencies, and to mitigate against the impact of weaker markets. We are also driving opportunities to accelerate the pace of execution across our strategic initiatives.

Further details of our financial and operating performance, together with an update on the progress with implementation of our five-year strategy, including the acquisition of Alunet, are set out as follows.

Financial results

Sales for the year were £403.5 million, up 13% on 2024, or flat excluding Alunet, with organic volumes 2% lower. In the organic business, lower underlying volumes were partially offset by further progress with our strategic initiatives, including window and door sales, new branches, e-commerce activity and garden rooms. At Alunet, market share gains have driven strong sales growth.

Adjusted operating profit was £24.1 million, up 6% on 2024. This reflects a strong contribution from Alunet and effective cost control, partially offset by lower organic volumes, competitive pressure on selling prices in the branches, labour cost inflation and further investment in our strategic initiatives.

Net cash generated from operations was £48.4 million, up 10% on 2024, reflecting our continued focus on cash management.

Further information on our financial performance is included in the Chief Financial Officer's Review.

Operational performance Production

Extrusion performance was consistent throughout 2025 and the level of output stable, benefiting from process improvements and increased preventative maintenance. We have a programme of initiatives to drive further operational improvements (see Business Effectiveness) and we expect these benefits to begin to materialise in 2026, and thereafter as volumes increase.

Recycling

We are the leading UK-based recycler of PVC windows, saving the equivalent of c.3 million window frames from landfill each year. Our use of recycled materials in production remains substantial at 30%, driving lower carbon emissions and typically reducing costs through the cycle, compared to the use of virgin material. A slight decrease on 2024 (32% usage) reflects product mix and lower volumes, as well as some unscheduled plant downtime caused by equipment breakdowns. We have increased our programme of preventative maintenance in the recycling facilities to reduce the risk of future breakdowns.

To further improve the effectiveness of our recycling operations, in February 2026, we began a project to consolidate our two recycling plants onto the existing facility at Ilkeston (see Business Effectiveness).

Recycling feedstock purchase prices have remained stable, reflecting the action we have taken to secure additional cost-effective sources of supply.

Health and Safety

The safety and wellbeing of our employees, contractors and branch customers is our number one priority.

Following improved safety results in 2024, our Lost Time Injury Frequency Rate ('LTIFR') slipped back to 6.4 in 2025 (2024: 4.1). In the light of these results, we have made some changes to health and safety leadership and our approach.

A new Head of Safety, Health, Environment and Quality ('SHEQ') joined the business in Q4 and has led the development of an improved health and safety plan, focusing on the behaviours that will drive a more proactive safety culture across the Group.

In addition, following the acquisition, we have ensured critical health and safety policies and controls are in place across the Alunet businesses.

Strategy

At the beginning of 2024, we launched our ambitious strategy, which reset our objectives for the business. We identified a pathway to building a £500 million revenue, £50 million operating profit business, generating a 10% operating margin, over the five-year period to December 2028. Our strategy is built around four pillars: Customer Growth, Business Effectiveness, People First and ESG Leadership. The following paragraphs summarise these pillars and our progress with the initiatives that support them.

When we launched the strategy, a modest but sustained recovery in our core markets was generally anticipated for the earlier years of our five-year plan. However, trading conditions have in fact deteriorated since then and remain weak. As a result, while we have made progress with our strategic initiatives, overall sales and operating profits reported to date have been below our original projections. We are, therefore, now driving opportunities to accelerate the pace of execution on our growth strategy and we are confident that, whilst ambitious, these financial targets remain achievable, with the Alunet acquisition providing a significant offset to continued market weakness. However, the timing of market recovery and the pace at which demand picks-up, will continue to be a factor in determining when we achieve our goals.

Customer Growth

Our aim is to become the trade customer's preferred choice in all markets and segments where we operate. We believe the biggest opportunity for growth is expansion of the Branch Network, including opening new branches and significantly increasing the sale of windows and doors, underpinned by investment in digital marketing, to raise awareness of our products and home improvement solutions, and acquire new customers.

Branch Network

We estimate that the optimum Branch Network size is at least 250 sites, which was confirmed through modelling and analysis work with our location planning partner. This work identified an additional c.50 priority locations.

We opened two branches in Q4 2024, followed by seven in 2025, primarily in the South of England, delivering incremental sales of £3.3 million in 2025. We now have 215 sites in operation and plan to add c.30 new sites over the next three to four years, including at least five in 2026.

We are supplementing the opening programme with several branch relocations, where the current site is sub-optimal in terms of size or location and, therefore, a constraint to our growth objectives. Following two site relocations in 2024, we completed another six in 2025.

New branches and relocations include a refreshed branch exterior, an improved interior layout and are supported with strong pre-opening recruitment and marketing campaigns. This programme, therefore, creates a short-term operating profit drag (£1.1 million in 2025), but drives longer-term profit growth.

Windows and doors

Following encouraging early results with our initiative to sell more windows and doors through the network, we accelerated the site roll-out in 2025. All 215 branches were live on the programme by July (90 live at the end of 2024), driving sales of £30.3 million, up 12% (£3.3 million) on 2024 and up 26% (£6.2 million) on 2023, the base year for our strategic plan.

In addition, we have now built a national fabricator network across both aluminium and PVC to service the branches, which exclusively sources bar-length material from Eurocell. The project provides incremental growth opportunities for our fabricator partners, and we continue to work with them to secure additional capacity.

Extended living spaces

Extended living comprises garden rooms and extensions. In 2025, we delivered garden room sales of £9.6 million, up 9% on 2024, supported by the introduction of four new designs. Extension sales were £1.2 million, compared to £1.0 million in 2024.

Since launching these product ranges, we have delivered good sales growth, but operating margins have been below our expectations, due to the cost of lead generation, plus other selling and installation costs. Following a review in H2 2025, we identified opportunities to increase garden room sales and margins, and capture further growth.

With extensions, our review determined that higher costs are typically driven by more complex installations and we, therefore, concluded to exit this initiative, on the basis that returns were unlikely to meet our target level.

Profiles (fabricators)

In Profiles, we believe we are now the leading supplier of rigid PVC profile to the UK market. Our objective is to protect our existing business and maintain our value-added service propositions that support customers. We will continue to leverage our leading position with housebuilders and commercial developers to ensure we maintain specifications to support a robust pipeline of work for our fabricator customers. We are recognised across the industry as the leading technical systems house and will continue to exploit this advantage.

The windows and doors initiative also provides growth opportunities in Profiles, as it pulls through increased profile sales via fabricator partners and increased composite door sales through our entrance doors businesses.

As described below, the acquisition of Alunet in March 2025 complements our proposition to fabricators, by providing a one-stop shop for PVC and aluminium door and window systems. As a result, 14 Eurocell PVC fabricators have now switched their aluminium requirements to Alunet.

Digital growth

We have an ambitious digital strategy to drive more relevant trade customer traffic to our website, as well as build homeowner brand awareness.

We have invested to drive organic web traffic growth, increased our digital paid media, improved our use of AI to support customer targeting and developed our web proposition with initiatives such as one-hour click-and-collect. As a result, we have grown e-commerce sales to £6.6 million in 2025 (2024: £4.7 million), and we are confident that we will achieve more progress in 2026.

This investment has also attracted more new trade accounts to our branches, with 11,596 new spending accounts added in 2025 (2024: 10,785), and driven more homeowner leads to buy big ticket items.

Business Effectiveness

Our objective is to make Eurocell a lean and efficient business. We are upgrading our business systems and streamlining structures and processes to increase efficiency and improve customer experience. Given that the near-term market outlook is likely to remain challenging, we are continuing to prioritise operational improvements and cost reduction.

Continuous improvement, efficiencies and cost reduction

In April 2025, we restructured the Branch Network by removing a layer of regional operational management, reducing the size of the salesforce and closing a small number of underperforming branches, generating annualised cost savings of c.£2 million.

In May 2025, we announced further overhead cost reductions, including restructuring now completed in Operations and Shared Services, generating annualised cost savings of c.£2 million.

In February 2026, to further improve the effectiveness of our recycling operations, we began a project to consolidate our two recycling plants onto the existing facility at Ilkeston. The project requires relocation of certain critical equipment from the site at Selby, plus investment in the Ilkeston plant to eliminate single points of failure, enhance the layout and improve working conditions. We expect to cease operations at Selby and begin processing at Ilkeston in H2 2026, with the Selby site exit to be concluded by the end of the year. Capital investment is expected to be c.£2.6 million, with annualised cost savings of c.£1.5 million running from 2027. Non-underlying charges are expected to be in the region of £3 million, including non-cash asset write downs of c.£1.5 million.

Systems replacement

As previously announced, we are in the process of replacing our Enterprise Resource Planning ('ERP') system, including a new trade counter system in the Branch Network.

The new trade counter system will transform the way we interact and transact with customers in the branches, primarily through process simplification (including electronic point-of-sale technology). The new ERP system will support all other functions of the business and comes with built-in analytics to facilitate data-driven decisions.

We expect to transition to the new systems at the end of 2026. Whilst a little later than previously envisaged, we are confident in this timing, with total non-underlying costs for the project now estimated at c.£13 million (previously £10 million) over the 2024–2027 period. Associated capex costs remain unchanged at c.£1 million.

People First

With People First, our objective is to make Eurocell a great place to work, through a focus on health and safety, an enhanced employee value proposition, improved levels of engagement and effective talent management.

For our employee value proposition, in 2025 we developed a much-improved wellbeing framework and better induction and onboarding programmes. In 2026, we will seek to better align and improve our reward and recognition schemes.

On engagement, we launched the Eurocell Colleague Forum in 2025, to provide a stronger link with senior leadership at local and national level. Our 2025 externally administered employee engagement survey results demonstrate progress in some areas, but also that more work on engagement is required. Action plans responding to the survey findings are in progress, including development of the Forum and simplification of processes (facilitated by the new systems).

Effective talent management includes talent development, succession planning and an increasing use of apprenticeships. We have launched a revised apprenticeship offer and will begin a new leadership development framework in 2026, affiliated to the Institute of Leadership and Management.

ESG Leadership

Our ambition is to be a leading responsible company. Eurocell is already a leader in PVC recycling, and looking ahead, we aim to excel in all areas of ESG.

In 2024, we completed the work to determine a path to reach Net Zero by 2045. In 2025, our targets were independently verified by the Science Based Targets initiative ('SBTi') and we published our Transition Plan. We now intend to progress decarbonisation initiatives in line with the Plan.

Acquisition of Alunet

In March 2025, we announced the acquisition of Alunet for consideration of £29 million on a debt/cash-free basis. The acquisition advances our strategy, significantly strengthening the Group's position in residential aluminium systems and composite doors, and adds aluminium garage doors to our portfolio of home improvement products.

Alunet has grown rapidly since its establishment in 2013 and, under Eurocell's ownership, we expect to leverage our leading market positions in new build, trade fabrication and distribution, to help the business reach its full potential.

In the post-acquisition period (10 months to 31 December 2025), Alunet delivered sales of £46.7 million, up 28% over the corresponding period in 2024, with growth driven primarily by market share gains. Adjusted operating profit in the post-acquisition period was £4.8 million, which is up £1.8 million on 2024.

We expect another year of good growth in 2026, driven by further market share gains and new product introductions, alongside capturing Group-wide synergies and manufacturing efficiencies.

Full financial details of the transaction (including the potential for additional performance-related payments) and trading performance are set out in the Chief Financial Officer's Review.

More information on Alunet, including its business units, is included in Our Strategy on pages 18 and 19.

Summary and outlook

Our financial performance in 2025 was resilient, in the context of trading conditions that remained subdued. We delivered an increase of 6% in adjusted operating profit despite lower organic volumes, thanks to a strong contribution from Alunet and effective cost control. Our cash generation was good and our financial position remains strong.

We have continued to invest to maintain momentum with our strategy and we are planning to deliver further progress in 2026. The acquisition of Alunet in March 2025 is a compelling strategic fit for Eurocell and the business is performing strongly under our ownership.

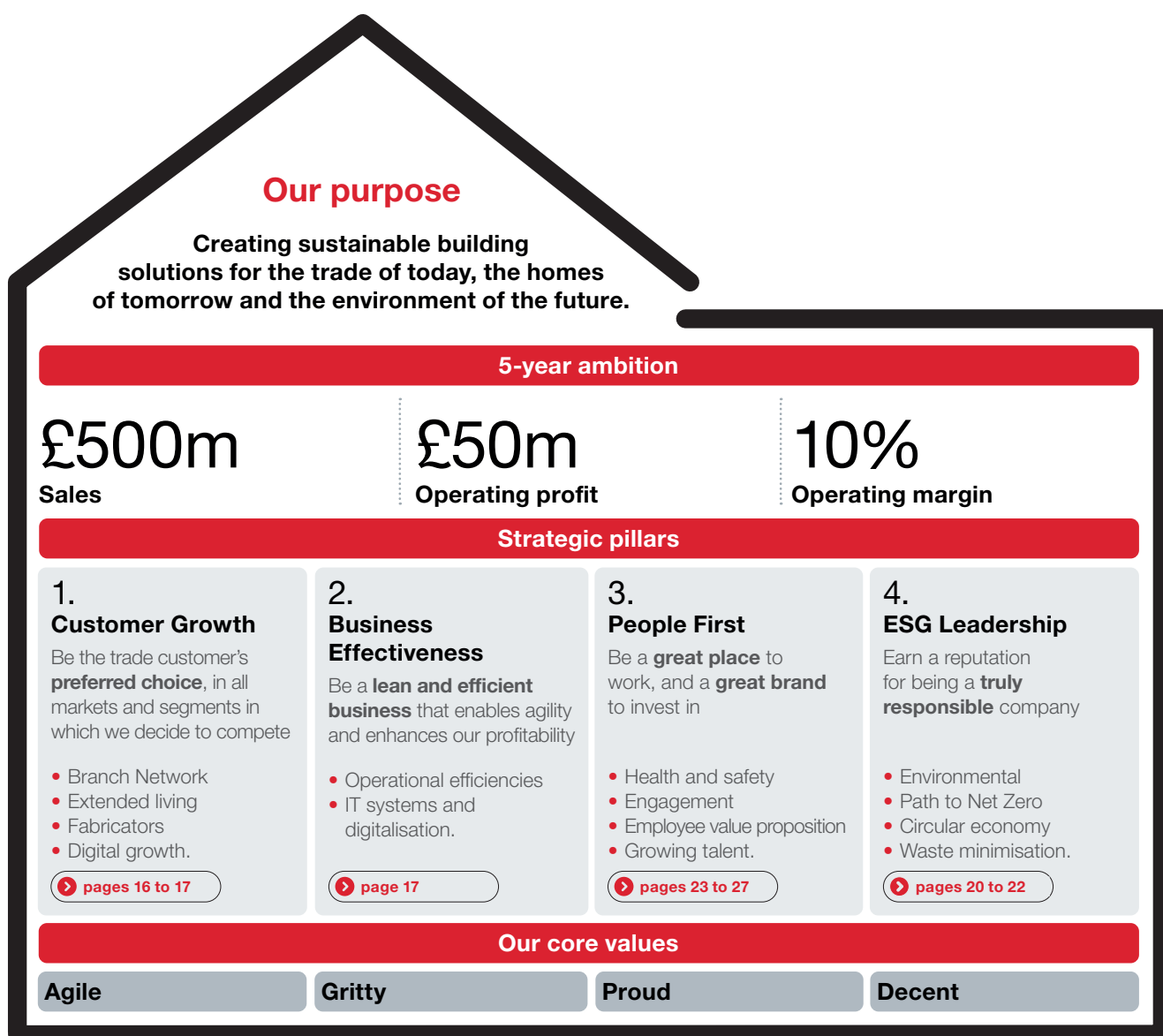
Demand in the RMI market remains sluggish, and we are, therefore, continuing to focus on operational improvements and cost control. The potential impact of the evolving situation in the Middle East is difficult to assess at this time, but the medium and long-term prospects for the UK construction market remain attractive and we are well positioned to drive sustainable growth in shareholder value.



An Ambitious Strategy

Strategy at a glance

At the beginning of 2024 we launched our ambitious five-year strategy, which reset our objectives for the business.



Our ambition

Our purpose and core values underpin our strategy, which is focused on the delivery of:

- Significant organic growth through the transformation of the Branch Network and other commercial initiatives
- Delivery of the full potential from the Alunet acquisition
- Operational improvements and footprint consolidation
- Simplification and digitalisation of business processes
- The creation of a strong, cohesive culture, where people are our priority.

The strategy is built around four pillars: Customer Growth, Business Effectiveness, People First and ESG Leadership. Pages 16 to 17 summarise the Customer Growth and Business Effectiveness pillars and the initiatives that support them, together with our progress in 2025 and an outline of our plans for 2026.

Full details of our progress with the People First and ESG Leadership pillars are set out in the Sustainability Report on pages 20 to 35.

When we launched the strategy at the beginning of 2024, a modest but sustained recovery in our core markets was generally anticipated for the earlier years of our five-year plan. However, trading conditions have in fact deteriorated since then and remain very weak.

As a result, while we have made progress with our strategic initiatives, overall sales and operating profits reported to date have been below our original projections. We are, therefore, now driving opportunities to accelerate the pace of execution on our growth strategy and we are confident that, whilst ambitious, these financial targets remain achievable, with the Alunet acquisition providing a significant offset to continued market weakness. However, the timing of market recovery and the pace at which demand picks-up, will continue to be a factor in determining when we achieve our goals.





**Strategic Pillar:
Customer Growth**

Initiative: Branch Network

Estimated optimal size of the network is at least 250 sites (31 December 2025: 215 sites), with target to add at least 30 new branches over the next three to four years

Strategy in action: 2025 progress

- Confirmed an additional c.50 prioritised locations for new branches, plus opportunities to optimise existing estate through relocations, where current sites do not provide the required growth opportunity
- Opened two new branches at the end of 2024 and seven new sites in 2025, primarily in the South of England
- Completed six relocations
- Launched Power Up loyalty scheme, with c.7,000 branch customers registered by year-end
- Refreshed branch interior, exterior and signage design for new sites and relocations
- Continued branch facilities and welfare improvements project.

Strategy in action: 2026 focus

- Open at least five new branches
- Ongoing programme of site relocations, refurbishments and network welfare improvements
- Target 15k Power Up customer registrations and leverage scheme to drive up share of wallet.

Initiative: Windows and doors

Sell more windows and doors through the network, with target to fill 50% of available spare capacity, driving incremental sales of c.£35 million

Strategy in action: 2025 progress

- Accelerated a progressive roll-out of the project across the network, with all branches live on the programme by July (90 live at 31 December 2024)
- Completed a comprehensive staff training programme
- Continued to expand a dedicated supply chain for PVC and aluminium window frames and glass to support accelerated roll-out
- Incremental window and door sales in 2025 of £3.3 million vs 2024 and £6.2 million vs 2023.

Strategy in action: 2026 focus

- Maximise window and door sales, leveraging enhanced marketing and digital investment
- Alunet aluminium windows and Comp Door entrance doors added to the programme
- Increase efficiencies in the central order processing team
- Continued supply chain expansion.

Initiative: Extended living spaces

Target incremental garden room and extension sales of £30 million vs 2023 in the five-year period

Strategy in action: 2025 progress

- Launched four new garden room designs
- Reviewed extended living initiative, with operating margins below expectations due to high cost of lead generation and other selling and installation costs:
 - Identified opportunities to increase garden room sales margins
 - Higher costs for extensions driven by typically more complex installations and, therefore, concluded to exit this initiative
- 2025 garden room sales of £9.6 million (2024: £8.8 million; 2023: £4.4 million).

Strategy in action: 2026 focus

- Drive growth in garden rooms through marketing investment, enhanced website content/experience and product development
- Deliver sustainable garden room margin improvements.

Initiative: Profiles (fabricators)

Protect our existing PVC business and expand our aluminium and entrance door offering

Strategy in action: 2025 progress

- Completed the acquisition of Alunet, which enhances our position in fenestration and delivers:
 - Aluminium system ownership and a full range of residential aluminium products
 - Complementary solid timber core entrance door business
 - Addition of aluminium garage doors to our range
- Continued to protect our PVC fabricator business, via:
 - Maintaining our value-added service proposition
 - Leveraging our position as the leading technical systems house
 - Exploiting our position with housebuilders to maintain specifications.

Strategy in action: 2026 focus

- Deliver Alunet growth plan, including new products and new accounts, plus cross-selling, supply chain and cost optimisation synergies
- Continue to protect existing PVC fabricator business.



Strategic Pillar: Business Effectiveness

Initiative: Digital growth

Build awareness of our products and home improvement solutions, driving new customers and incremental sales through the website

Strategy in action:

2025 progress

- Increased e-commerce sales through marketing investment, focused on incremental revenue drivers such as:
 - PPC
 - Email and product recommendations
- Improved website experience via:
 - Upgraded navigation and search functionality
 - Intensive site optimisation programme
 - Enhanced product recommender
- Introduction of new e-commerce initiatives, such as one-hour click-and-collect
- 2025 e-commerce sales of £6.6 million (2024: £4.7 million; 2023: £3.0 million).

Strategy in action:

2026 focus

- Investment to drive:
 - Non-account e-commerce sales
 - Web adoption among trade account holders and attract a wider trade audience
- Improve the customer experience and service.

Initiative: Upgrade our business systems and streamline structures and processes to increase efficiencies and improve customer experience

Strategy in action:

2025 progress

Enterprise Resource Planning ('ERP') system replacement

- Progressed implementation of Intact iQ as a new trade counter system, to transform how we interact and transact with customers through process simplification (including electronic point-of-sale technology)
- Progressed implementation of IFS Cloud as a new ERP system for all other areas of the business, which comes with built-in analytics to support data-driven decisions.

Continuous improvement, efficiencies and cost reduction

- Captured cost reduction opportunities, which deliver annualised savings of c.£4 million:
 - Branch Network: removed a layer of operational management and reduced the salesforce, plus closure of four loss-making branches, to generate annualised savings of c.£2 million
 - Other: further overhead cost reductions, including restructuring completed in Operations and Shared Services, to deliver annualised savings of c.£2 million.

Strategy in action:

2026 focus

Enterprise Resource Planning ('ERP') system replacement

- iQ and IFS outline timetable as follows:
 - Complete solution and integrations build in H1
 - Extensive user acceptance testing, remediation and training programme
 - Transition to the new processes and systems at the end of 2026.

Continuous improvement, efficiencies and cost reduction

- Deliver further efficiency improvements and cost reduction by:
 - Consolidation of operational footprint in recycling and warehousing
 - Scrap reduction and improving labour utilisation
 - Target production yield improvements and packaging automation.

Strategy in action

Alunet Acquisition



Alunet is a compelling strategic fit for Eurocell.

In UK fenestration, aluminium is growing in popularity and now accounts for c.17% (by volume) and 36% (by value) of the UK market, driven initially by bi-fold doors, but also now featuring other fenestration products. Historically, Eurocell has not had its own aluminium system, instead offering a relatively narrow range of third-party aluminium products. Our total aluminium sales were c.£12 million in 2024.

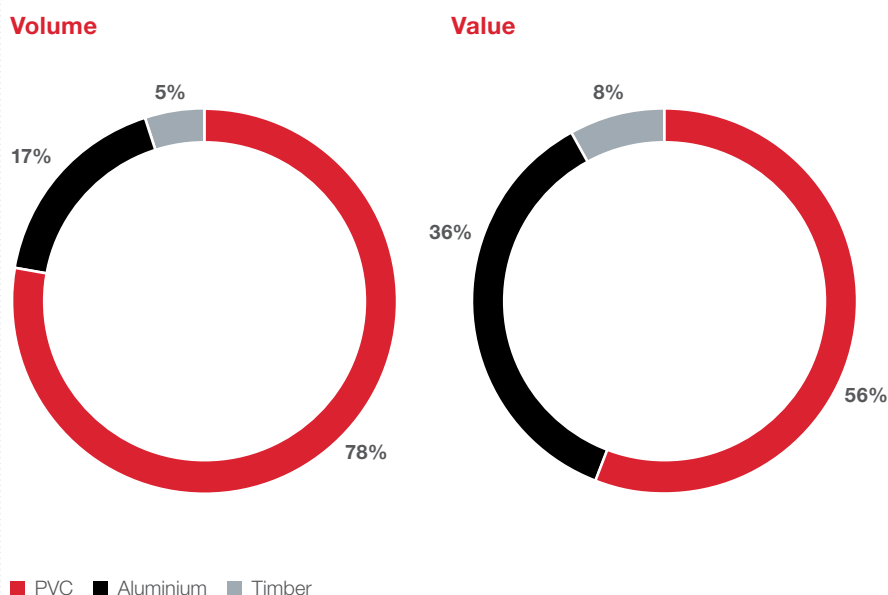
Since launching our strategy, a key objective for the Profiles business has been to protect our position in fenestration by expanding the Group's aluminium offering, including a wider range of products and ownership of our own system.

In March 2025, we announced the acquisition of Alunet, valued at £29 million on a debt/cash-free basis. Full financial details of the transaction, including the potential for additional performance-related payments, are set out in the Chief Financial Officer's Review.

Alunet is a compelling strategic fit for Eurocell: it addresses the growing trend towards aluminium fabrication across the fenestration sector, significantly strengthens our position in composite doors, and adds aluminium garage doors to our home improvement product portfolio.

Alunet's retained team, led by Chief Executive Steve Hudson, has strengthened the Group's management and Steve has joined our Executive Committee. Alunet employs approximately 200 people and we were delighted to welcome them all to the Group in March.

Aluminium share of UK Door and Window Market



Source: Window and Door Market trends 2024 (WindowBASE and Tommy Trinder).

Financial performance and outlook

Alunet has grown rapidly since its establishment in 2013, and under Eurocell's ownership, we will leverage our leading market positions in new build, trade fabrication and distribution, to help the business reach its full potential.

In the post-acquisition period (10 months to 31 December 2025), Alunet delivered sales of £46.7 million, up 28% over the corresponding period in 2024. Growth was driven primarily by market share gains, with 42 new customers acquired in 2025 and several new product introductions, as well as sector-leading customer service.

Adjusted operating profit in the post-acquisition period was £4.8 million, which is up £1.8 million on 2024.

Adjusted operating profit is stated before amortisation of the acquired intangible assets and unwind of discounting of future contingent consideration totalling £0.4 million, included in the corporate segment (see the Chief Financial Officer's Review) and additional finance costs arising on increased debt following the acquisition of approximately £1.0 million.

We expect another year of progress in 2026, driven by further market share gains and new product introductions, alongside capturing cross-selling and other Group-wide synergies.

Alunet's range of innovative, fast-growing, home improvement brands comprises four businesses, as described as follows.

Alunet Systems

c.40% of Alunet group sales



Alunet Systems is an aluminium systems house focused on the residential sector. It sources aluminium profile from extruders using Alunet tooling.

- **Full range of window and door solutions** sold under the Aluna brand
- **Aluna+ whole house concept** – Alunet Aluna+ window and Eurocell aluminium lantern launched in 2025
- **Sector-leading proposition for Eurocell PVC fabricators** who also fabricate aluminium, and for pure aluminium fabricators
- **Window and door project** is an opportunity to specify Alunet to fabricators supplying the Branch Network
- **Now benefiting from Group synergies** – new business secured with 14 existing Eurocell fabricators.

Comp Door

c.40% of Alunet group sales



A fast-growing manufacturer of premium solid timber core entrance doors.

- **Solid timber core composite doors are growing in share**
- **Combination of Comp Door and Vista creates the market leader** – with a good (PVC panel), better (GRP composite) and best (solid timber core) offering
- **Continued to acquire new installers in 2025**
- **Cross-selling opportunity to fabricators and installers**
- **Other potential synergies** – supply chain, and transport and promotion of Comp Door through the Branch Network.

JDUK and UK Doors (Midlands)

c.20% of Alunet group sales



JDUK is a supplier of sectional aluminium garage doors and components, and UK Doors (Midlands) is a manufacturer of aluminium roller shutter garage doors.

- **JDUK:** insulated sectional and side-hung aluminium garage doors, via exclusive private-label arrangement with a European-based supplier for the UK market
- **UK Doors (Midlands):** manufacturer of roller shutter garage doors and continental roller shutters
- **Complements Eurocell range** of exterior home improvement products
- **Other potential synergies** – many garage door installers are already Eurocell customers through the Branch Network
- **Good growth on sectional doors,** gaining new customers on value for money proposition.

1 For the post-acquisition period, being the 10 months to 31 December 2025.

ESG Leadership

Why sustainability matters

Eurocell is committed to operating a sustainable business and building a reputation for being a truly responsible company. We aim to lead the fenestration sector in sustainability and are focused on reducing our carbon footprint, valuing and supporting the wellbeing of our people, and improving the environment in which we operate.

Our Group's purpose is to create sustainable building solutions for the trade of today, the homes of tomorrow and the environment of the future. Circular economy principles lie at the heart of our operation, as we recycle old PVC window profiles into new products, and following the acquisition of Alunet we will work to integrate the circular economy practices that are embedded in the aluminium industry. In addition, we aim to reduce our environmental impact via energy saving initiatives and waste management schemes, as well as generate savings for our customers through products that minimise heat loss and lower energy bills. We endeavour to provide an excellent, safe workplace for our colleagues and to ensure they feel supported and valued. We will continue to play an active role in our communities, where we are committed to being a good neighbour.

In working to embed our sustainability strategy, we recognise that our customers, colleagues, other stakeholders and the communities in which we work place high importance on environmental, social and governance ('ESG') matters.

In 2025, we achieved Science Based Targets initiative ('SBTi') validation for our near-term and Net Zero targets. We also focused on incorporating our newly acquired business, Alunet, into our sustainability risk management framework.

Driving sustainability in the fenestration sector



- Optimise recycled content in manufactured products
- Ethically source raw materials and products
- Progressively reduce our carbon footprint on a path to Net Zero by 2045
- Be a responsible neighbour, wherever we operate
- Minimise waste and usage of plastic packaging.

A great place to work



- Employee safety and welfare is always front of mind
- Live and breathe our values without compromise
- A diverse business, where people can be their true authentic selves
- Excel at developing people, by nurturing talent and always seeking to promote from within
- Fair in the way that we reward and manage our people.

With the highest standards of governance



- Integrity is the cornerstone of our business
- Fully transparent in the way that we operate and report
- Receptive and responsive to challenge and scrutiny by key stakeholders
- Constantly evaluating and mitigating risks to protect the business
- Always have one eye to the future, in order to comply with new legislation and deploy best practice.

This process will continue into 2026, when we will re-baseline our SBTi targets and review our associated transition plan to take account of the acquisition.

Achievements since our last Annual Report include:

- **Received validation from the SBTi.** Our near-term and long-term targets, and our overall ambition to reach Net Zero by 2045, have been validated as consistent with a 1.5°C trajectory.
- **Started embedding Alunet into our governance and risk management processes.** Alunet CEO Steve Hudson now sits on our Executive Committee.
- **Established Alunet's full (Scope 1-3) emissions footprint.** This has been incorporated into our emissions inventory, reported on pages 28 to 29.
- **Incorporated Alunet into our climate-related risk analysis.** This included assessing exposure to physical hazards across Alunet's portfolio, and updating our assessment and quantification of climate-related risks with relevant Alunet inputs where possible. It has also informed our reporting against the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD').

- **Continued to invest in carbon reduction initiatives to minimise our environmental impact.** A new solar PV installation at our Head Office and Distribution Centre, alongside the installation completed in 2024 at our main extrusion site, yielded 1,200 MWh of electricity in 2025.
- **Maintained a 'B' grade in our second Climate Change questionnaire to the CDP.** We are pleased that we were again awarded a B grade (on a scale of A-D-) for Climate.
- **Maintained our 'AA' rating from the MSCI.** We also maintained our rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.
- **Developed a new health and safety strategy and framework.** The framework is designed to move us towards an interdependent safety culture, driven by proactive behaviours, peer support and leadership visibility.
- **Launched the Eurocell Colleague Forum.** This comprises over 50 representatives from across the business, providing a mechanism for all colleagues to raise questions and suggestions to senior leadership through a series of local and national forum meetings each year.

Looking forward, our priorities are to:

- Re-baseline our near-term and Net Zero targets to the SBTi to capture emissions associated with Alunet
- Update our Net Zero Transition Plan to include the emissions reduction actions necessary to incorporate Alunet into our Net Zero pathway
- Implement our new health and safety strategy and framework across the Group.

Materiality assessment

We will update our materiality assessment in 2026 to identify and incorporate Alunet's sustainability risks and opportunities, and will prepare for alignment with the International Financial Reporting Standards S1 framework. The five most important issues identified by our materiality assessment remain:









- **Health and safety:** ensuring workforce wellness and safety
- **Labour and human rights:** ensuring fair working practices for our employees, including human rights
- **Climate change and emissions:** minimising our carbon emissions and our contribution to climate change
- **Waste management:** waste generated by our operations should be dealt with responsibly, including hazardous waste
- **Product quality:** selling products that are safe to use and of high quality.



Sustainable business goals

KPIs and targets

Since our 2022 base year, we have achieved reductions across all three emissions scopes, due to decreased natural gas consumption (Scope 1), improved sourcing of renewable electricity (Scope 2 market-based) and decreased overall spend (Scope 3). We are also pleased to have met our interim target to send less than 5% of waste to landfill by 2025. However, the proportion of our waste recycled has unfortunately decreased in 2025, as we cleared by-product from our recycling sites and due to our waste providers' preference for incineration.

KPI		2025	2024	Target	Link to UN SDGs
Environmental – Circular economy and waste management					
Waste to landfill	% landfill	3.9%	2.5%	No more than 5% waste to landfill by 2025 and 1% by 2030	
Waste recycled	% recycled	66%	69%	Increase of 2% per annum in waste recycled (to 88% by 2025), then increase of 1% per annum thereafter (to 93% by 2030) vs 2020 baseline	
Recycled material used in production	% used	30%	32%	36% by 2030	
Recycled material yield	% generated	60%	62%	72% by 2030	
Environmental – Emissions, energy management and pollution					
Scope 1, 2 and 3 emissions (Market-based)	Absolute Scope 1, 2 and 3 emissions (Market-based)	202,704 tCO₂e	183,974 tCO ₂ e	Net Zero by 2045	
Scope 1 and 2	Absolute Scope 1 and 2 emissions (Market-based)	10,913 tCO₂e	10,648 tCO ₂ e	70.03% reduction by 2034	
Scope 3	Absolute Scope 3 emissions (Market based)	191,791 tCO₂e	173,326 tCO ₂ e	37.5% reduction by 2034	
Renewable electricity	% renewable electricity used	95% total electricity	95% total electricity	More than 90% by 2025	 
Social					
Health and Safety	Lost-time injury rate	6.4 per 1m hours	4.1 per 1m hours	3.1 per 1m hours by 2026	
Employee engagement* and recruitment	Labour turnover	25%	25%	Year-on-year reduction	  
Employee satisfaction	Annual survey response rate and Winning Formula score	77% and 57%	70% and 59%	Year-on-year increase	
Diversity*	Female employees	17.2%	16.9%	Year-on-year increase	
Remuneration*	National Living Wage ('NLW')	100%	All employees at or above NLW	All employees above NLW by 2023	

Note: KPI performance data for 2024 and 2025 included in the table above is based on management estimates. 2025 data in the table above includes Alunet from the acquisition in March, unless marked with an asterisk where it is not included (due to the current availability of relevant data).

Health And Safety

Safety performance

Following improved safety results in 2024, our LTIFR (Lost Time Injury Frequency Rate) slipped back to 6.4 in 2025 (2024: 4.1). Our RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) results remain better than the average for the Plastics Industry¹. Towards the end of 2025, we took a number of steps to ensure our performance improves, including a change in senior health and safety leadership and designing a new health and safety strategy, focused on driving a more proactive safety culture.

The performance data shown in the table below represents the Group, inclusive of Alunet from the acquisition in March.



	2025	2024	2023	2022	2021
Lost time injuries (employees) ^{A, B}	27	19	27	48	36
Lost time injury frequency rate ('LTIFR') ^C	6.4	4.1	5.7	10.0	7.6
Total recordable injuries (contractors)	–	–	1	–	–
RIDDOR	8	6	11	23	28
Near misses	349	172	146	102	29
Number of employee fatalities	–	–	–	–	–
Number of contractor fatalities	–	–	–	–	–
Number of cases of silicosis	–	–	–	–	–
Number of staff trained on health and safety standards	122	241	322	–	–
Number of health and safety training hours	9,272	1,687	3,456	–	–
Proportion of operational sites certified to ISO 45001 ^D	33%	50%	50%	–	–

A We define lost time injuries as a full shift lost following the day of the incident.

B We record lost time injuries for all permanent and temporary employees.

C Injuries per one million hours worked.

D The proportion of sites certified has decreased as a result of the incorporation of the Alunet sites into the portfolio.

Responsibilities

Grant Davies joined as our new Head of Safety, Health, Environment and Quality ('SHEQ') in Q4 2025. Having joined the team in the final quarter, Grant's initial observations include the existence of solid foundational controls that meet statutory obligations and strong health and safety reporting. Looking forward, the focus will be on establishing a proactive culture through a new, behaviour-based health and safety strategy.

Throughout 2025, health and safety performance has been discussed at all board meetings, with reviews provided by the CEO. Health and safety has also been a standing agenda item at all meetings of the Social Values and ESG Committee. With effect from December 2025, the standing agenda item has moved to main Board meetings, with updates provided by the Head of SHEQ.

As part of the integration of Alunet, we have ensured critical health and safety controls are in place, and have updated Alunet's Health and Safety Policy to ensure alignment with the Group on key commitments and expectations.

¹ Based on the Accident Statistics Data for 2024 from the British Plastics Foundation, available at: https://www.bpf.co.uk/health_and_safety/Accident_Survey.aspx.

Health and safety strategy

Following the change in leadership, we have developed a new health and safety strategy, focusing on behaviours that will drive a more proactive safety culture across the Group. The strategy breaks safety performance into five core focus areas (the ‘5C’s’) and identifies the behaviours that underpin success with each one. This also provides a structured framework to measure and improve health and safety performance at each site.

5C's Health and Safety Strategy			
Compliance	Getting the basics right	Are we doing what the law and our policies say we must do?	Focusing on ensuring all sites follow all legal requirements, standards, inspections and reporting processes.
Controls	Reducing risk and strengthening processes	Are the things that can hurt people properly controlled every day?	Looking at how effectively hazards are controlled.
Competence	Building capability and accountability	Do people have the skills, knowledge and support to work safely?	Evaluating training, supervision, coaching and whether people are competent for their work.
Culture	Building safety ownership	Do people care about safety – not because they have to, but because they want to?	Focusing on people, ownership, reporting, safety conversations and leadership visibility.
Continuous improvement	Measure, learn, evolve	Do we learn from mistakes and get better every month?	Checking whether incidents lead to action, whether best practices are shared, and whether sites proactively improve.

To support implementation of the strategy, we have developed a SHE Maturity Assessment and matrix, that will be used to assess and score each site against the 5C's on a quarterly basis. The process will be underpinned by visible Executive Committee leadership and peer group support. Over time, we expect to move towards a more interdependent culture in which safety becomes the leading thought in all our colleagues' actions in the workplace.

Other achievements in 2025 include:

- Introducing dynamic risk assessments and electronic reporting of safety concerns across key operational sites

- Senior leadership team safety-focused visits to key sites (once per month), to observe practices and speak directly with employees on health and safety matters, and to help identify risks and opportunities for improvement.

We plan to focus on the following in 2026:

- Implement the new strategy, including the 5C's framework and SHE Maturity Assessments across the Group
- Further progress the integration of the Alunet companies into our health and safety strategy
- Continue our specific focus on material handling equipment and transport safety which, due to the nature of our operations, remain our highest health and safety risks.

Safety targets

As an overall ambition, we continue to target the elimination of RIDDOR injuries among our employees by the end of 2027. To assist with tracking our progress we have set interim targets, and for 2026 we are aiming to achieve a 25% reduction in our lost time injury frequency rate ('LTIFR') and 33% reduction in our RIDDOR rate compared to 2025.

People First

Our strategy and business model are underpinned by the commitment and efforts of all our employees, and our approach to colleague interaction is explained and monitored through our People First strategic pillar.

Engagement

We recognise the impact we have on our colleagues, communities and beyond, and are committed to ensuring that we engage appropriately with all key stakeholders.

Employee engagement

We are proud to have launched the Eurocell Colleague Forum in 2025. Over 50 representatives across the business now collect colleague questions and suggestions, which are communicated to senior leadership at local and national forum meetings.

The forums run as part of our broader Listening Programme, which also takes in local site listening groups and our informal colleague networks, which includes an LGBTQIA+ network that was launched in 2025. In addition, we continue to run our Board listening groups, led by our designated Non-executive Director, Alison Littlely.

People First survey

Our 2025 externally administered employee engagement survey results demonstrate progress in some areas, but also that more work on engagement is required.

Our Overall Winning Formula (engagement score) decreased slightly compared to 2024, although this is against a backdrop of very challenging market conditions, as well as a higher response rate in 2025.

We are progressing plans built in response to the survey findings, including development of the Forum, simplification of business processes (facilitated by the new systems), plus increased visibility of senior leadership and more regular updates on progress against our strategy.

KPI	2025	2024
Response rate	77%	70%
Overall Winning Formula Score	57%	59%
Winning Culture Score	58%	59%
Winning Strategy Score	56%	58%

Note: The People First survey results for 2025 are inclusive of Alunet and Vista.

Community partnerships

We continued our charitable efforts with Maggie's again in 2025, raising £25,000 through a variety of activities. Maggie's provides emotional support and care for cancer patients and their families, with 24 centres across the UK.

OUR AMBITION	Our ambition is to have talented, engaged and motivated colleagues who work passionately to achieve clear business and personal goals. Eurocell will be a great place to work, where our culture makes colleagues feel...				
	"I feel part of the Eurocell team and I'm passionate about my role within this team"	"I know what's going on... I feel connected to the wider business – I'm valued as a team member"	"I know how to contribute to the success of my business"	"I know how I can progress within Eurocell, I'm clear about my development"	
OUR STRATEGY	HEALTH AND SAFETY	ENGAGEMENT	EMPLOYEE VALUE PROPOSITION	GROWING TALENT	
KEY PRIORITIES	Develop health and safety leadership skills Develop health and safety education	Internal Communications Framework Colleague forum Community and charity engagement	Wellbeing framework Recognition scheme Induction and onboarding programme	Talent management and succession planning Talent development Maximising use of apprenticeships	
SUCCESS MEASURES	IFR/LTIR/Severity Rate/RIDDOR Rate	Attrition and Retention %	% of Internal Promotions	Apprenticeships Participation/Use of Levy	Culture Survey Feedback

Employee Value Proposition

Our Employee Value Proposition captures the various topics, which together, aim to ensure our employees feel valued and supported as members of the Eurocell team.

Fair working practices

We are committed to providing a fair working environment for all our colleagues, including a fair salary, terms and conditions of employment, and statutory benefits.

Employee turnover

Our labour turnover has remained steady at 25% in 2025 (2024: 25%). Our full-time colleague voluntary turnover rate was 19% in 2025 (2024: 20%).

Reward and recognition

In line with our ambition, we are pleased to confirm that all of our employees were paid at, or above, the National Living Wage in 2025.

In addition, all employees remain eligible for our benefits package, including a salary sacrifice pension scheme, life insurance, Save As You Earn ('Sharesave') schemes, a healthcare cash plan and access to savings and offers through our third-party platform. In addition to the formal packages, we have a variety of events and vehicles to engender a culture of feeling valued.

There were 42 winners in our Proud Award programme in 2025, where employees are encouraged to nominate fellow colleagues that have demonstrably showcased our Company values. In addition, we introduced long service awards this year, with 177 employees rewarded for service ranging from 5 to 25 years.

Wellbeing framework

We are committed to supporting all colleagues in their wellbeing, inclusive of mental, physical and financial issues. We provide tools to support colleague wellbeing, including an Employee Assistance Programme, access to health and wellbeing support, and our occupational health programme with targeted health surveillance and a healthcare cash plan. In 2025, we continued our mental health training and Employee Assistance Programme awareness campaign.

Equity, diversity, inclusion and belonging

The overriding policy in any new appointments we make continues to be one of selecting candidates with an appropriate mix of skills, capabilities and market knowledge, to ensure the continued success of the business. However, we fully recognise the benefits of encouraging diversity and inclusivity across the business and believe that progress in these areas will contribute strongly to our continued success.

We are committed to providing a working environment that embraces opportunities for everyone, that respects the equity and diversity of all colleagues and that ensures their feeling of inclusion and belonging.

We have made a substantial effort on inclusive hiring practices this year. This has included incorporating ReciteMe onto our careers website to improve accessibility, as well as offering more part-time roles across our Branch Network. We ended 2025 with 86 part-time colleagues, compared to 71 in 2024. We also continue to engage with the Construction Inclusion Coalition, and make their materials available to all colleagues.

In addition, we continue to promote flexible solutions tailored to, and supportive of, individual needs. Our internal processes support all colleagues who may require help and support, including employees who are disabled or become disabled during their employment, to fulfil their day-to-day work activities through our occupational health provision. We provide tailored support for specific groups and individuals throughout our business, including the provision of free English and maths tuition for non-English speakers.

While we operate in an industry in which, historically, women have been under-represented, we are very committed to increasing the participation of women throughout the Group. Our objective is to deliver year-on-year increases in the proportion of female employees in the Group. In 2025, female employee representation remained level at 17% (2024: 17%).



Gender diversity statistics

2025 gender analysis ¹	Male No.	%	Female No.	%	Total No.
Directors	5	71%	2	29%	7
Executive Committee	4	50%	4	50%	8
Senior management	35	74%	12	26%	47
Other employees	1,878	84%	361	16%	2,239
Total	1,922	84%	379	16%	2,301

2024 gender analysis	Male No.	%	Female No.	%	Total No.
Directors	5	71%	2	29%	7
Executive Committee	2	40%	3	60%	5
Senior management	23	72%	9	28%	32
Other employees	1,685	83%	338	17%	2,023
Total	1,715	83%	352	17%	2,067

¹ For the purpose of Provision 23 of the UK Corporate Governance Code 'senior management' comprises the Executive Committee and Senior Management groups.

Our Board Diversity Policy is available on our website at investors.eurocell.co.uk. We currently meet two of the three FCA targets on Board diversity, with one Director from an ethnic minority background and one senior Board position held by a female. Our percentage of females on the Board remains unchanged from 2024 at 29% against the FCA target of 40%. The Board remains committed to move towards this target as and when vacancies arise.

With the inclusion of Alunet's CEO into our Executive Committee, female membership has decreased to 50% in 2025 (2024: 60%).

2025 diversity statistics

	No.	% of total employees
Employees with disabilities	46	2%
Full-time employees	1,832	96%
Part-time employees	86	4%
Permanent employees	1,862	97%
Contract/temporary employees	56	3%
Total employees	1,918	-

The 2025 diversity statistics exclude Alunet and Vista.



Growing Talent

During the year, we engaged with business leaders across the Group to expand the breadth of apprenticeship programmes we offer. As a result, we had over 30 apprentices in post in 2025. Following the government's withdrawal of support for the Kickstart programme, we will reset our apprenticeship targets in 2026.

The Branch Manager Development Programme launched in 2024 is now complete for our existing managers. We will introduce a new leadership development framework for senior managers in 2026, affiliated to the Institute of Leadership and Management.

Ongoing skills development training is also provided across the Alunet group of companies.

2025 training statistics

	No.	% of total employees
Employees who receive training	1,918	100%
Number of training hours	43,987	-
Average training hours per employee	22.5	-

Note: The 2025 training statistics exclude Alunet and Vista.

Environmental Leadership

Managing environmental performance

We recognise the role we play in promoting environmental protection and are committed to conducting our business in a safe and responsible manner, including protecting and minimising the impact of our operations on the environment. We are focused on reducing our environmental impact and aim to continuously improve our performance. Our dedicated Environmental Policy remains available at: investors.eurocell.co.uk. The Policy outlines our commitments towards reducing emissions, energy consumption, biodiversity and environmental issues, waste and resource use, water use and the environmental impacts of our products.

Of our manufacturing plants, 50% remain certified to ISO14001:2015. We continue to maintain environmental management systems and have regular inspections to ensure permit compliance at all sites.

No environmental fines or penalties have been recorded in 2025 or 2024.

Energy and greenhouse gas emissions

Minimising our carbon emissions and our contribution to climate change is central to our sustainability strategy. Our near-term, long-term and Net Zero targets are now validated by SBTi, and having incorporated Alunet's emissions into our carbon inventory in 2025, we will re-baseline our targets in 2026.

We are also pleased to report the following initiatives progressed in 2025 to reduce our energy consumption and greenhouse gas emissions:

- Having completed installation of solar panels at our main extrusion facility in 2024, this system yielded nearly 1,000,000 kWh of electricity in 2025
- Completed further solar panel installations at our Head Office and Distribution Centre in 2025, which yielded nearly 200,000 kWh of electricity during the year
- Completed the transition from LPG to electric forklifts at our manufacturing and distribution sites. While we still operate gas forklifts in the Branch Network, they are low usage
- Maintained the proportion of renewable electricity we procure, achieving 95% in 2025 and 2024
- Continued to work on fleet and van optimisation across the business, with all Branch Network vehicle and recycling fleet telematics installations completed in 2025. The objective of telematics is to reduce costs and emissions by improving the efficiency of route planning and load maximisation
- LED lighting installations completed at Alunet Systems and JDUK.

Energy consumption and emissions data

We have continued to refine our end-to-end carbon footprint methodology, which includes a full emissions analysis for 2024 and 2025, as set out in the table below. 2025 emissions data includes Alunet from the acquisition in March.

Scope	2025 ktCO ₂ e	2024 ktCO ₂ e	Movement	
			ktCO ₂ e	%
Scope 1	9.8	9.6	0.2	2.4%
Scope 2 (Location-based)	8.7	10.6	(1.9)	(18.0)%
Scope 2 (Market-based)	1.1	1.1*	(0.0)	(2.9)%
Scope 1 and 2 (Location-based)	18.5	20.2	(1.7)	(8.3)%
Scope 1 and 2 (Market-based)	10.9	10.7	0.2	2.5%
Scope 3	191.8	173.3	18.5	10.7%
Purchased Goods and Services	160.6	148.4	12.2	8.2%
Capital Goods	4.2	2.9	1.3	47.4%
Fuel and Energy-related Activities	5.6	2.4	3.2	137.0%
Upstream Transportation	10.7	8.7	2.0	24.1%
Waste	0.4	0.4	0.0	(4.0)%
Business Travel	0.4	0.4	(0.0)	(15.6)%
Employee Commuting	2.9	1.9	1.0	52.6%
Upstream Leased Assets			Not Applicable	
Downstream Transportation			Not Applicable	
Processing of Sold Products	4.6	6.9	(2.3)	(33.9)%

Scope	2025 ktCO ₂ e	2024 ktCO ₂ e	Movement	
			ktCO ₂ e	%
Use of Sold Products	0.9	Not Applicable in 2024	0.9	First-time calculation
End-of-life Treatment	1.5	1.3	0.2	8.7%
Downstream Leased Assets			Not Applicable	
Franchises			Not Applicable	
Investments			Not Applicable	
Total Scope 1, 2 and 3 (Location-based)	210.3	193.5	16.8	8.7%
Total Scope 1, 2 and 3 (Market-based)	202.7	184.0	18.7	10.2%
Intensity ratio (tCO ₂ e per £m of revenue) – Location-based	521	541	(20)	(3.7)%
Intensity ratio (tCO ₂ e per £m of revenue) – Market-based	502	514	(12)	(2.3)%

Energy	2025 MWh	2024 MWh	Movement	
			MWh	%
Total non-renewable fuels consumption	41,113	40,829	284	0.7%
Total renewable fuels consumption	–	–	–	–
Total renewable electricity consumption	46,728	48,805	(2,077)	(4.3)%
Total non-renewable electricity consumption	2,350	2,382	(32)	(1.3)%
Total renewable energy consumption	46,728	48,805	(2,077)	(4.3)%
Total non-renewable energy consumption	43,463	43,211	252	0.6%
Total energy consumption	90,191	92,016	(1,825)	(2.0)%

Notes to table:

We operate only within the United Kingdom and so values are for UK operations only.

* An error in an emissions factor was identified in the Scope 2 (Market-based) calculation in 2024. This has been restated in the emissions table where appropriate.

Notes to calculations:

- Emissions and energy data presented for 2024 and 2025 is based on management estimates
- To calculate our emissions and energy usage data, we have followed the 2019 UK Government environmental reporting guidance. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). The Greenhouse Gas Protocol standard covers the accounting and reporting of seven greenhouse gases covered by the Kyoto Protocol. We are reporting our Scope 3 emissions, with guidance from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, as required
- We have reported on all of the material emission sources from within the operational boundaries of the Group, as required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and under the UK's Streamlined Energy and Carbon Reporting ('SECR') requirements
- The Group has defined its organisational boundary using an operational control approach. Our reporting of Scope 1 and 2 emissions and energy data covers 100% of our global operations. Furthermore, our reporting of Scope 3 emissions covers 100% of our upstream and downstream value chain
- The emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2025 (the Department for Energy Security & Net Zero ('DESNZ') factors) have been used for all Scope 1 and 2 categories and the majority of Scope 3 categories. For spend-based calculations, the UK Environmentally-Extended Input-Output ('EEIO') model factors were used. For weight-based calculations, Ecolinvent and Idemat factors were used
- In line with the Greenhouse Gas Protocol, we continue to review our reporting in light of any changes in business structure, calculation methodology and the accuracy or availability of data.

Energy consumption and emissions performance

Our Scope 1 emissions increased slightly year-on-year, due to gas consumption at Alunet and increased LPG consumption for packaging at Vista. This was partially offset by fuel decreases at our main operational sites, where we have replaced 14 LPG trucks with nine electric trucks at the end of 2024. Periods of operational downtime due to plant breakdowns in the recycling business also reduced the fuel consumed by our core fleet.

Location-based Scope 2 emissions fell 18% to 8.7 ktCO₂e, largely due to a decrease in the appropriate DESNZ emissions factor. Market-based Scope 2 emissions remained stable at 1.1 ktCO₂e. Eurocell Recycling North ('ERN'), where the landlord contracts for power on our behalf, remains the only Eurocell facility without a renewable electricity contract. However, as noted elsewhere in this Annual Report, following a site consolidation project, we expect to exit ERN at the end of 2026.

In combination, our location-based Scope 1 and 2 emissions (18.5 ktCO₂e) have decreased by 8% compared to 2024, whereas our market-based Scope 1 and 2 emissions (10.9 ktCO₂e) have increased by 3% compared to 2024.

We have calculated our Scope 3 emissions for 2025 to be 191.8 ktCO₂e, compared to 173.3 ktCO₂e in 2024, an increase of 11%. This reflects the incorporation of Alunet into our footprint, which particularly has driven the increase in our Category 4 (Upstream Transportation) emissions. Substantial increases in some EEIO emissions factors used in our spend-based calculations (see notes to calculations) has also led to the increases in our Category 1 (Purchased Goods and Services) and Category 2 (Capital Goods) emissions.

We have improved our Category 3 (Fuel and Energy-related Activities) calculation methodology this year, to better account for the type of renewable instrument through which the majority of our electricity is procured, which has caused these emissions to increase by 137%. Methodology improvements were also implemented in Category 7 (Employee Commuting), which has caused these emissions to increase by 53%. These increases were not material to our overall footprint, however, so no restatement of 2024 figures were required.

Category 10 emissions (Processing of Sold Products) decreased year-on-year, largely because less PVC pellets were sold externally and customer electricity use per tonne of profile fabricated decreased, alongside a decrease in the UK emissions factor for electricity.

We have incorporated Category 11 (Use of Sold Products) into our carbon inventory for the first time this year, to capture electricity use associated with motor-powered doors sold by Alunet.

Overall, our total (Scope 1, 2 and 3) location-based emissions have increased by 9%, and total market-based emissions increased by 10%, compared to 2024, largely due to the inclusion of Alunet emissions from March. As a result, after including Alunet revenues, energy intensity stayed reasonably consistent year-on-year.

Our total energy consumption (90,191 MWh) decreased slightly (2%) compared to 2024, reflecting lower year-on-year production at Eurocell, partially offset by the impact of Alunet.

Water consumption

Our main use of water is in the cooling process for extrusion, but it is also used to wash scrap PVC, remove impurities in our recycling operations and for employee welfare.

We have a closed loop water recycling system in extrusion, and water supply bills are scrutinised for abnormalities that would indicate a leak, following which the water provider would be contacted for repair.

The system significantly reduces the environmental impact of our processes, by conserving local water resources and reducing the amount of contaminated or unfiltered water entering back into the local environment. Minimising consumption and, therefore, reducing disposal costs also has a financial benefit to our business.

We use only potable water, supplied directly by the water provider, which is suitable for drinking. We do not abstract any ground or surface water. None of our sites are located in high flood-risk areas and all sites are provided with adequate welfare facilities, in accordance with governing legislation.

Water usage was identified as a key issue for our stakeholders in our ESG materiality assessment. Over the last few years, we have strengthened our material recovery, including improved water circularity. We will continue the work to improve our water usage data collection, and thereafter to define targets to increase water efficiency in our operations. This is dependent on investment and process changes to improve our existing closed-water loop cooling systems.

Waste management

Our business and operations result in waste, and we are committed to controlling, recovering and reusing waste wherever possible. We promote the efficient use of resources and materials across our facilities to help reduce waste. We have a sustainable procurement policy, and we actively seek to source sustainable products from suppliers that are made from recycled material where possible.

2025 data in the table below includes Alunet from the acquisition in March.

Total waste (kt)	2025	2024
To landfill	1.0	0.6
Recycled	17.5	16.6
Diverted from landfill	8.3	6.9
Total	26.8	24.1

We continue to work towards our commitment to send a maximum of 1% of waste to landfill by 2030, and are pleased to have met our interim target (5% by 2025) this year, with only 4% of our total waste sent to landfill.

However, our waste recycled proportion fell to 66% in 2025 (2024: 69%), as we have worked to clear the volume of by-product stored at our recycling sites in preparation for our site consolidation plans, as well as our third-party waste collector's preference to incinerate rather than recycle waste. We will continue engaging with our third-party providers to ensure as much of our waste is recycled as possible. Including Alunet has also impacted the overall recycling proportion, with all waste assumed to go to landfill. We, therefore, did not meet our interim target to achieve 88% of waste recycled by 2025, but remain committed to the target to achieve 93% of waste recycled by 2030.



To support delivery of these targets, we will continue to adopt our waste management plan and focus on improving the processing of by-products from our recycling process (metal, rubber, wood). At third-party sites, which act as collection and delivery hubs for old windows, which have been replaced, we are implementing processes that allow for cleaner waste streams. We will also continue to develop partnerships with waste services providers, to optimise end-to-end material recovery.

Packaging accounts for c.5% of the waste we generate. We aim to reduce this by using thinner materials and packaging with more recycled content, both for our own products and in the delivery of raw material to our sites.

Hazardous materials

We do not use significant amounts of hazardous materials. In our extrusion business, we do not use phthalates, cadmium or lead-based stabilisers.

In our recycling operation we monitor the cadmium and lead contamination levels within feedstock, to ensure compliance with governing legislation.

Very small quantities of other hazardous materials are currently used as additives within our product mix, but these are rendered non-bioavailable when encapsulated by the polymer structure. In addition, we have a specific requirement within our new product introduction process to reduce any use of hazardous materials.

Sustainable Products

Innovative low-carbon products

We are committed to minimising the environmental impact of our products throughout their lifecycle. Our use of recycled PVC provides low-embodied carbon products for customers and prevents PVC waste from going to landfill. We also focus on developing thermally efficient products that help our customers minimise heat loss and reduce their energy costs.

Recycling operation

We are proud to be a leading UK-based recycler of PVC windows. Our extensive recycling capacity sits at the heart of our operations, our sustainability strategy, and will be critical to our Net Zero ambitions.

Our recycling operations process post-industrial and post-consumer waste into recycled material, c.60% of which is then used in our own operations to produce our products.

Most of the remaining by-product is scrap metal, which is sold to metal recyclers, with very little sent to landfill.

Recycling operation benefits:

- **Commercial:** Addresses customer demand for sustainable, low-carbon products
- **Economic:** Increases profits when the production cost of recycled compound is lower than the purchase price of virgin PVC compound

- **Carbon savings:** Lower-embodied emissions of recycled material are crucial for Net Zero transition and meeting SBTi targets.

2025 performance:

- 28.1k tonnes of post-consumer waste and 8.4k tonnes of post-industrial waste recycled
- 16.0k tonnes of recycled materials were used in manufacturing our rigid PVC profiles, and 6.8k tonnes used in 100% recycled products or sold to trade extruders
- Recycled PVC represented 30% of total raw material consumption (2024: 32%), with the small reduction reflecting product mix and lower volumes, as well as some unscheduled plant downtime caused by equipment breakdowns.

Our ambition

Our ambition for PVC extrusion is to achieve 36% recycled content by 2030, and this represents an important part of our Net Zero Transition Plan.

Delivery will be dependent on several factors such as:

- **Operational capacity** – increased recycled content will likely require further investment in co-extrusion capacity and tooling
- **Supply of recycled feedstock** – to reach our recycled content target, alongside our sales growth ambitions, will require an increase in feedstock supply at acceptable purchase prices

- **Legislative limitations** – we will need to monitor any future changes in legislation and understand the potential impact on our targets
- **Technological limitations** – it is not currently commercially viable to use large quantities of recycled PVC in foam profile products.

As described above, we will review how the Alunet group of companies fit into our Net Zero transition pathway during 2026.

The percentage of our revenue from low-carbon products this year was 21% (2024: 22%). This represents all products that are co-extruded (contains recycled and virgin PVC content) or 100% recycled. Likewise, 38% of Alunet's revenues in 2025 were from low-carbon products (defined as containing recycled aluminium).

Thermally efficient products

Our window and door products are designed for enhanced thermal efficiency through low-thermal conductivity, measured by U-values. Our mainstream PVC fenestration products meet the proposed Future Homes Standard level of 1.2 W/m²K, with some products reaching as low as 0.8 W/m²K. For Alunet Systems, the Aluna+ window is designed to exceed current building regulations, achieving a U-values as low as 1.3 W/m²K with standard double glazing, and 0.9 W/m²K with triple glazing.



Case Study

End of life

It is our aim to continue to recycle as much PVC as possible, moving where practical towards closed-loop recycling, whereby windows and other PVC profiles are continually recycled into new products. Our PVC profiles can be recycled up to ten times and have a life span of around 100 years. While products manufactured by Alunet Systems are not currently recycled, the aluminium we purchase from our two biggest suppliers is 75% and 53% recycled respectively.

Responsible sourcing

We source raw materials and traded goods from manufacturers worldwide. We have systems and processes in place to maintain ethical and sustainable relationships. These include pre-appointment checks, in-life supplier reviews and contractual provisions for compliance with regulatory standards. The Head of Procurement manages supplier relationships and value chains.

Product quality and safety

Our goal is to provide high-quality products and services that satisfy our customers' requirements. We conduct thorough testing on all products for both quality and product safety reasons. We aim to continuously improve our performance and adhere to ISO 9001 and other quality standards. All our manufacturing sites are accredited to ISO 9001, except for Alunet Systems, where the objective is to undertake the accreditation process in 2026. We also provide training and support to our colleagues, so they are able to play their part in delivering high standards for our customers.

Aluna+ Window: Redefining the future of aluminium



Alunet's new Aluna+ window system offers significant improvements in product sustainability performance and manufacturing efficiency, and also simplifies the window fabrication process for customers. This supports our objective to prioritise delivery of stronger environmental and operational benefits across the product range.

Aluna+ is a versatile aluminium system. It was designed to exceed current building regulations, achieving U-values as low as 1.3 with standard double glazing, and 0.9 with triple glazing. By meeting regulatory requirements without the need for additional foam, Aluna+ offers immediate compliance with minimal complexity. The system also allows up to 20% more natural light through standard double glazing.

Aluna+ has 30% fewer parts, focusing on a simplified modular design with engineered polyamide thermal breaks. This results in reduced stockholding, faster fabrication times and a reduction in manufacturing waste. These improvements support a lower fabrication carbon footprint and make Aluna+ one of the easiest window systems to manufacture in the market.

Ethics and Compliance

Modern slavery

We have zero-tolerance for any form of modern slavery or human trafficking, and are committed to preventing modern slavery and human trafficking in our business activities and supply chains. We support the aims of the UK's Modern Slavery Act and publish our Anti-Slavery and Human Trafficking Statement, which is approved by the Board annually, on our website at: investors.eurocell.co.uk.

We also conduct ongoing reviews of our suppliers to identify any potential risks. In addition, our employee induction process includes mandatory training on our Modern Slavery and Human Trafficking Policy.

Whistleblowing

We are committed to the highest standards of openness, honesty, integrity and accountability. The Group has a Whistleblowing Policy, and we take active steps to raise employees' awareness of our whistleblowing platform. Work is underway across Alunet to embed our Whistleblowing Policy and procedures.

This Policy makes all employees aware that they should report any serious concerns or suspicions about any wrongdoing or malpractice on the part of any colleague of the Group, without fear of criticism, discrimination or reprisal, as well as the procedure for raising such concerns. All whistleblowers are protected under the Public Interest Disclosure Act.

Our independent whistleblowing hotline, which supports confidential and anonymous reporting, is available to all employees, contractors and suppliers, 24/7, 365 days a year. Each case is investigated confidentially by the business with appropriate response measures taken. Whistleblowing cases are reported to the Audit and Risk Committee and ultimately to the Board.

Any reports are assessed by our triage team and also reported to Alison Littlely, Non-executive Director and Board Whistleblowing Champion. In 2025, three reports were raised via the Whistleblowing procedure (2024: four). Each case was found to represent a colleague grievance matter, rather than a whistleblowing event, and no wrongdoing trends were identified.

Anti-bribery and corruption ('ABC')

We are committed to acting fairly and with integrity, and take a zero-tolerance approach to bribery, corruption or any other unethical or illegal business practices. Applying to all employees and suppliers, we explicitly prohibit any form of bribery or corruption, including:

- Money laundering
- Facilitation payments, which are typically unofficial payments made to secure or expedite a routine government action by a government official
- Kickbacks
- Political contributions
- Sponsorships.

In addition, we are committed to minimising any conflicts of interest, whereby an individual's personal interests may compromise their judgement in the workplace, that may arise.

We will take disciplinary and/or legal action as appropriate in all cases of actual or attempted fraud across all operations. We will not obstruct any formal investigations or legal proceedings relating to any incident of corruption at Eurocell.

All staff complete training on our Anti-Bribery Policy as part of their induction, and are subsequently required to complete refresher training each year. In 2025, there were no incidents of employees being disciplined or dismissed due to non-compliance with our Anti-Bribery Policy (2024: nil) across the Group.

The Audit and Risk Committee, ultimately reporting to the Board, is responsible for reviewing the policies and procedures in place to prevent bribery, and for ensuring compliance across the Group. The Committee is satisfied that the Group's procedures with respect to these matters are adequate.

Human rights

Although we have identified human rights as a material topic, we do not consider human rights issues to be a material risk for the Group due to the existing regulatory frameworks in the UK, within which our operations are confined. We do, however, acknowledge there is greater risk in our supply chain, and are, therefore, committed to conducting due diligence across our supply chain, in line with the Modern Slavery Act. Alunet shares a similar risk profile, and plans to extend our human rights due diligence requirements to its largest suppliers in 2026.

Employees and other relevant internal and external stakeholders can report any concerns relating to human rights across Eurocell's direct operations or supply chain through our confidential whistleblowing channel. No violations on human rights have been reported in 2025 across the combined Group, or in the previous three years.

Information systems and technology ('IS&T')

At Eurocell we respect the privacy of colleagues, customers, suppliers and all other parties with which we interact. We seek to minimise the amount of personal data we collect, and to ensure the robust and sufficiently segregated storage of any data that is held.

Information security and cyber threats are increasing risks. Cyber security, therefore, continues to receive considerable management attention, as well as focus from the Audit and Risk Committee and the Board. This is also reflected in the results of our ESG materiality assessment, which placed cyber and data security among the most material issues facing the business.

This year, we have engaged with a third-party expert to undertake an extensive review of our technical cyber capabilities, including simulated attacks. We are pleased to report that no material technical risks were identified for which mitigation (typically in the form of prevention and detection measures) was not already in place. In addition, we continue to operate:

- An extensive programme of mandatory cyber security training to all colleagues, through a series of monthly short videos and quizzes covering a range of security threats and ways to mitigate the risks
- Ongoing strengthening of cyber risk detection tools, including vulnerability analysis penetration testing

- Ongoing strengthening of incident response measures, including managed detection and response ('MDR'), security instant event monitoring ('SIEM'), privileged access management ('PAM') and firewall hardening
- Business continuity plans, making appropriate updates and adjustments as needed.

Prior to the acquisition, Alunet operated with a reasonable level of cybersecurity in place. Following the acquisition, we implemented enhanced controls, including endpoint protection, followed by mandatory cyber training and regular phishing simulations. Alunet is being progressively integrated into Eurocell's IT systems, policies and procedures.

Tax transparency

We recognise the responsibility we have to our stakeholders and communities to set the highest standards of corporate conduct, and paying the right amount of tax is fundamental to this. Across our entire operations, we are committed to compliance with tax law and practice, and are committed to compliance with the spirit as well as the letter of the law.

Our Tax Strategy is reviewed, discussed and approved by the Board annually and our Tax Policy is available at: investors.eurocell.co.uk. The Audit and Risk Committee periodically reviews the Group's tax affairs and risks.

We have held the Fair Tax Mark accreditation since 2019. Fair Tax Mark is an independent certification, which recognises organisations that demonstrate they are paying the right amount of corporation tax in the right place, at the right time.

Section 172 statement

The Board reviews all matters and decisions through the consideration and discussion of reports, which are sent in advance of each of their meetings and through presentations to the Board. When the Directors discharge their duty as set out in section 172 of the Companies Act 2006 ('section 172' or 's.172'), they have regard to the other factors set out on page 70.

The Directors are required to include a statement of how they have had regard to stakeholders and the other factors set out in section 172(1) (a) to (f) when performing their duty. The full s.172(1) statement may be found on pages 70 to 73. On these pages, we have set out examples of how the Directors have had regard to the matters in s172(1) (a) to (f) when discharging their section 172 duty.

Non-financial and sustainability information

In order to consolidate our reporting requirements under sections 414CA and 414CB of the Companies Act 2006 in respect of Non-Financial Reporting, the table on page 85 shows where in this Annual Report and Accounts to find each of the disclosure requirements.



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

We are committed to retaining our status as a leader in sustainability within the fenestration sector.

We recognise that climate change poses significant risks and opportunities to our business and stakeholders. Our TCFD report demonstrates how we incorporate climate-related risks and opportunities into the Group's strategic planning, decision making and risk management processes, aligned to our Net Zero ambition.

With our near-term and Net Zero emissions reduction targets now validated by the SBTi, our efforts this year have focused on incorporating Alunet into our climate-related risk management. This has included initial steps to integrate Alunet into our governance processes, conducting an assessment of physical hazard exposure across the Alunet portfolio, calculating Alunet's emissions footprint, and capturing Alunet's performance into our risk assessment through financial quantification, where possible.

The Board considers that the climate-related risks and opportunities of the business are integrated with the risks and opportunities of the Group, and as such, any climate-related impact on the Group would originate in the operating businesses. The assessment of the impact of climate change on the value of the Group is carried out at least annually, or when a triggering event occurs, and no impairment charge has arisen. The interests of the Group's internal and external stakeholders are also considered as part of this assessment, when appropriate.

The Board has noted the requirement for mandatory climate-related disclosures arising from the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, as well as FCA UK Listing Rule 6.6.6R. On the following page we have set out our climate-related financial disclosures, cross referenced in the table opposite, fully consistent and compliant with all of the 11 TCFD recommendations and recommended disclosures as detailed in 'Recommendations of the Task Force on Climate-related Financial Disclosures', 2017, with additional guidance from 'Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures', 2021.



Detail on the 11 recommended disclosures can be found on the following pages:

Recommendation	Recommended disclosures	Reference
Governance	a) Describe the Board's oversight of climate-related risks and opportunities	Page 37
Disclose the organisation's governance around climate-related risks and opportunities.	b) Describe management's role in assessing and managing climate-related risks and opportunities	Page 38
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Pages 39 to 46
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Pages 39 to 46
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pages 39 to 46
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks	Page 39
Disclose how the organisation identifies, assesses, and manages climate-related risks.	b) Describe the organisation's processes for managing climate-related risks	Page 39
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Page 39
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Pages 39 to 46
Disclose how the organisation identifies, assesses, and manages climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks	Pages 28 to 30
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Page 22

Governance

Board oversight of climate-related risks and opportunities

The Board reviews, and is ultimately accountable for, all ESG matters, including climate-related issues and progress against climate-related targets. Board expertise on climate change and ESG more broadly is provided by Alison Littlely (Non-executive Director), Chair of the Social Values and ESG Committee. This Committee provides oversight of the Group's ESG programme, including climate change, and monitors progress against climate-related targets.

The Committee includes four independent Non-executive Directors, including Alison Littlely (Chair). The Chief Executive, Chief Financial Officer, Chief Operating Officer and our People Director, are also members and it meets at least three times per annum. Relevant senior management are invited to attend Committee meetings as appropriate to the agenda. Alison Littlely updates the Board on the activities of the Committee at Board meetings, which typically follow within one day of the Committee meeting.

The Committee continues to access specialist advice on ESG matters and has received updates from expert sustainability consultants over the course of the year.

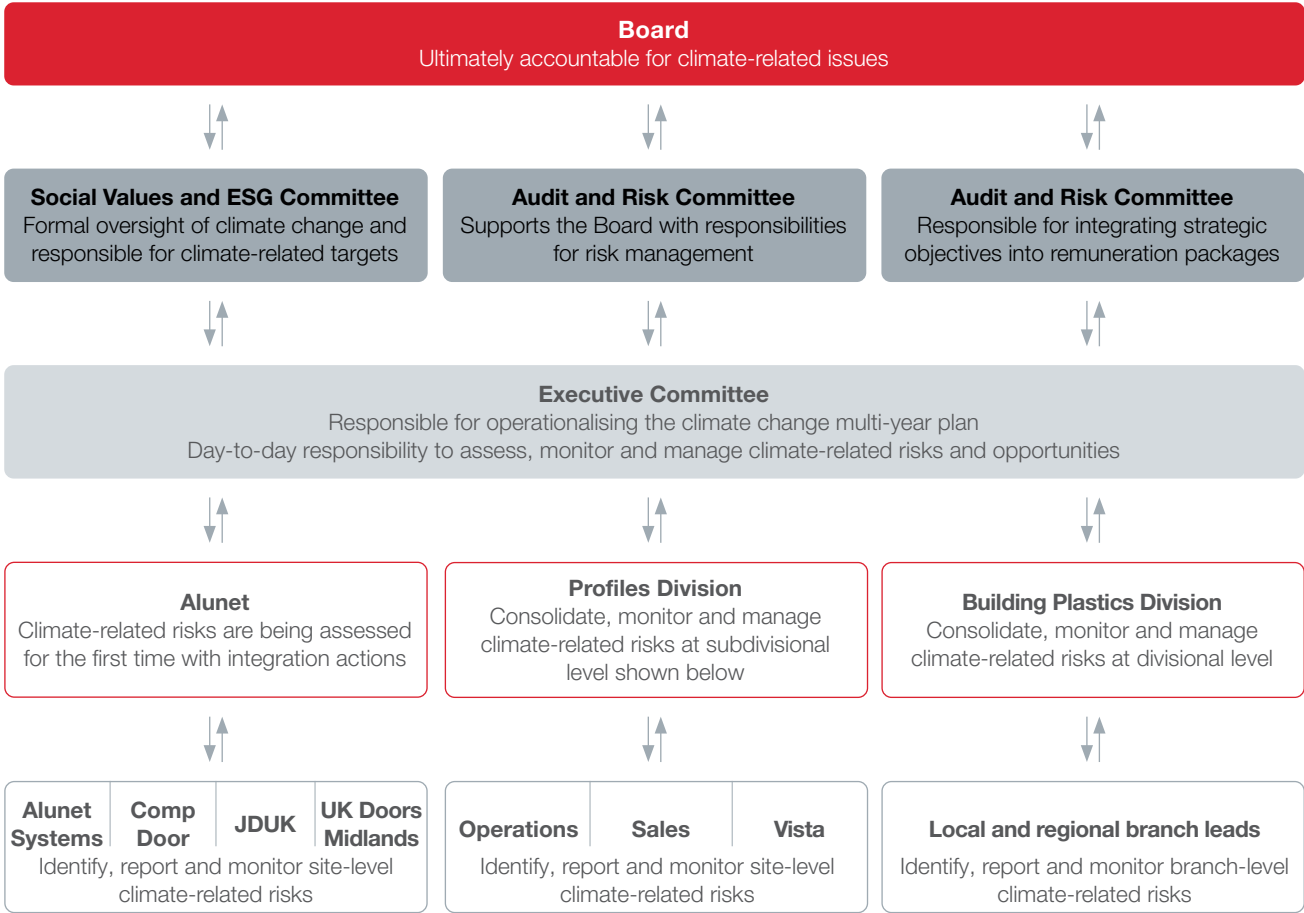
The Committee will continue to oversee and monitor progress towards our Net Zero targets and receive regular updates from Executive Committee members on performance against the key milestones of the Transition Plan. In 2026, we will re-baseline our SBTi targets to capture Alunet's baseline emissions and incorporate Alunet into our Net Zero pathway.

The Executive Committee has day-to-day responsibility for identifying, assessing, monitoring and managing risks. The Committee meets monthly, with risk management included as a standing agenda item to facilitate the discussion and management of any emerging or increasing risks, including climate-related risks (both physical risks at site level, and transitional risks). Our operational and commercial leaders also consider any climate-related risks within their respective business units, through discussions with site managers, and local and regional branch managers.

As previously noted, the Executive Committee consolidates these discussions with a full risk register review every six months, with the results reported to the Audit and Risk Committee.

Following the acquisition in March 2025, we have established governance and oversight procedures for the Alunet group of companies and will continue the process to fully integrate Alunet into our climate-related governance processes in 2026. The Alunet CEO joined the Executive Committee immediately following the acquisition. The managing directors of Alunet's four business units report to Alunet's CEO on a regular basis (at least monthly), although this does not yet formally capture climate-related reporting.

Climate-related governance framework



Risk management
Group risk management process overview

The Board is also responsible for risk management, supported by the Audit and Risk Committee and informed by the Executive Committee. The Board defines risk appetite and monitors the management of significant risks, including climate-related risks and opportunities. Climate-related risks are included in the Group risk register, which is reviewed and subsequently presented to the Audit and Risk Committee by Executive Management biannually. Responsibility for each risk on the Group risk register is allocated to a member of Executive management, with responsibility for sustainability and climate change risk allocated to the Chief Executive.

Processes to identify, assess and monitor climate-related risks

Sustainability and climate change is deemed a principal risk for the Group, and is, therefore, included on the strategic risk register.

Our risk assessment process considers existing and emerging risks and all risk categories outlined in the TCFD recommendations in relation to our operations. Climate-related risk identification is performed both bottom-up, through a detailed assessment at operational site level, as well as top-down, through an assessment of strategic and market risks.

Site-level environmental risks, including climate-related risks, are identified as part of our operational risk assessments. Our Head of Estates and Facilities Management is responsible for identifying and assessing the environmental risks of existing and potential sites. Any risks identified are escalated to the relevant Executive Committee member, who consolidates risks within their own area of responsibility and reports to the monthly Executive Committee meeting.

Identifying and assessing environmental risks at our branch sites is largely via environmental surveys. Our branches are typically leased on individual ten-year lease contracts, with five-year break clauses that can be exercised if a risk becomes unacceptable.

Environmental risks at our operational sites are managed through the local business continuity plans, held by our operational managers for extrusion, warehousing and secondary operations sites respectively. The business continuity plans are tested periodically and updated for changes in circumstances or identified improvements. We have enhanced our site-level assessment of physical climate-related risks using a physical risk analysis software tool, which has provided greater depth to our risk analysis. In 2025, we included Alunet's portfolio of sites into this assessment.

Risk rating process

Climate-related risks are assessed and prioritised in a similar way to all other risks on the Group's strategic risk register. Risks are assessed on a five-point scale for both the probability and impact of the risk occurring, providing an overall risk rating calculated by multiplying the probability by the impact.

The probability ranges from A (Almost Certain) to E (Rare), while we assess the impact on a scale of 1 (Very High) to 5 (Very Low). The impact rating is financial, measured in absolute terms or as a percentage of EBITDA per annum. However, for certain risks, the impact rating may also reflect the impact on the Group's reputation or on the environment, or whether the effect is localised or widespread. The resulting overall risk rating categories are: Negligible, Low, Medium, High or Critical.

Our assessment of climate-related risks and opportunities is considered on a net (mitigated) basis.

Risks on our strategic risk register are generally assessed on a three-year business planning cycle. Recognising the longer time horizon of many climate-related risks, however, the following timescales are applied:

Scale	Criteria
Short term	0–2 years (in line with our strategic planning and risk management horizon)
Medium term	2 years–2034 (aligned to our Interim Net Zero target in 2034)
Long term	2034–2045 (aligned to our Net Zero target, the useful life of our facilities and encompassing long-term policy and industry trends)

Managing and integrating climate into wider risk management

As described above, risk management, including climate change, is a standing agenda item for the monthly meetings of the Executive Committee. This includes consideration of divisional-level risks and the status of ongoing mitigating actions, as well as a review of any emerging or increasing risks. Every six months, each division will conduct a review of its risks with the Group Risk Management team in advance of the Executive Committee's in-depth risk register review.

Alunet's risk register is reviewed at monthly management meetings. Climate-related risks and opportunities have been assessed for the first time in 2025, through carbon footprinting, supplier engagement, and site-level assessments of exposure to physical hazards. However, further work is required in 2026 to fully incorporate Alunet into our climate-related risk management process.

Strategy

Our approach to climate scenario analysis

Physical risks

In 2023, we undertook a substantial analysis of the resilience of our business model and strategy under the guidance of an independent third-party consultant, CEN Group. Exposure to physical risks across Eurocell’s operational sites and a selection of branch network sites were analysed using four scenarios from the Intergovernmental Panel on Climate Change (‘IPCC’) embedded in the geospatial modelling software used:

- **RCP 2.6:** a climate-positive pathway, likely to keep global temperature rise below 2°C by 2100. CO₂ emissions start declining by 2020 and get to zero by 2100
- **RCP 4.5:** an intermediate and probable baseline scenario more likely than not to result in global temperature rise between 2°C and 3°C by 2100 with a mean sea level rise 35% higher than that of RCP 2.6. Many plant and animal species will be unable to adapt to the effects of RCP 4.5 and higher RCPs. Emissions peak around 2040, then decline
- **RCP 7.0:** a baseline outcome rather than a mitigation target and represents the medium-to-high end of the range of future emissions and warming resulting from no additional climate policy

- **RCP 8.5:** a bad case scenario where global temperatures rise between 4.1–4.8°C by 2100. This scenario is included for its extreme impacts on physical climate risks as the global response to mitigating climate change is limited.

In 2025, a similar analysis was conducted for Alunet’s portfolio of sites.

Transition risks and opportunities

For the transition risks and opportunities, we have used the following climate-related scenarios from the International Energy Agency, which are far more descriptive and useful for modelling more positive climate outcomes. The scenarios have been considered at a high-level, whereby transition risks are generally greater (more likely and with greater impacts) in the lower-carbon scenario compared to the higher-carbon scenario.

- **Net Zero 2050 (‘NZE’):** an ambitious scenario that translates the 1.5°C goal of the Paris Climate Agreement into a global pathway for the energy sector. The NZE scenario sees temperatures rise by around 1.65°C above pre-industrial levels before falling back to 1.5°C by 2100. This meets the TCFD requirement of using a ‘below 2°C’ scenario and is included as it informs the decarbonisation pathways used by the SBTi, which validates corporate Net Zero targets and ambition

- **Stated Policies Scenario (‘STEPS’):**

a scenario which represents the roll forward of already announced policy measures. This scenario outlines a combination of physical and transitions risk impacts as warming exceeds 2°C by around 2060 and reaches 2.5°C by 2100. This scenario is included as it represents a base case pathway with a trajectory implied by today’s policy settings.

Climate-related risks and opportunities

Seven climate-related risks and five climate-related opportunities, that could have a material impact on the Group, have been identified, which are discussed below on a net (mitigated) basis.

Following third-party and internal analyses of these climate-related risks and opportunities, our current view is that significant financial planning or budgetary change as a result of climate change is not likely to be required.

Key risks

Six transitional, and one physical climate-related risks, have been identified.

Operational exposure to carbon pricing mechanisms	TCFD Category: Transition (Policy and Legal)
<p><i>Own operations</i></p> <p><i>Higher costs associated with energy</i></p> <p><i>Short-term</i></p> <p><i>Impact: 4 (Low)</i></p> <p><i>Likelihood: A (Almost certain)</i></p> <p><i>Net Risk Rating: Medium risk</i></p> <p><i>Scenario: NZE</i></p> <p><i>Metrics: Scope 1 and 2 emissions</i></p>	<p>Risk</p> <p>Increased operational costs as a result of exposure to carbon pricing mechanisms.</p> <p>Description</p> <p>The implementation of operational carbon pricing is one of the levers used by regulators to achieve decarbonisation of energy and industrial production, either through higher energy costs or direct carbon taxes applied to our gas and electricity used (Scope 1 and 2 emissions). We forecast this impact to be greatest in the short term, and to decrease over the medium and long term assuming we achieve emissions reduction in line with our Net Zero ambitions. Forecast prices are greater in the NZE Scenario. The Company has not determined an internal carbon price.</p> <p>Mitigation</p> <p>The impact of the risk is expected to be moderated through our efforts to reduce Scope 1 and 2 emissions, with the key actions identified and included in our Net Zero Transition Plan. In 2026, we will be re-baselining our SBTi targets and updating our Net Zero Transition Plan to capture Alunet.</p>

Carbon pricing in the value chain**TCFD Category: Transition (Policy and Legal)***Upstream**Increased cost of purchased goods and inbound transportation**Short-term**Impact: 3 (Medium)**Likelihood: A (Almost certain)**Net Risk Rating: High risk**Scenario: NZE**Metrics: Scope 3 emissions (Category 1)***Risk**

Increased costs throughout the supply chain due to carbon pricing pressure.

Description

Our ability to continue to reduce emissions in line with our 2045 Net Zero target will be influenced by some factors beyond our control, such as the decarbonisation of electricity grids, increased costs of raw materials as suppliers work to meet decarbonisation targets, and the development of zero emissions transportation. Investment in lower-carbon processing, equipment and facilities impacts the cost of raw materials. The development of a low-embodied carbon alternative to virgin PVC resin at a commercial price is the most significant of these supply chain risks for Eurocell, which could lead to increased costs. The fossil fuel industry is exposed to global regulatory and policy decisions in the drive to reduce emissions, and these changing policies may also impact the reliability of our supply chain and the price of our key raw materials.

The EU's Carbon Border Adjustment Mechanism ('CBAM') has entered the definitive phase in 2026, and the UK is planning to introduce similar legislation in 2027. With aluminium as a primary raw material, Alunet may be the first entity of the Group to face higher costs as a result of carbon price legislation.

Mitigation

We engage with key suppliers to understand their own plans to reduce emissions and improve the sustainability of their products. We closely monitor the development, availability, pricing, quality and carbon footprint of new products that produce PVC from alternatives to fossil fuels, such as bio-based raw materials. Alunet is engaging with suppliers to identify and limit CBAM pricing impacts in the short term.

Failure to achieve our recycling targets**TCFD Category: Transition (Market, Reputation)***Own operations and Upstream**Higher costs, lower revenue**Medium and long-term**Impact: 1 (Very high)**Likelihood: C (Possible)**Net Risk Rating: Critical risk**Scenario: STEPs**Metrics: Scope 3 emissions; % of recycled PVC used in production***Risk**

Failure to reduce carbon emissions through inability to increase the proportion of recycled PVC used in production.

Description

Increasing the proportion of recycled PVC in our products is important to our Net Zero transition. Our medium-term target for PVC extrusion is to increase this to 36% by 2030 to reduce upstream Scope 3 emissions. The biggest risks to achieving our target are the availability of sufficient feedstock at acceptable prices, and having sufficient operational (recycling) capacity to process these quantities. These risks increase in the medium and long term, as we need to source sufficient feedstock to achieve our targets and match our planned growth, and investment to increase operating (recycling) capacity is likely to be required. We also require building standards and regulations to continue to support the use of recycled PVC. Likewise, Alunet purchases aluminium profiles containing recycled aluminium from some of its largest suppliers. In 2026, we will consider how to embed Alunet into our targets and Net Zero transition pathway more broadly.

Mitigation

To source sufficient material for recycling, we will engage with existing and potential new suppliers, housing associations and fabricators to maintain and increase our supply of waste PVC, using longer-term contracts with larger suppliers where possible. We will continue to invest in research and development, and tooling to increase the yield in our recycling plants, and have site consolidation plans commencing in 2026 to help reduce periods of operational downtime and lower costs. We will consider further investment in recycling capacity as markets evolve. We will also engage with governmental and industry bodies to help shape product and building standards to support increased use of recycled PVC in our products.

Cost of capital and investor interest linked to sustainability criteria

TCFD Category: Transition (Market, Reputation)

Own operations
Higher cost of capital
Medium-term
Impact: 5 (Very low)
Likelihood: B (Likely)
Net Risk Rating: Low risk
Scenario: NZE
Metrics: Scope 1, 2 and 3 emissions; UK interest rates

Risk

Increased cost of capital and/or decreased access to funding through failure to meet performance and disclosure requirements.

Description

Investor and lender expectations in relation to sustainability performance and disclosure can create risks for the availability and cost of capital. With our £75 million revolving credit facility now refinanced and extending out to 2030, our funding risk is minimal in the short term. However, over the long term, investors and banks may be more stringent and withdraw funding or apply punitive charges if ongoing targets on emission reduction are not aligned to regulations or their own Net Zero targets.

Mitigation

We remain in continued dialogue with lenders, rating agencies, investors and sustainability experts to ensure our climate change disclosure is in line with regulatory requirements. Completing a materiality assessment and incorporating the views of investors and banks, has ensured we are focused on priority ESG topics, with action plans to reduce emissions built into our Net Zero Transition Plan, including associated targets and KPIs.

Customer and consumer pressure

TCFD Category: Transition (Market, Reputation)

Downstream
Lost revenue
Medium-term
Impact: 3 (Medium)
Likelihood: B (Likely)
Net Risk Rating: High risk
Scenario: NZE
Metrics: Scope 3 emissions; thermal efficiency of products (U-value)

Risk

Loss of customers and revenue through failure to meet customer standards and consumer preferences.

Description

Large housebuilders generally prefer suppliers who are at the forefront of embodied carbon reduction and who supply products, which reduce energy use. If we do not continually improve our performance in this area, including meeting the relevant disclosure or regulatory requirements as they develop (e.g. disclosure of embodied carbon in the products we supply), we could, over time, lose customers and market share. In addition, consumer awareness of their own carbon footprint is continuing to increase and a growing desire for sustainable living is resulting in changes to demand patterns, with a preference for lower-embedded carbon products. There is a medium-term risk that some product lines will no longer be of interest to customers aligning with Net Zero.

Mitigation

We engage with customers to ensure new products are designed to meet their changing requirements, and that our targets are aligned with theirs, and meet internal and external environmental requirements. We focus on energy efficient products and improved insulation to enable housebuilders to achieve desired EPC ratings on their new builds and meet the technical specifications they require for zero carbon homes. Our full carbon footprint analysis, including Scope 3 emissions, will enable us to calculate the embodied carbon in our profile if required.

Existing and emerging government standards and regulation**TCFD Category: Transition (Policy and Legal)***Own operations**Higher costs/disruption of production**Medium-term**Impact: 4 (Low)**Likelihood: B (Likely)**Net Risk Rating: Medium risk**Scenario: NZE**Metrics: R&D expenditure to meet regulatory standards***Risk**

Increased costs of production and associated R&D to ensure products meet increasing government standards. Possible disruption to production as standards are implemented.

Description

The Group may be adversely affected by changes in government and other regulations relating to the manufacture and use of materials and resources; particularly energy use in homes and carbon commitments, as well as the use of plastics and polymers in our manufacturing process. The Future Homes Standard ('FHS'), which is due to be published in 2026, requires a 75–80% reduction in carbon emissions from new homes. These specifications will need to be met when constructing, extending or renovating UK homes, and large housebuilders aiming to achieve 'zero-carbon homes' will likely focus on using products that help customers save energy. If products do not align to these new standards, we could lose market share and suffer reputational damage.

Mitigation

We engage and consult regularly with regulators and participate in the Future Homes Hub to support the Future Homes Delivery Plan – a sector-wide plan to embed key environmental issues into housebuilding. We have established an R&D programme and several of our products already meet the proposed FHS regulations. We also engage with customers and suppliers to support meeting future regulations. We are developing thermally efficient products to help our customers minimise heat loss, such as the Modus triple glazed widow and Alunet's Aluna+ window.

Flood risk**TCFD Category: Physical (Chronic)***Own operations**Higher costs/disruption of production**Short, medium and long-term**Impact: 5 (Very low)**Likelihood: C (Possible)**Net Risk Rating: Negligible risk**Scenario: RCP 8.5**Metrics: Number of flooding incidents; costs of flood incidents***Risk**

Cost of damages, lost revenue (loss of sales and disruption to operations), and increased insurance premiums resulting from increasing flood events across operational and branch sites.

Description

Changing weather patterns and an increase in the number and severity of extreme weather events have caused issues relating to flooding across the United Kingdom. Geospatial modelling software was used to assess physical climate risk across all Eurocell and Alunet operational sites, and a cross section of branches. Of the sites assessed, no material flood risks were identified. Given the current flooding issues in the UK, we consider flood risk to be the most significant (though low) physical risk to the Group and to increase in higher temperature scenarios.

Mitigation

All divisions have business continuity and recovery plans, which monitor risks to staff and premises from metrological events. Additionally, all sites have flood damage insurance cover with limits that reflect the magnitude of risk. The diversified locations, as well as flood risk assessment prior to lease contracts being signed, mean it is unlikely that several sites would flood at any given time, and hence the financial impact would be minimal.

Key opportunities

Five opportunities have been identified that could have an impact on our business, either through enhanced revenues or decreased costs and emissions.

Increased recycling, process innovation and material efficiency

TCFD Category: Resource Efficiency

Own operations/downstream

Decreased costs

Long-term

Impact: 3 (Medium)

Likelihood: D (Unlikely)

Net Rating: Medium opportunity

Scenario: NZE

Metrics: Scope 3 emissions; revenues from energy-efficient products

Opportunity

Cost and emissions reductions through increased recycling, use of lower-carbon raw materials, and production and material efficiency.

Description

The use of recycled PVC pellets typically has an embodied carbon footprint c.50% lower than virgin PVC pellets. The cost of producing recycled material is typically (but not always) lower than the purchase cost of virgin material, and substantially lower than the cost of alternative resins that will otherwise be required to meet our Net Zero ambitions. Therefore, products manufactured through efficient processes with increased recycled material content can lower our cost of production and reduce carbon emissions, and are an important part of our transition to Net Zero. This opportunity is expected to be greater in the NZE scenario as the policy focuses on initiatives to reduce carbon emissions is higher.

Strategy to realise opportunity

We have targets to increase the proportion of recycled material in our products. In 2025, we have also continued to use a lower-embodied carbon PVC resin (37% below the EU average) in our Modus profile. The replacement cycle for our extrusion plant allows us to progressively capture production efficiency gains through use of the latest technology. We will continue to invest to improve the efficiency of our existing extrusion and recycling plants and increase their production yield. This includes site consolidation plans, which should lower cost and reduce periods of operational downtime.

Product design – resource and thermal efficient products

TCFD Category: Product and Services, Market

Own operations/downstream

Increased sales

Medium and long-term

Impact: 1 (Very high)

Likelihood: B (Likely)

Net Rating: Critical opportunity

Scenario: NZE

Metrics: Scope 3 emissions; revenues from energy-efficient products

Opportunity

A growing market for thermally efficient products leading to increased revenue.

Description

Products, which are thermally efficient, will reduce consumer energy use, as well as help housebuilders achieve zero-carbon homes and meet the FHS. Consumer awareness of home improvement as a means of reducing heating bills is driving some demand for earlier replacement of old windows and other products such as conservatory roofs. Innovative product design is key to continued revenue growth and also helps to maintain competitive positioning. We focus on improving airtightness, insulation and energy efficiency, and expect the demand for these products to increase with the adoption of the FHS.

Strategy to realise opportunity

We allocate a proportion of R&D and marketing spend to low-carbon products and collaborate with key customers to develop best-in-class, resource and thermally efficient products. We have a dedicated technical centre focused on product enhancement and development of innovative new products is an important objective. For example, the Modus triple glazed window significantly reduces heat loss in houses due to its superior insulation properties. It also includes more than 50% recycled PVC. In addition, our new flat rooflight (Luma) and Alunet's Aluna+ range have strong thermal insulation characteristics. We expect products such as these to grow as consumers and housebuilders focus on reducing their carbon footprint.

Water and waste savings

TCFD Category: Resource Efficiency

*Own operations**Decreased costs**Medium-term**Rating: Low opportunity**Metrics: Water and waste costs per annum; Scope 1 and 2 emissions***Opportunity**

Operational cost savings through water and waste reduction.

Water savings**Description**

There are opportunities to reduce water usage across the Group. Our main use of water is in the extrusion cooling process and in washing of scrap PVC to remove impurities before recycling.

Strategy to realise opportunity

Various initiatives are underway aimed at re-using factory water, including improvements to our closed loop recycling system, where the water is filtered, purified, and neutralised to maintain its quality.

This system significantly reduces the environmental impact of extrusion processes, by conserving water resources and reducing levels of contaminated water released into the environment. It also minimises consumption and disposal costs.

Waste savings**Description**

We aim to reduce and recycle general waste products and packaging wherever possible. Packaging accounts for c.5% of waste generated by Eurocell and there is potential to reduce it. There is also an opportunity to improve the processing of by-products from our recycling process (metal, rubber, wood) to enable greater recycling. We have a target to increase waste recycled by 2% per annum from our 2020 baseline (resulting in 88% by 2025), and 1% per annum thereafter (resulting in 93% by 2030). In 2025, 66% of our waste was recycled (2024: 69%). We have also committed to a maximum of 1% of waste to landfill 2030.

Strategy to realise opportunity

We have a waste management improvement plan. At third-party sites, which act as a collection and delivery hub for post-consumer waste windows, we are implementing processes that allow for cleaner waste streams. We will continue to develop partnerships with waste services providers, to optimise end-to-end material recovery. We aim to reduce the environmental impact of our packaging through lowering the amount of packaging used, including thinner materials, using packaging with more recycled content and eliminating packaging made from single-use plastics.

Decreasing the amount of energy used and increasing the amount of renewable energy used

TCFD Category: Energy Source

Own operations
Reducing emissions
Medium-term
Impact: 5 (Very low)
Likelihood: A (Almost certain)
Net Rating: Low opportunity
Scenario: NZE
Metrics: Energy consumption; Scope 1 and 2 emissions

Opportunity
 Operational cost savings through reduced energy consumption and reduced emissions through using more renewable energy.

Decreasing the amount of energy used

Description
 The Group’s near-term decarbonisation profile includes opportunities for energy efficiency and electricity savings, which are further outlined in our Net Zero Transition Plan, and largely include transition to electric alternatives where possible (such as in our fleet and warehouse handling equipment), plus upgrading to newer, more energy efficient technologies, such as heat pumps for heating and cooling purposes.

Strategy to realise opportunity

We continue to target operational efficiencies, including reducing idle time and optimising temperatures on extrusion lines and chillers. We have also reviewed the usage of compressed air and smart energy metering, leading to actionable outcomes to reduce electricity usage. In addition, we are researching potential methods to reduce the energy-intensive foiling process. Alunet is installing LED lights at several facilities.

Increasing the amount of renewable energy used

Description
 There is also an opportunity to further reduce emissions by transitioning to renewable energy contracts and reduce reliance on the grid through in-house renewable generation.

Strategy to realise opportunity

In 2025, 95% of the Group’s electricity was purchased on renewable contracts and we aim to increase that further in the years ahead. In 2025, we completed solar panel installations at our Head Office and Distribution Centre, which yielded nearly 200,000 kWh of electricity. This is in addition to a further 1,000,000 kWh of electricity generated in 2025 by solar panels that were installed at our main extrusion facility in 2024. Alunet is also currently exploring potential investments in solar power generation.

Transportation

TCFD Category: Resource Efficiency

Own operations/upstream/downstream
Decreased costs
Long-term
Impact: 4 (Low)
Likelihood: A (Almost certain)
Net Rating: Medium opportunity
Scenario: NZE
Metrics: Scope 1 and 3 emissions (Upstream and Downstream Transportation and Distribution)

Opportunity
 Cost savings, decreased carbon emissions and decreased exposure to carbon prices through decarbonisation of fleet vehicles.

Description

Decarbonisation of our third-party distribution fleet and company vehicles is a significant opportunity to reduce emissions. This may require additional investment over the medium term to transition and upgrade vehicles. Additionally, further technological development is required for zero emissions heavy goods vehicles to become viable e.g. either via electric vehicles or the potential use of hydrogen or other biofuels (‘HVO’) as an alternative fuel source.

Strategy to realise opportunity

Company vehicles

We are continuing to upgrade our warehouse material handling plant with electric alternatives, as existing plant lease agreements expire. In addition, we are installing telematic systems in our Branch Network vehicles to improve the efficiency of route planning and load maximisation. We will continue to explore options to progressively convert other company vehicles to electric and increase EV charging infrastructure at branches.

Third-party distribution

We will work with our third-party logistic supplier to use software to improve route efficiency. We will also engage with them to better understand the potential for decarbonisation of our commercial distribution fleet, including a switch to HVO fuels. While this would further reduce our Scope 3 upstream and downstream transportation and distribution emissions, the bulk of this reduction would likely only take place in the medium term.

Metrics and targets

Climate-related metrics

We report our full carbon footprint covering Scope 1, 2 and 3 greenhouse gas emissions, and in 2025 have focused on establishing Alunet's full emissions footprint and incorporating the acquisition into our carbon inventory. However, this work is based on a number of management estimates, which could lead to variation in the coming years as we continue to refine our methodology.

Against each climate-related risk and opportunity, we monitor specific KPIs to track our exposure and monitor the progress of our mitigating actions. These largely include our emissions footprint, energy consumption and related intensity metrics, and are noted next to each risk and opportunity in the previous tables. We additionally monitor environmental metrics including recycled materials used in production and emissions saved as a result, renewable energy use and waste generation, which are reported on page 22.

Climate-related targets

We are committed to being a responsible business and working to minimise our impact on climate change and, as set out in the Sustainability Report on pages 20 to 35, in 2025 we continued working towards reducing our Scope 1, 2 and 3 greenhouse gas emissions.

Our ambition to reach Net Zero greenhouse gas emissions across the value chain by 2045 is now validated by the SBTi. We also have a validated interim target in 2034, by which time we need to reduce Scope 1 and 2 emissions by 67% and Scope 3 emissions by 35%, both from a 2022 base year. Our Net Zero Transition Plan outlines how the targets can be met, and the critical factors we are dependent on to achieve this, including the availability of commercially viable low-carbon alternatives to virgin PVC resin and supplier decarbonisation.

In 2026, we will re-baseline our SBTi targets to incorporate Alunet's emissions footprint, and update our Net Zero Transition Plan with the emissions reduction actions necessary to incorporate Alunet into our Net Zero pathway.

Our emissions and energy reduction targets have been adopted as the most relevant to our climate-related risks, particularly relating to carbon pricing risks, and in order to directly manage our contribution to mitigating global climate change. Progress against these targets will be monitored and reviewed by the Board through the governance structures described earlier in this TCFD Report.



Chief Financial Officer's Review

The weakening trends experienced at the start of the year in the RMI market continued throughout 2025.

Against this backdrop, we delivered a resilient financial performance for the year.

	2025 £m	2024 £m
Underlying measures		
Revenue	403.5	357.9
Gross profit	205.3	188.3
Gross margin (%)	50.9%	52.6%
Overheads	(153.8)	(140.2)
Adjusted¹ EBITDA	51.5	48.1
Depreciation and amortisation	(27.4)	(25.3)
Adjusted¹ operating profit	24.1	22.8
Finance costs	(5.1)	(2.8)
Adjusted¹ profit before tax	19.0	20.0
Taxation	(4.2)	(4.6)
Adjusted¹ profit after tax	14.8	15.4
Adjusted¹ basic earnings per share (pence)	14.6	14.4
Reported measures		
Non-underlying items	(6.8)	(6.2)
Tax on non-underlying items	1.6	1.3
Reported operating profit	17.3	16.6
Reported profit before tax	12.2	13.8
Reported profit after tax and profit for the year	9.6	10.5
Reported basic earnings per share (pence)	9.5	9.8

¹ See Alternative Performance Measures.



We continue to focus on efficient working capital management and delivered solid cash flow generation for the year.”

Michael Scott
Chief Financial Officer

Whilst organic sales volumes were below 2024, we have proactively managed our gross margin and cost base to offset significant cost inflation and support investment in our strategy. As a result, organic sales and gross margin for the year were both level with 2024 and we reported only a small increase in organic operating costs, despite significant inflationary pressure. Alunet has performed well since the acquisition in March 2025, and is the key driver of the Group's overall sales and adjusted operating profit increases for the year.

We continue to focus on efficient working capital management and delivered robust cash flow generation for the year. We retain a strong balance sheet with good headroom on our debt facility, which was refinanced in March 2026.

We are committed to driving shareholder returns through a combination of ordinary dividends and share buybacks, subject to maintaining a strong financial position. Total returns announced for 2025 are £11.4 million, equivalent to a yield of c.8%.

Since we launched our strategy at the beginning of 2024, our markets have been weaker than anticipated. However, with a strong contribution from Alunet, we are confident that our targets remain achievable, although the timing and pace of market recovery will be a factor in determining when we achieve our goals.

Revenue

Revenue for 2025 was £403.5 million, 13% above 2024 (£357.9 million), or flat excluding Alunet, with organic volumes down 2%. In the period from the acquisition at the beginning of March to 31 December 2025, Alunet added sales of £46.7 million to the Group. In the organic business, lower underlying volumes were partially offset by selling price increases and further progress with our strategic initiatives.

See Divisional Performance for further information on revenues.

Gross margin

Gross margin was 50.9% in 2025, or 52.6% excluding Alunet (2024: 52.6%). In the organic business, we implemented selling price increases to recover cost inflation, although competition for limited demand continues to drive pressure on selling prices in the Branch Network. However, we continued to proactively manage our gross margin and secured stable input cost prices, including PVC resin, recycling feedstock and electricity.

Distribution costs and administrative expenses (overheads)

Underlying overheads for 2025 were £153.8 million, up 10% on 2024 (£140.2 million), or up 1% excluding Alunet, demonstrating effective cost control. We have continued to experience cost inflation, particularly for labour, which includes the increases to employers' National Insurance and the National Living Wage from April 2025. Overheads also include targeted investment to maintain momentum in our strategic initiatives, including the new branch opening programme.

These increases were partially offset by the previously announced cost savings, including the Branch Network restructuring completed in April 2025.

Alternative performance measures

Alternative performance measures are used alongside statutory measures to facilitate a better understanding of financial performance and comparison with prior periods, and in order to provide audited financial information, against which the Group's bank covenants, which are all measured on a pre-IFRS 16 basis, can be assessed. Adjusted EBITDA, adjusted operating profit and adjusted profit before tax all exclude non-underlying items.

Adjusted profit after tax and adjusted earnings per share exclude non-underlying items and the related tax effect. Pre-IFRS 16 EBITDA is stated inclusive of operating lease rentals under IAS 17 Leases. Pre-IFRS 16 net debt is defined as total borrowings, deferred consideration and lease liabilities less cash and cash equivalents, excluding the impact of IFRS 16 Leases.

We classify some material items of income and expense as non-underlying when the nature of the circumstances merit separate presentation. Alongside statutory measures, this facilitates a better understanding of financial performance and comparison with prior periods.

Non-underlying items

Non-underlying items for 2025 of £6.8 million comprise: strategic IT expenses of £4.2 million, including cloud computing and internal resourcing costs, which are expensed as incurred rather than capitalised as intangible assets; restructuring costs of £1.8 million, being redundancy payments and related employee benefit termination costs in connection with restructuring completed in the year; plus Alunet acquisition and certain other costs of £0.8 million.

Non-underlying items of £6.2 million in 2024 include £2.2 million of strategic IT project costs, a £3.2 million non-cash right-of-use asset impairment charge plus £0.8 million of Alunet acquisition costs.

Our strategic IT projects comprise a new customer-facing website and an employee management system (both completed in 2024) and, most significantly, the replacement of our Enterprise Resource Planning ('ERP') system. Total expected non-underlying costs for the system replacement are in the region of £13 million over the 2024–27 period, with transition to the new systems expected at the end of 2026.

Divisional performance – Profiles

	2025 £m	2024 £m	Change %
Third-party revenue	146.7	146.1	1%
Inter-segmental revenue	61.5	63.7	(3)%
Total revenue	208.2	209.8	(1)%
Adjusted¹ operating profit	17.4	19.4	(10)%
Operating profit	14.0	14.6	(4)%

¹ Adjusted performance measures are stated before non-underlying items.

Profiles third-party revenue for the year was £146.7 million, 1% higher than 2024 with volume down 2%, reflecting reduced RMI activity through our trade fabricators, partially offset by some modest improvement in the new build housing market. Cost-of-living pressures, high interest rates and falling house prices have all had a significant adverse effect on our end markets.

Profiles adjusted operating profit for 2025 of £17.4 million was 10% below 2024, reflecting lower sales volumes plus labour and other cost inflation, with stable raw material and electricity costs.

Reported operating profit is stated after non-underlying costs of £3.4 million in 2025, comprised of strategic IT projects and restructuring costs. Non-underlying costs of £4.8 million in 2024 included strategic IT projects, a non-cash right-of-use asset impairment charge and acquisition expenses.

Chief Financial Officer's Review continued

Divisional performance – Branch network

	2025 £m	2024 £m	Change %
Third-party revenue	210.1	211.8	(1)%
Inter-segmental revenue	0.4	0.5	(20)%
Total revenue	210.5	212.3	(1)%
Adjusted¹ operating profit	3.4	6.5	(48)%
Operating profit	0.4	5.1	(92)%

¹ Adjusted performance measures are stated before non-underlying items.

Third-party revenues in the Branch Network for 2025 were £210.1 million, 1% lower than 2024, with volume down 2%. This comprises general RMI volumes in the Branch Network down 6%, with homeowners holding back on discretionary expenditure against a backdrop of macroeconomic uncertainty, offset by the benefits of progress with our strategic initiatives, including window and door sales up 12%, garden rooms up 9% and e-commerce activity up 40%. New branches added sales of £3.3 million in 2025.

Branch Network adjusted operating profit for 2025 was £3.4 million, 48% below 2024, reflecting competitive pressure on selling prices in the branches and higher overheads, which include labour and other cost inflation.

Branch Network overheads also include investment to maintain momentum in our strategic initiatives, including the new branch opening programme, which creates a short-term operating profit drag (c.£1.1 million in 2025), but drives longer-term profit growth. Investment in strategic initiatives also includes marketing (pay-per-click), and central order processing capability for windows and doors, and we expect to leverage this investment and improve margins as volumes grow.

The reported operating profit is stated after non-underlying costs of £3.0 million in 2025, comprised of strategic IT projects and restructuring costs. Non-underlying costs of £1.4 million in 2024 related to strategic IT projects.

Divisional performance – Alunet

	2025 £m	2024 £m	Change %
Third-party revenue	46.7	–	n/a
Inter-segmental revenue	–	–	n/a
Total revenue	46.7	–	n/a
Adjusted¹ operating profit	4.8	–	n/a
Operating profit	4.8	–	n/a

¹ Adjusted performance measures are stated before non-underlying items.

In March 2025, we announced the acquisition of Alunet in a deal that valued the business at £29 million, based on a multiple of 6.5x Alunet's EBITDA for the year ended 31 December 2024. Initial consideration paid of £22 million was on a debt/cash-free basis, and future payments over the next four years could rise to £13 million, contingent upon performance against agreed EBITDA targets. The maximum future payments, if achieved, would result in a total consideration of £35 million, representing a multiple of c.4x Alunet's projected EBITDA for the year ended 31 December 2028.

Approximately £1 million of the initial payment was in the form of ordinary shares in Eurocell plc and satisfied out of shares held in treasury, with the remainder payable in cash, funded from the Group's existing £75 million revolving credit facility.

In the period from the acquisition at the beginning of March to 31 December 2025, Alunet external sales were £46.7 million. This represents growth of 28% compared to the corresponding period in 2024, driven by market share gains, particularly in Alunet Systems and Comp Door, which together represent c.75% of Alunet's sales.

Since the acquisition, Alunet Systems has benefited from group synergies and secured new business with 14 Eurocell fabricators, as well as successfully launched the Aluna+ aluminium window system, which complements the new Eurocell Iconiq aluminium roof lantern. Comp Door has continued to acquire new installers, with the new Sleekskin door now representing more than 15% of sales and we expect the business to benefit from cross-selling opportunities and supply chain synergies with Vista.

Alunet post-acquisition adjusted operating profit for 2025 was £4.8 million, which is up £1.8 million on 2024. More information on Alunet, including its business units, is included in Our Strategy on pages 18 and 19. The Corporate segment operating profit includes a further underlying charge of £0.4 million relating to the Alunet acquisition, comprising amortisation of acquired intangible assets and the unwind of discounting of future contingent consideration, and a non-underlying charge of £0.4 million relating to acquisition expenses.

Non-underlying costs incurred on the project up to 31 December 2025 are £6.4 million (comprised of the 2024 and 2025 costs described previously).

Operating profit

Adjusted operating profit for 2025 was £24.1 million, up 6% on 2024. This reflects a strong contribution from Alunet and effective cost control, partially offset by lower organic volumes, competitive pressure on selling prices in the branches, labour cost inflation and targeted investment to maintain momentum in our strategic initiatives.

Finance costs and taxation

Finance costs for 2025 were £5.1 million, which includes incremental interest of approximately £1.0 million arising on higher debt following the Alunet acquisition. Finance costs in 2024 were £2.8 million.

The underlying tax charge for 2025 was £4.2 million (2024: £4.6 million). The total tax charge for 2025 was £2.6 million (2024: £3.3 million). The effective tax rate on underlying profit before tax for 2025 of 22% is lower than the standard rate of corporation tax of 25% due to Patent Box relief and the impact of share options exercised during the year.

We were pleased to retain the Fair Tax Mark accreditation in 2025, reflecting our commitment to paying the right amount of tax at the right time.

Profit before tax and earnings per share

Adjusted profit before tax for the year was £19.0 million compared to £20.0 million in 2024, reflecting the increase in adjusted operating profit described above, offset by increased finance costs following the Alunet acquisition.

Reported profit before tax in 2025 was £12.2 million (2024: £13.8 million), reflecting the above less £6.8 million of non-underlying costs (2024: £6.2 million).

Adjusted basic earnings per share were 14.6 pence and diluted earnings per share for the year were 14.5 pence (2024: 14.4 pence and 14.3 pence respectively). Total basic earnings per share were 9.5 pence and total diluted earnings per share were 9.4 pence (2024: 9.8 pence and 9.7 pence respectively).

Dividends and share buybacks

The Board is committed to driving shareholder returns through a combination of ordinary dividends and supplementary distributions (currently via share buybacks).

The £5 million share buyback announced in March 2025 is now complete.

Our intention remains to continue share buybacks, assuming no prolonged impact from the situation in the Middle East and subject to maintaining a strong financial position.

We paid an interim dividend in October 2025 of 2.3 pence per share, up 5% on the prior year (2024: 2.2 pence per share).

The Board proposes a final dividend of 4.1 pence per share (2024: 3.9 pence per share), which results in total dividends for the year of 6.4 pence per share (2024: 6.1 pence per share), up 5% and totalling £6.4 million (2024: £6.2 million). Total returns announced for 2025 are, therefore, £11.4 million, equivalent to a yield of c.8%. This follows total returns for 2024 of £21.2 million (including a buyback of £15 million), equivalent to a yield of c.14%.

The dividend will be paid on 19 May 2026 to shareholders registered at the close of business on 17 April 2026. The ex-dividend date will be 16 April 2026.

The retained earnings of Eurocell plc as at 31 December 2025 were £33.8 million (2024: £41.2 million). The Company takes steps to ensure distributable reserves are maintained at an appropriate level through intra-Group dividend flows.

Capital expenditure

Capital expenditure for 2025 of £11.8 million (2024: £10.7 million) includes £3.7 million for new branches and site relocations, but is otherwise largely maintenance in nature.

Cash flow

Net cash generated from operating activities was £48.4 million (2024: £44.2 million), reflecting good cash flow generation, including a net inflow from working capital of £3.7 million, comprised of an increase in inventories (£0.2 million), a decrease in receivables (£0.9 million) and an increase in payables (£3.0 million). This compares to a net outflow from working capital of £0.2 million in 2024. Net cash generated from operating activities also includes net tax paid in the year of £1.7 million (2024: £3.0 million).

Other cash flow items include payments for capital investments of £12.5 million (2024: £10.3 million), including the net movement on capital creditors of £0.7 million and financing costs paid of £1.9 million (2024: £0.7 million), plus the initial Alunet cash consideration (net of cash acquired) of £20.6 million.

The principal elements of lease payments of £16.4 million (2024: £14.4 million) are presented within cash flows arising from financing activities. The finance elements of lease payments were £2.9 million (2024: £2.1 million).

Dividends paid in the year were £6.2 million, being the 2024 final and 2025 interim payments (2024 dividends paid: £6.1 million).

Cash paid under the share buyback programmes, including for shares held in treasury and transaction costs, was £6.0 million (2024: £14.5 million).

Net debt

Net debt on a pre-IFRS 16 basis at 31 December 2025 was £22.1 million (31 December 2024: £3.1 million), down from £29.0 million at 30 June 2025, reflecting good cash generation in the second half. Lease liabilities increased by £16.7 million, due to new branches, plus the properties and vehicles acquired with Alunet. Total net debt at 31 December 2025 was £98.2 million (31 December 2024: £62.5 million).

	2025 £m	2024 £m	Change %
Cash	6.3	0.4	5.9
Bank overdrafts	–	(3.0)	3.0
Borrowings	(27.7)	(0.5)	(27.2)
Deferred consideration	(0.7)	–	(0.7)
Net debt (pre-IFRS 16)	(22.1)	(3.1)	(19.0)
Lease liabilities	(76.1)	(59.4)	(16.7)
Total net debt	(98.2)	(62.5)	(35.7)

Bank facility

Our activities are funded via our £75 million unsecured Revolving Credit Facility, which was refinanced in March 2026 and now matures in 2030. The facility is provided by Barclays, NatWest and AIB, and is competitively priced. We operate comfortably within the terms of the facility and in compliance with our financial covenants, which are measured on a pre-IFRS 16 basis.

Michael Scott Chief Financial Officer

Risk management is the responsibility of the Board and is a key factor in delivering the Group's strategic objectives.

Approach to risk management

The Board is responsible for setting the risk appetite, establishing a culture of effective risk management and for ensuring that effective systems and controls are in place and maintained.

Senior managers take ownership of specific risks and implement policies and procedures to mitigate exposure to those risks.

Risk management process

The risk management process sits alongside our strong governance culture and effective internal controls to provide assurance to the Board that risks are being appropriately identified and managed.

How we manage risk

Risk (including emerging risk) is managed across the Group in the following ways:

- The Board meets annually to review strategy and set the risk appetite
- Risks faced by the Group are identified during the formulation of the annual business plan and budget process, which sets objectives and agrees initiatives to achieve the Group's goals, taking account of the risk appetite set by the Board

- Senior management and risk owners consider the root cause of each risk and assess the impact and likelihood of it materialising. The analysis is documented in a risk register, which identifies the level of severity and probability, ownership, and mitigation measures for each significant risk, as well as any proposed further actions (and timescale for completion) required to reduce the level of risk in line with the Board's appetite if necessary (see strategic risk register on the following page)
- The Group's Executive Committee is also the Risk Management Committee. This Committee meets on a regular basis (usually monthly). The status of the most significant risks and mitigations are reviewed at each meeting, with other risks reviewed at least bi-annually
- The Executive Directors also meet with senior managers on a regular basis throughout the year. This allows the Executive Directors to ensure that they maintain visibility over the material aspects of strategic, financial and other risks
- The Group's Audit and Risk Committee assists the Board in assessing and monitoring risk management across the Group, based on reports received from the Executive Directors
- The role of the Committee includes ensuring processes are in place for the timely identification and robust management of inherent and emerging risks, and reviewing the suitability and effectiveness of risk management processes and controls, also based on reports presented by the management team. The Committee also reviews a summary of the risk register to ensure net risk and proposed further actions are together consistent with the risk appetite set by the Board.

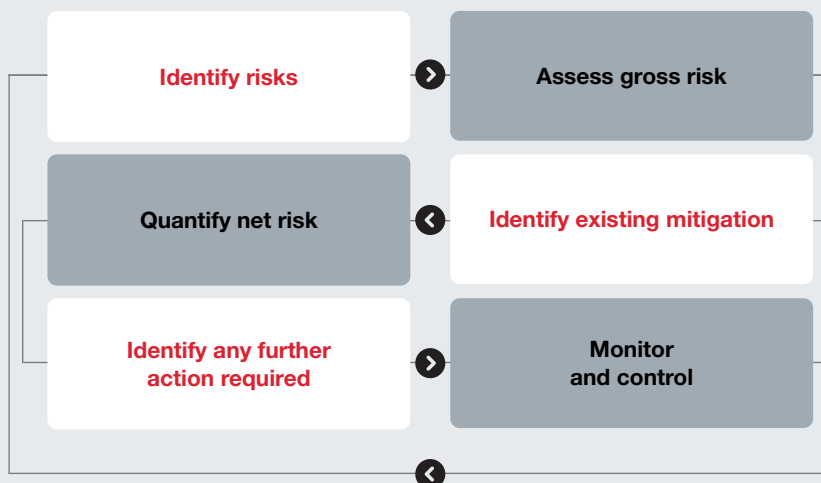
Internal control

The Group has well-defined internal control systems and processes.

Key financial controls include a delegated authority matrix, monthly balance sheet reconciliations, daily perpetual inventory counts, automated three-way matching for purchases and segregation of duties across key business processes.

Key IT controls include cyber security awareness campaigns and continuous employee training programmes, multifactor authentication and privileged access management for key systems, as well as a managed detection and response tools deployed across the IT network.

Key operating controls include standard operating procedures in place across all manufacturing and warehouse operations, which are tested, reviewed and approved on a periodic basis and are compliant with the requirements of ISO 14001 at our key operational sites.



We also operate material requirements planning software to determine manufacturing plans and raw material requirements for PVC extrusion.

The Group has a robust process of financial planning and monitoring, which incorporates Board approval of operating and capital expenditure budgets. Performance against the budget is subsequently monitored and reported to the Board, typically on a monthly basis. The Board also monitors overall performance against operating, safety and other targets set at the start of the year.

Performance is reported formally to shareholders through the publication of results both annually and half-yearly. Operational management regularly reports on performance to the Executive Directors.

Day-to-day operations are supported by a clear schedule of authority limits that define processes and procedures for approving material decisions. This ensures that projects and transactions are approved at the appropriate level of management, with the largest and most complex projects being approved by the Board. The schedule of authority limits is reviewed on a regular basis so that it matches the needs of the business.

The Group also has processes in place for ensuring business continuity and emergency planning.

Internal Audit

In order to further enhance the internal control and risk management processes, KPMG has provided an outsourced internal audit service to the Group. KPMG work closely with the Risk Management Committee in delivering the Group's internal audit programme. Other third-party experts are also engaged to provide internal audit reviews where appropriate, e.g. cyber security.

Strategic risk register

As described above, the Group maintains a risk register that identifies key and emerging risks, the probability of those risks occurring and the impact they would have on the Group if unmitigated. Against each gross risk, the controls that exist to manage and, where possible, minimise or eliminate those risks are also listed, and an assessment of net risk is provided. The risk register also identifies any further actions required to reduce net residual risk in line with the risk appetite set by the Board if necessary. The register is regularly updated to reflect changes in circumstances.




The Group is subject to a wide variety of risks, and it is not practical to list out all risks that the Board are actively managing here. Principal risks are those risks, which have the highest probability and potentially the most significant impact on the Group's operations, financial performance, compliance or ability to achieve its strategic objectives.

The actions taken to mitigate these risks cannot provide absolute assurance that they will not materialise, but will either mitigate the impact or reduce the likelihood to a level aligned to the Board's risk appetite.

For each of the principal risks, the following table includes a description of the risk and how it may impact the Group, as well as the mitigations currently in place and any movement in the risk in the year. Note that we have assessed the risks associated with the acquisition of Alunet in March 2025 and concluded that it has not materially changed the risk profile and principal risks of the Group.

Risks and Uncertainties

Movement key:

 Increase
  No change
  Decrease

Strategic priorities key:

 Customer growth
  People first
  Business effectiveness
  ESG leadership

Principal risk description and impact	Strategic priorities	Mitigation	Movement
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Macroeconomic and market conditions *(High Impact and High Probability)*

Our products are used in the residential and commercial building and construction markets, both within the RMI sector, for new residential housing developments and for new construction projects.

Our private RMI business is strongly correlated to the level of household disposable incomes. Our new build business is particularly influenced by the level of activity in the housebuilding industry.

A weakening in macro or market conditions can have a significant impact on the financial performance of the Group. Government economic and social policy, and the level of interest rates, can also have a significant impact on our business.

Trading conditions in our key markets have remained subdued in 2025, with challenging macroeconomic conditions and weak consumer confidence continuing to impact the RMI market and new build housing. These trends were compounded in the fourth quarter of the year, with increasing uncertainty over the Autumn Budget announcements driving a further slow down.

Market analysts continue to predict a recovery in the UK construction markets, but much later than had previously been anticipated. This could impact the ability of the Group to achieve its strategic financial targets.

Specific market conditions can also impact upon the demand for our products, for example a competitor seeking additional market share through short-term price reductions.



- Geopolitical events may have an impact on consumer confidence and inflation
- Notwithstanding macro conditions, we expect our strategy, launched at the beginning of 2024, to support sales and profit growth, and drive good cash conversion
- Strategic initiatives include the optimisation and expansion of the Branch Network, an enhanced customer proposition, simplified business structures, plus targeted continuous operational improvements and cost efficiencies
- We have made further progress with the strategic initiatives in 2025
- The acquisition of Alunet (March 2025) advances our strategy by addressing a growing trend towards aluminium fabrication across the fenestration sector, significantly strengthening the Group's position in residential aluminium systems and composite doors
- Continually and proactively managing our cost base, including restructuring the Branch Network Q1 and other overhead cost reductions realised in 2025.



Cyber security *(High Impact and High Probability)*

A breach of IT security (externally or internally) could result in an inability to operate systems effectively (e.g. viruses) or the release of inappropriate information (e.g. hackers). Sophisticated phishing attacks are increasing in both frequency and complexity.

A breach of cyber security could have a significant impact on the reputation of the business as well as the resulting fines impacting the financial performance.

The Group experienced a cyber incident in July 2022, causing significant disruption to our operations. The Group has subsequently invested significantly to further strengthen its cyber defences, but this remains a fast-evolving threat and continues to receive considerable management attention.






- Ongoing investment in cyber risk detection and prevention tools
- These measures include managed detection and response ('MDR'), security instant event monitoring ('SIEM'), privileged access management ('PAM') and firewall hardening
- Physical security of servers at third-party off-site data centre, with full disaster recovery capability
- Password and safe-use policies in place, internet usage monitored and anti-malware used
- External cyber review and internal audit reviews conducted periodically, resulting in enhancements in defences
- Cyber awareness/IT security campaign active for all employees
- Financial crime protection and cyber liability insurance in place.



Principal risk description and impact	Strategic priorities	Mitigation	Movement
Health and safety <i>(Medium Impact and Medium Probability)</i>			
<p>The Group's production, manufacturing and distribution operations are carried out under potentially hazardous conditions. It is essential that safe environments are created and maintained for all employees and other stakeholders that access our facilities, and that the Group complies with all relevant laws and regulations.</p> <p>The safety and wellbeing of our employees, contractors and branch customers is our number one priority. In addition to harming our employees, a deterioration in our health and safety performance, including increased or more serious injuries, or a breach of health and safety regulations could lead to significant financial and reputational damage to the business.</p> <p>Following significantly improved health and safety KPIs in 2024, our performance deteriorated in 2025 (see mitigation).</p>		<ul style="list-style-type: none"> • Deterioration in health and safety performance in 2025 lead to a change in leadership in Q4 • Development and introduction (in January 2026) of a new health and safety strategy, focusing on the behaviours that will foster a more proactive safety culture across the Group and drive improvements in safety performance (See Sustainability Report) • Procedures and policies in place to support compliance with all relevant regulations • Regular communication and training on policy compliance • Monitoring procedures in place, including near miss and potential hazard reporting for health and safety matters • Internal and third-party site audits to assess compliance with our policies. 	
Supply chain risk <i>(Medium Impact and Medium Probability)</i>			
<p>Our manufacturing and recycling operations rely on the supply of several core raw materials, and our branch network relies on the supply of third-party products.</p> <p>In terms of supply, there are only a limited number of PVC resin and certain other raw material suppliers, impacting both the supply and price of these materials. Further, we have a limited capacity to store such materials at our sites. Failure to procure raw materials on a timely basis could impact on our ability to manufacture products and meet customer demand.</p> <p>On pricing, several raw materials are priced in US Dollars and Euros and, therefore, although we pay in Sterling, we are impacted by international currency markets.</p> <p>Availability of recycling feedstock is limited, and dependent upon the level of RMI activity in the UK. The level of RMI activity can, therefore, significantly impact both the price and availability of recycling feedstock.</p> <p>Further, many of our key raw materials and third-party products are transported to the UK from the EU, and to a lesser extent, the US and the Far East and, therefore, the capacity of global shipping can also impact both the availability and price of key materials.</p> <p>Increasing costs could have a negative impact on the financial performance of the business. An inability to source the required materials could also impact financially, as well as upon the reputation of the business if we are unable to meet sales demand.</p>		<ul style="list-style-type: none"> • Initiatives to improve supply chain resilience, including sourcing alternative/more local sources of key raw materials and third-party products • We agree index-linked or fixed-price contracts with key suppliers to mitigate the risk and impact of input cost increases where possible and economic • Procurement strategy in place to secure new supply lines for recycling feedstock (i.e. post-consumer and post-industrial waste), on a contractual basis where possible • Although we do not hedge currency, we agree pricing in GBP to mitigate exchange rate volatility where possible and economic • All new suppliers are now required to complete a cyber risk questionnaire, and regular reviews are conducted to test the financial stability of key suppliers • Geopolitical events are causing volatility in global commodity markets, which may have an impact on raw material supply and pricing (including PVC resin). 	



Risks and Uncertainties continued

Movement key:

 Increase
  No change
  Decrease

Strategic priorities key:

 Customer growth
  People first
  Business effectiveness
  ESG leadership

Principal risk description and impact	Strategic priorities	Mitigation	Movement
Sustainability and climate change <i>(Medium Impact and Medium Probability)</i>			
<p>ESG (environmental, social, governance) Leadership is an important pillar in our strategy and our ambition is to be a leading responsible company.</p> <p>Demonstrating improving business sustainability is important to many stakeholders and failure to do so could lead to regulatory and compliance-related issues.</p> <p>In particular, if we do not deliver on our environmental targets, investors and lenders may show a preference to allocate capital to businesses with better understood climate impacts and a clear and credible plan to improve.</p> <p>There are physical risks associated with climate change. The Group operates from over 200 locations, and with a changing climate there is an elevated risk that elements of our operations could be impacted by fire, flooding or other environmental issues.</p> <p>Failure to improve in all material aspects of ESG could also lead to other challenges, e.g. colleague recruitment and retention.</p>		<ul style="list-style-type: none"> • Strong underlying position on sustainability underpinned by window recycling operation, which drives significant carbon savings compared to the use of virgin PVC resin • Regular environmental risk assessments are conducted at existing and potential sites. Risks are managed through local business continuity plans. Risk assessments are enhanced by using a physical risk analysis software tool • Expert third-party support provided by CEN Group, a specialist ESG consultancy • Significant work done over the last 18 months including: <ul style="list-style-type: none"> – Materiality assessment to determine the most important sustainability topics to the business – Baseline carbon footprint (Scope 1, 2 and 3), identifying key decarbonisation levers – Using the above outputs to define ESG objectives and develop a sustainability strategy – Confirmed Net Zero target date of 2045 – Published our Transition Plan, with targets now approved by the SBTi • Governance and oversight provided by the ESG and Social Values Board Committee. 	

Principal risk description and impact	Strategic priorities	Mitigation	Movement
Managing change <i>(Medium Impact and Medium Probability)</i>			
<p>The Group has been through a period of significant organisational change over the past two years, including the appointment of new Non-executive and Executive Directors, plus several changes to the Executive Committee and senior management.</p> <p>At the beginning of 2024, the Group launched a new strategy, which identifies a clear path to organic growth and improved operating margins, based on new commercial and operational initiatives.</p> <p>The strategy also includes simplification of business processes and systems. As detailed below, we have embarked upon a complex multi-year project to replace our Enterprise Resource Planning ('ERP') system.</p> <p>Embracing and effectively managing change is fundamental to delivery of the strategy and the Group's future success. There is a risk that the pace and extent of change puts the resources and bandwidth of the organisation under strain, leading either to a failure to deliver the strategy or implement the new ERP system, which could have significant financial and operational implications.</p> <p>Component risks include the ability to attract, retain and recruit the right calibre of senior managers with the required skills and experience, including individuals with the technical ability to execute a complex IT implementation.</p>	   	<ul style="list-style-type: none"> • Experienced Board with significant, relevant experience in delivering effective change programmes • Strategy communicated to all stakeholders in 2024 has been well received and reasonable progress made to date • People First strategic pillar objective to make Eurocell a great place to work, through a focus on health and safety, an enhanced employee value proposition, improved levels of engagement and effective talent management • Clear strategic direction provides an attractive backdrop to joining the senior team at Eurocell • Highly competitive compensation for all personnel, including leadership team • Revised equity-based long-term incentive plan for senior team, with rewards directly linked to achievement of the strategy • See the following page for ERP systems implementation risk and mitigations. 	





Risks and Uncertainties continued

Movement key:

 Increase
  No change
  Decrease

Strategic priorities key:

 Customer growth
  People first
  Business effectiveness
  ESG leadership

Principal risk description and impact	Strategic priorities Mitigation	Movement
ERP systems implementation <i>(Medium Impact and Medium Probability)</i>		
<p>The Group relies on its SAP Enterprise Resource Planning ('ERP') system for all aspects of its operations. However, we concluded that the age profile of our SAP system had become a limiting factor in the development of the business. In addition, the current SAP system becomes unsupported in 2027. We, therefore, began a complex multi-year (2024–26) project to replace SAP.</p> <p>The successful implementation of a new system is critical to the long-term prospects of the business. It is a complex process, consuming significant time and resource. The major components are:</p> <ul style="list-style-type: none"> • a front-end trading system to support the branch network (Intact iQ); • a back-end ERP System to support all other functions of the business, including manufacturing, recycling, warehousing, distribution and finance (IFS Cloud); and • an integration platform to knit the new systems together. <p>The project is now well progressed, and we anticipate transition to the new systems in H2 2026. The total costs of the project are expected to be in the region of £13 million over this period.</p>	<div style="display: flex; align-items: center;">  <ul style="list-style-type: none"> • Experienced Director of IT and project team in place (including third-party experts) with good experience of complex IT implementations • Significant incremental resource brought onto the project, including fixed-term backfill for in-house colleagues allocated to the project and third-party experts • Board-led Steering Group in place to monitor progress • Comprehensive project plan and governance processes in place and reviewed by KPMG internal audit in 2024 and 2025, with recommendations now substantially implemented • Intact iQ has a strong reputation within our sector, with a specialism in delivering electronic point-of-sale solutions to multi-site building product distributors • IFS is a market-leading product and we are implementing on an 'out of the box' basis to maximise standardisation and automation. </div>	
Operational risk and regulatory compliance risk <i>(High Impact and Low Probability)</i>		
<p>The business is dependent on the continued and uninterrupted performance of our production facilities.</p> <p>Each of the facilities is subject to operating risks, such as: industrial accidents (including fire); extended power outages; withdrawal of permits and licences (e.g. the regulated operation of the recycling facility); breakdowns in machinery or information systems; and other unforeseen events.</p> <p>The inability to manufacture or deliver goods would have a significant financial and reputational impact.</p> <p>We may also be adversely affected by the crystallisation of unexpected corporate, legal or regulatory risks, for example future REACH (registration, evaluation, authorisation and restriction of chemicals). In addition, HR/employment legislation is becoming increasingly complex.</p> <p>Failure to comply with relevant laws and regulations could result in significant fines and reputational damage.</p>	<div style="display: flex; align-items: center;">  <ul style="list-style-type: none"> • Regular planned maintenance to reduce the risk of plant failure, including maintenance capital investment of >£5 million per annum across the Group • Business continuity plans in place for all major sites and the Branch Network • Procedures and policies in place to support compliance with all relevant laws and regulations • Regular communication and training on policy compliance • An ongoing dialogue on emerging employment law with our advisers. </div>	

Viability Statement

As required by section 4 of the UK Corporate Governance Code, the Directors have taken into account forecasts to assess the future funding requirements of the Group, and compared them with the level of committed available borrowing facilities.

A period of three years has been adopted as this is the time frame used by the Board as our strategic and planning horizon. The assessment of viability has been made with reference to the Group's current position and long-term future prospects, our strategy, management of risk, and also the Board's assessment of the outlook in the marketplace, all of which are covered in detail within the Strategic Report.

The Board considers its strategy and risks on strategy away-days, and revisits these annually when considering the next year's budget. The three-year plan considers revenue and earnings growth and how this impacts on cash flows and key ratios. Operational plans and financing options are considered as part of this process.

In preparing the plan, we adopt a prudent forecast in respect of organic sales growth, but assume other initiatives, in line with the published strategy.

The plan is stress tested by applying the following plausible downside scenarios:

Scenario 1 Macroeconomic conditions lead to a decline in sales

A 10% decrease in revenues has been applied over the three-year plan period.

Scenario 2 Commodity prices and/or exchange rates or raw material shortages lead to a sustained increase in resin prices

A 33% increase in resin costs has been applied over the three-year plan period.

Scenario 3 Scenario 1 and 2 combined

There is a possibility that both of the above scenarios could materialise at the same time, therefore, we have assessed the combined impact through the three-year plan period.

The Board considers these tests to be sufficient to test the viability of the Group given our size and the markets we operate within. As described in Principal Risks and Uncertainties above, we have measures in place to help mitigate the impact of these events should they occur.

The Group has a £75 million Revolving Credit Facility. Monthly cash flow projections show significant headroom throughout the period to December 2028. The facility includes standard covenants for leverage and interest cover, which are measured twice per annum at June and December. The projections also show good headroom on the covenants at each measurement date to December 2028.

The Directors confirm that we have a reasonable expectation that the Company and the Group will continue in operation and meet our liabilities as they fall due in the next three years.

Going concern

The Directors have reviewed the Company's and the Group's forecast and projections, which demonstrate that the Company and the Group will have sufficient headroom on our bank facilities for the foreseeable future and that the likelihood of breaching the related covenants in this period is remote.

Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Financial Statements.

This Strategic Report was approved by the Board on 18 March 2026 and signed on its behalf by:

Will Truman
Chief Executive Officer

Michael Scott
Chief Financial Officer

Board of Directors



Derek Mapp Non-executive Chair



Date of appointment:

16 May 2022
(Chair from 1 July 2022)

Experience:

Derek is an experienced chair and has a wealth of commercial and operational knowledge.

Previously, he was Chair of Informa plc from March 2008 until his retirement in June 2021 and was also Chair of Huntsworth plc from December 2014 to March 2019. Prior to that, Derek was Chief Executive Officer of Tom Cobleigh plc, Executive Chair of Leapfrog Day Nurseries Limited, Chair of East Midlands Development Agency and Sport England, and also served on a number of government agencies and boards.

External appointments:

- Director of several private companies, which relate to his other business interests.

Will Truman Chief Executive



Date of appointment:

11 May 2023
(CEO from 9 February 2026)

Experience:

Will is commercially focused and results-driven with significant Board experience, in both management and advisory capacities, and brings expertise in stakeholder management and M&A activities.

He held a Non-executive advisory role at Imagesound Ltd up to December 2023, having previously been Chief Executive Officer for c.nine years up to April 2023, and after having served as Chief Financial Officer for c.seven years prior to that. Previously, Will was an Associate Director within Transaction Services at KPMG LLP and is a Fellow of the Institute of Chartered Accountants in England and Wales.

External appointments:

- Director of several private companies, which relate to his other business interests.

Michael Scott Chief Financial Officer



Date of appointment:

1 September 2016

Experience:

Michael joined the Group as Chief Financial Officer in September 2016.

He previously worked for Drax Group plc, where he held senior financial positions including Group Financial Controller, and Head of Corporate Finance and Investor Relations. Prior to Drax, Michael worked for MT International and Arthur Andersen. He is a member of the Institute of Chartered Accountants in England and Wales.

External appointments:

- None.



Alison Littley
Senior Independent
Non-executive Director

A R N S

Date of appointment:
1 July 2022

Experience:

Alison has substantial experience within international blue-chip organisations, including multinational manufacturing, supply chain operations and marketing services.

Previously, she was a Non-executive Director of Music Magpie plc, Headlam Group plc and James Hardie Industries plc and held a variety of senior management positions at Diageo plc and Mars Inc, and was Chief Executive Officer of Buying Solutions, an agency to HM Treasury.

External appointments:

- Non-executive Director of Norcros plc.

Iraj Amiri
Independent
Non-executive Director

A R N S

Date of appointment:
7 November 2022

Experience:

Iraj was a partner with Deloitte for 20 years, leading its national internal audit group and serving clients in the financial, retail and public sectors, and was a recognised global expert and authority on internal audit and assurance functions. During this time, he was also Global Head of Internal Audit for Schroders plc, on a secondment basis, for over ten years.

Previously, Iraj was a member of the FCA's Regulatory Decisions Committee and a trustee of the National Employment Savings Trust ('NEST'). He is a fellow of the Institute of Chartered Accountants in England and Wales.

External appointments:

- Non-executive Director of Coventry Building Society (Private)
- Non-executive Director and Audit Committee Chair Co-operative Bank plc
- Non-executive Director of Development Bank of Wales plc (government-owned)
- Non-executive Director of Aon UK Ltd (Private).

Angela Rushforth
Independent
Non-executive Director

A R N S

Date of appointment:
1 February 2024

Experience:

Angela is an experienced business leader in the building materials sector, with significant branch network experience and insights from both multi-site retail and merchandising.

She has held senior roles across the various parts of the Travis Perkins group since 2015 and was a member of its leadership team until late 2025. Prior to her role as Managing Director at Toolstation, Angela was Managing Director of BSS. Before joining Travis Perkins, she was Managing Director of Ridgeons Group, one of the UK's largest independent builders' merchants.

External appointments:

- Non-executive Director and Remuneration Committee Chair of TheWorks.co.uk plc.

Committee key:

- A** Member of the Audit and Risk Committee
- R** Member of the Remuneration Committee
- N** Member of the Nomination Committee
- S** Member of the Social Values and ESG Committee
- Denotes Committee Chair

➔ See our Board Overview in Detail on [page 67](#)

Executive Committee

Executive Committee

(In addition to Darren Waters¹, Michael Scott and Will Truman²)

¹ Until 9 February 2026.

² From 4 November 2025.



Beth Boulton
Marketing Director

Beth joined Eurocell in November 2021. She previously worked for Magnet Kitchens where she was Head of Marketing and Digital. Prior to that role, Beth was Marketing Director at Utopia Bathrooms and has also held positions at Topps Tiles and Jewson.



Cat Hambleton-Gray
People Director

Cat joined Eurocell in January 2024. She is a highly experienced HR practitioner, having previously been HR Director at Home Instead, a national specialist provider of home help. Prior to that, she held senior leadership roles with Halfords, Pets at Home, Medivet and Costa Coffee.



Mike McKay
Group IT Director

Mike joined Eurocell in March 2020. He previously worked for Polypipe Group (now Genuit Group) where he was Group Information Services Director for 15 years. Immediately prior to this, Mike was Head of Information Services for William Grant & Sons and he has also held positions with Ascent Technology and APV Baker.



Vicky Williams
Group Company Secretary

Vicky joined Eurocell in May 2024. She is a qualified solicitor in England and Wales and an experienced Chartered Secretary. She previously held the role of Group Company Secretary at ITM Power plc and Fintel plc. Vicky also draws from a broad career including senior roles in risk assurance, legal services, and operations.



Joy Naylor
**Manufacturing and Recycling
 Director**

Joy joined Eurocell in 2024. She has a background in mechanical engineering and a career that spans consulting, factory management, and business transformation, previously holding senior roles at JeldWen, Eaton, Industry Forum, and Dunlop Aircraft Tyres.



Gary Driscoll
Sales & Commercial Director

Gary joined Eurocell in 2007. Drawing from over 30 years' experience within the Plastics and Fenestration sector, Gary has held roles in Business Development, was a Divisional Director in our Branch Network, and now leads the Profile Division as the Sales and Commercial Director.



Steve Hudson
Chief Executive, Alunet

Steve joined the Eurocell Executive Committee following the acquisition of Alunet in 2025. He draws on a wealth of experience in the door and window industry having started JDUK in 2013, shortly followed by Alunet in 2016.



The Board is focused on advancing the strategic objectives.”

Derek Mapp
Chair



Dear shareholder,

As a Board, we are clear that a key component of delivering on our purpose and driving long-term shareholder value is strong corporate governance, which reduces risks and promotes sustainable growth.

As your Chair, one of my primary responsibilities is to oversee the Board's processes and decision making, to ensure that the Group is operating in the best interests of our stakeholders. In doing so, I support and direct the adoption, implementation, monitoring and communication of the Company's corporate governance arrangements.

This report sets out our corporate governance framework and explains how it underpins and supports the Executive Committee and senior management in fulfilling our purpose and delivering the Group's strategy. It also provides details of the Board's activities during the year, including how it, and its Committees, have made key decisions and discharged their governance responsibilities.

During 2025, the Board focused on further advancing the Group's strategic objectives, as well as further developing the governance frameworks outlined on the following pages of this report.

Throughout the year, we have continued to apply the principles and provisions of the UK Corporate Governance Code (the 'Code') 2024, under which this report has been prepared. The provisions relating to risk management and internal controls ('Provision 29') are currently being operated in accordance with the 2018 version of the Code ahead of the effective date of the revised 2024 Code changes that are effective for financial years commencing on or after 1 January 2026. Whilst our progress on Provision 29 will be fully disclosed in next year's Annual Report, a summary of our work in progress is set out in the Audit and Risk Committee Report on pages 78 to 85.

Finally, I would like to extend my gratitude for the continued strong shareholder support that we receive, which enables us to build a platform for long-term sustainable growth, and I hope to see that continuing into the future.

Derek Mapp
Chair

18 March 2026

Role of the Board

The Board currently comprises a Non-executive Chair, three Non-executive Directors and two Executive Directors, who are equally and collectively responsible for the proper stewardship and leadership of the Company. Their biographical details are set out on pages 60 and 61.

In accordance with the Code, at least half the Board, excluding the Chair, should be Non-executive Directors, who are determined by the Board to be independent in character and judgement, and free from relationships or circumstances, which may affect, or could appear to affect, this judgement. The Company regards Alison Littlely, Iraj Amiri and Angela Rushforth as 'independent' Non-executive Directors within the meaning of the Code and, therefore, is considered to be compliant in this area.

The Board also considers diversity and inclusion throughout the Group and details of the extent to which the Board has met the FCA's targets, in this regard, are set out on page 76.

The formal schedule of matters reserved for the Board's consideration includes the following:

- Approval of the Group's strategy, long-term objectives, annual operating budgets and capital expenditure plans
- Approving transactions of significant value or major strategic importance, including acquisitions
- Approving significant changes to the Group's capital, corporate or management structure
- Monitoring and assessing the overall effectiveness of the Group's risk management processes and internal control systems, including those related to health and safety, financial controls and anti-bribery policies and procedures
- Approving the Annual and Half-Year Reports, including Financial Statements
- Approving other corporate communications related to matters decided by the Board
- Board appointments and succession planning and setting Terms of Reference for Board Committees
- Remuneration matters, including the general framework for remuneration and share and incentive schemes.

Subject to those matters reserved for its decision, the Board has delegated to its Audit and Risk, Nomination, Remuneration, and Social Values and ESG Committees certain authorities. There are written Terms of Reference for each of these Committees, which are available on the Group's corporate website at: investors.eurocell.co.uk. Separate reports for each Committee are included in this Annual Report on pages 74 to 106.

Details of how opportunities and risks to the future success of the business have been considered and addressed, can be found in the Strategic Report on pages 52 to 58. Details of the sustainability of our business model can be found in the Strategic Report on pages 20 to 47. Our governance framework underpins the delivery of strategy and can be found on pages 65 and 66. An overview of the Group's strategy can be found in the Strategic Report on pages 14 to 19.

The Directors are ultimately responsible for preparing the Annual Report and Accounts and the Board confirms it considers them, taken as a whole, to be fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Governance Framework

The Board meets regularly to discuss key business issues and prescribe actions as appropriate. The Group's reporting structure below Board level is designed so that all decisions are made by those most qualified to do so in a timely manner. Day-to-day management and the implementation of strategies agreed by the Board are delegated to the Executive Directors. Key to this delegation is the Executive Committee, which meets each month.

This structure enables the Board to make informed decisions on a range of key issues including strategy and risk management.

All the Directors have the right to have their opposition to, or concerns over, the operations of the Board and/or the management of the Company, noted in the minutes. During the year, no such opposition or concerns were noted.

The Chair and the Non-executive Directors met during the year without the Executive Directors present.

Role of the Chair

The Board has concluded that the Chair has met the independence criteria of the Code on appointment.

There is a clear division of responsibilities between the Chair and the Chief Executive.

The Chair is responsible for ensuring that the Board functions effectively. He sets the agenda for Board meetings and ensures that adequate time is devoted to discussion of all agenda items, particularly strategic issues, facilitating the effective contribution of all Directors and ensuring that the Board as a whole is involved in the decision-making process.

Role of the Chief Executive

The Chief Executive has principal responsibility for all operational activities and the day-to-day management of the business, in accordance with the strategies and policies approved by the Board. The Chief Executive also has responsibility for communicating to the Group's employees the expectations of the Board in relation to culture, values and behaviours.

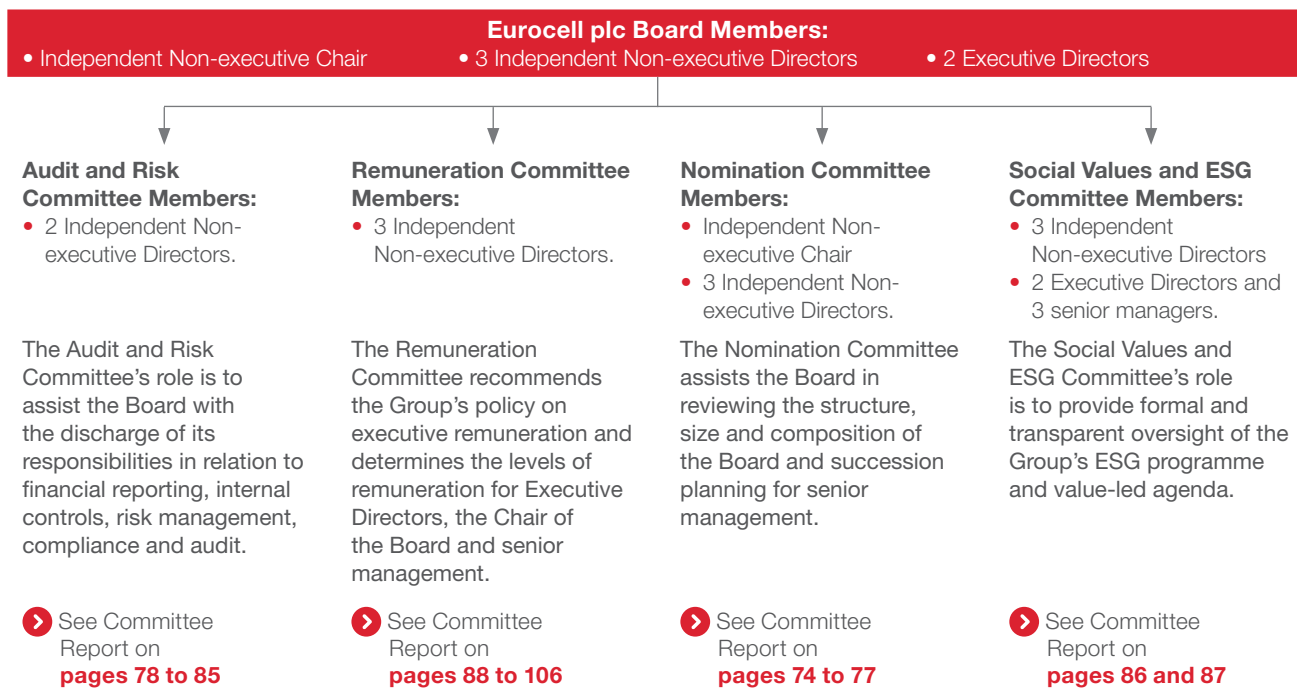
Role of the Senior Independent Director

The Senior Independent Director has an important role on the Board, providing a sounding board for the Chair, leading on corporate governance issues and serving as an intermediary for the other Directors. She is available to shareholders if they have concerns, which contact through the normal channels of the Chair, Chief Executive or other Executive Directors has failed to resolve, or for which such contact is not appropriate.

Alison Littlely has served as Senior Independent Non-executive Director throughout 2025.

Role of the Non-executive Directors

All Non-executive Directors are required to allocate sufficient time to the Company to discharge their responsibilities effectively. The Non-executive Directors act in a way they consider will promote the long-term sustainable success of the Group for the benefit of, and with regard to the interests of, its stakeholders.



Executive Committee

The Executive Committee comprises senior managers, including the 3 Executive Directors who act as a bridge between the Board and this Committee. Management teams report to members of the Executive Committee. The Board receives regular updates from the Executive Committee in relation to business issues and developments.

➤ See **pages 62 and 63**

Board composition, commitment and election of Directors

The Nomination Committee leads the process for Board appointments and makes recommendations to the Board. Prior to appointment, Board members, in particular the Chair and the Non-executive Directors, disclose their other commitments and agree to allocate sufficient time to the Company to discharge their duties effectively and ensure that these other commitments do not affect their contribution.

The Executive Directors may accept an outside appointment provided that such appointment does not, in any way, prejudice their ability to perform their duties as Executive Directors of the Company. Michael Scott and Will Truman's outside appointments (where applicable) are disclosed on page 60.

The Non-executive Directors' appointment letters anticipate a minimum time commitment of 20 days per annum, recognising that there is always the possibility of an additional time commitment and ad hoc matters arising from time to time, particularly when the Company is undergoing a period

of increased activity. The average time commitment inevitably increases where a Non-executive Director assumes additional responsibilities such as being appointed to a Board Committee.

All new Non-executive Directors undergo an induction programme, and as such, spend considerably more than the minimum commitment during the course of a year. All Non-executive Directors are required to inform the Chair before accepting another position in order to ensure the Director has sufficient time to fulfil their duties. The current Board commitments of all Directors are shown on pages 60 and 61 and their terms of appointment are reported on pages 95 and 96.

The Company's Articles of Association contain powers of removal, appointment, election and re-election of Directors and provide that all of the Directors must retire and may offer themselves for re-election at each Annual General Meeting ('AGM').

At the upcoming AGM, all the current Directors intend to offer themselves for election/re-election, in accordance with the Code.

Following the conclusion of the latest Board evaluation process, the Board considers all the Directors to be effective, committed to their roles and to have sufficient time available to perform their duties.

The Board has a process in place to assess the current and future skills and experience needed by the Non-executive Directors against a matrix of requirements, through which it has determined that the Non-executive Directors are independent and that the Board has appropriate and complementary skills and experience.

Board evaluation and effectiveness

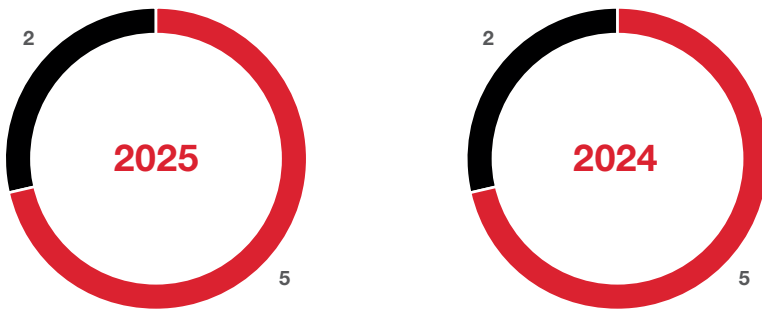
In accordance with the Code, a formal evaluation of the Board's performance, along with its Committees, Chair and individual Directors was conducted during the year, with the results presented and discussed at the December 2025 Board meeting. This year's internal evaluation was performed by the Chair. The last external evaluation was led by Haddleton Knight in 2023.

Individual interviews were conducted by the Chair with each Board member and the Group Company Secretary.

Board overview (as at 31 December 2025)

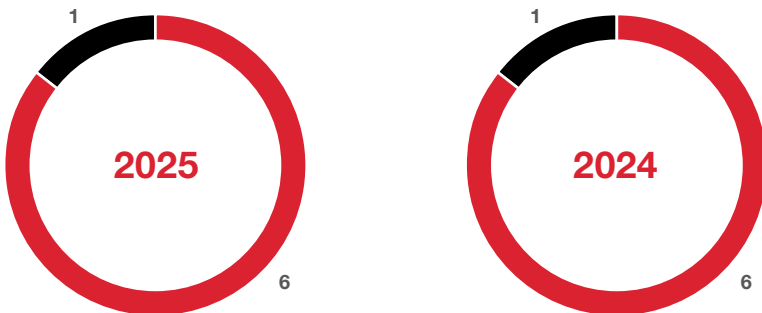
Gender

■ Male ■ Female



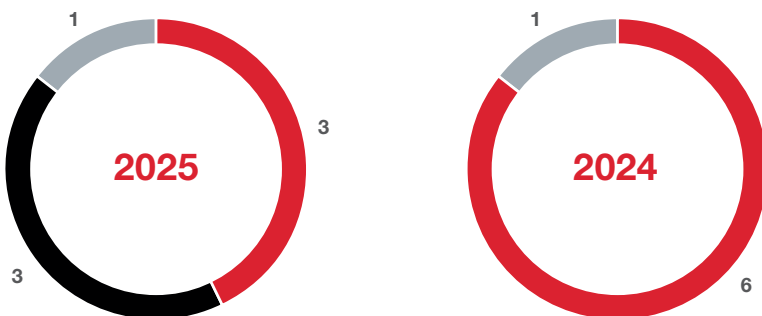
Ethnicity

■ White British ■ Other ethnic group



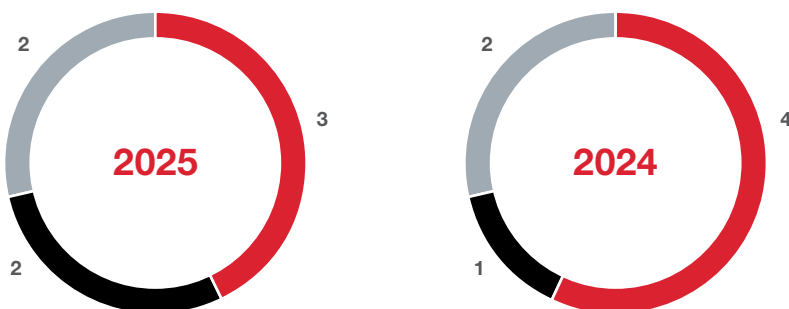
Length of service

■ 0–3 years ■ 3–7 years ■ 8–9 years



Age

■ 50–59 ■ 60–69 ■ 70–79



Further sessions were held by the Senior Independent Director with each Board member and the Group Company Secretary, to gain feedback for the Chair. All involved fully engaged with the process and provided their qualitative feedback, which supported an open and frank exchange of views.

Progress against the actions arising from the 2024 review was considered and it was noted that:

- Activities to promote greater Board interaction with the wider workforce have been delivered by way of an enhanced schedule of Board listening Groups and increased visibility at operational sites
- Board agendas and standard reporting has developed to be more forward-looking
- Externally led training delivered to newer Non-executive Directors during 2025 was helpful in further improving their knowledge of their duties and responsibilities.

The 2025 evaluation identified several areas of strength and some areas for enhancement and, overall, concluded that:

- The Board continues to operate in an effective and professional manner, with Non-executive Directors continuing to strengthen their knowledge of the business
- Governance processes are transparent and well run, although there is scope to streamline processes to support more agile and responsive decision making
- Risks are openly discussed with deep-dive analysis and review of material risks where appropriate
- There remains further scope, and a desire, from the Board to develop further.

In addition, the evaluation highlighted the following actions to strengthen the Board performance:

- Further improvements to be progressed on Board papers and Executive recommendations, to provide greater clarity of message and requirements
- A more detailed process of reporting on, and reviewing, the product innovation strategy would be beneficial to support dynamic investment decisions
- The Committees operate well, however, due to the deterioration in health and safety performance during 2025, oversight of this topic will now move to Board level (previously a remit of the Social Values and ESG Committee).

Taking all of this into account, the Board is satisfied that the current composition of the Board, and its Committees, provides an appropriate balance of skills, experience, independence and knowledge to allow the Board and its Committees to discharge their duties and responsibilities effectively and in line with the Code. Due to the changes in Board composition during 2025, it was determined that, in order to better balance Non-executive Director's time commitments, Angela Rushforth would succeed Alison Littlely as Chair of the Remuneration Committee, effective from the 2026 AGM.

Conflicts of interest

The duties to avoid potential conflicts and to disclose such situations for authorisation by the Board are the personal responsibility of each Director. All Directors are required to ensure that they keep these duties under review and to inform the Group Company Secretary of any change in their respective positions.

The Company's conflict of interest procedures are reflected in its Articles of Association ('Articles'). In line with the Companies Act 2006, the Articles allow the Directors to authorise conflicts, and potential conflicts of interest, where appropriate. The decision to authorise a conflict can only be made by non-conflicted Directors.

The Board, and its Committees, considers conflicts or potential conflicts at each meeting and, where such instances are identified, takes appropriate action, usually by excluding the conflicted party from any related discussions/decisions.

The Articles require the Company to indemnify its officers, including officers of wholly-owned subsidiaries, against liabilities arising from the conduct of the Group's business, to the extent permitted by law. The Group carries Directors' and Officers' liability insurance.

Board meetings and attendance

There were six full Board meetings held during 2025, five meetings of the Audit and Risk Committee, three meetings of the Remuneration Committee, two meetings of the Nomination Committee and three meetings of the Social Values and ESG Committee. All of these meetings were held in-person and attendance was as shown in the following table.

FY25 Board and Committee attendance

The table below sets out Board and Committee meeting attendance during the year to 31 December 2025. The number of meetings attended is shown next to the maximum number of meetings that each Director was entitled to attend.

Director	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Social Values and ESG Committee
Derek Mapp	6/6	–	–	2/2	–
Alison Littlely	6/6	5/5	3/3	2/2	3/3
Iraj Amiri	6/6	5/5	3/3	2/2	3/3
Angela Rushforth	5/6	–	2/3	1/2	2/3
Will Truman	6/6	5/5	3/3	2/2	3/3
Darren Waters	6/6	–	–	–	3/3
Michael Scott	6/6	–	–	–	3/3

All Board members, including the Chair of the Board, the Chief Executive, and the Chief Financial Officer, are invited to all Committee meetings regardless of whether they are members of the Committee. However, they are never involved in discussions or decisions pertaining to their own compensation or appointment or replacement. In addition, the Audit and Risk Committee also meets with the external auditors without any Executive Directors being present.

The Group Company Secretary is also Secretary to the Audit and Risk, Remuneration, Nomination, and Social Values and ESG Committees, and attends all meetings for this purpose.

In order to provide Directors enough time to evaluate their papers beforehand, Board packs are issued the week before each meeting. Even if a Director is unable to attend a Board meeting for any reason, they are nevertheless informed beforehand, given access to pertinent documents, and their opinions are shared with the other Directors.

The Group Company Secretary

The Group Company Secretary's services and advice are available to all Directors. In addition to advising the Board on all governance-related issues through the Chair, the Group Company Secretary has responsibility for making sure that all Board processes are followed.

The Board receives updates from the Group Company Secretary on new laws, corporate governance and regulatory matters, and the responsibilities and duties of the Directors. Among the matters reserved to the Board is the appointment and removal of the Group Company Secretary.

Vicky Williams has served as Group Company Secretary throughout 2025.

Directors may, at the Company's expense, seek independent expert assistance as needed. Board Committees confirm annually that they have access to sufficient resources to carry out their responsibilities, including the ability to hire outside consultants as they see fit.

Board induction, development and support

Following appointment, a new Director undergoes an induction programme, which includes a teach-in from members of the Executive Committee on important business topics, such as the background to our markets and industry, the Company's strategy, commercial approach, manufacturing and logistics operations, administrative functions and culture.

Summary of induction programme

Understand the business

- Meet, on a one-to-one basis, the Chair, Executive Directors and other Non-executive Directors
- Receive teach-in presentations from all key functions within the Group, including Commercial, Operations, Human Resources, Finance, Marketing and IT
- Meet with external stakeholders where appropriate e.g. customers, suppliers, advisers, and in some cases, major shareholders
- Review previous Board and Committee papers, Committee Terms of Reference, investor presentations and staff survey results.

Meet our colleagues

- Meet with the Executive Committee and senior management teams
- Visit all major operational sites, including factories, the main warehouse, a selection of branches and the main offices, including an opportunity to meet with colleagues from these areas.

Individual development and training needs are identified through the Board evaluation process and through individual reviews between the Directors and the Chair.

Risk management and internal control

The Board recognises that it is responsible for determining the nature and extent of the risks it is prepared to face in order to accomplish its strategic goals and for the oversight of the Group's internal control systems.

The effectiveness of the Group's internal control and risk management systems has been reviewed and assessed by the Board through the consideration of reports received from both management, and KPMG as part of our internal audit programme. This includes an assessment of the financial, operational, and compliance controls for the time period covered by this Annual Report, as well as an evaluation of current and emergent risks.

The Strategic Report comments in detail (pages 02 to 59) on the nature of the principal risks and uncertainties facing the Group; in particular those that would threaten our business model, future performance, solvency or liquidity and the measures in place to mitigate them.

In conducting its review, the Board has included a robust assessment of these and other emerging risks and the effectiveness of mitigating controls.

The Audit and Risk Committee Report on pages 78 to 85 describes the internal control system and how it is managed and monitored.

The Board confirms that no significant failings or weaknesses were identified in relation to the review. The Board also recognises that these systems can only offer a reasonable level of assurance against material misstatement or loss and that they are designed to manage, rather than eliminate, the risk of failing to meet business objectives.

Statement of compliance with the Code

This Corporate Governance Statement, together with the Nomination Committee Report, the Audit and Risk Committee Report, Social Values and ESG Committee Report and the Remuneration Committee Report, provide a description of how the principles and provisions of the Code have been applied during the year.

It is the Board's view that, during 2025, Eurocell plc was in compliance with the relevant provisions set out in the Code in all material respects.

This statement complies with sub-sections 2.1, 2.2(1), 2.3(1), 2.5, 2.7, 2.8(a) and 2.10 of Rule 7 of the Disclosure Rules and Transparency Rules of the Financial Conduct Authority. The information required to be disclosed by sub-section 2.6 of Rule 7 is shown on pages 107 to 110.

Annual General Meeting

Our AGM will be held at our Head Office (see Company Information on page 167 for details) on 14 May 2026.

The notice of our AGM, together with the Directors' voting recommendations on the resolutions to be proposed, is included on a separate circular to shareholders and will be dispatched at least 21 clear days before the meeting. The notice will be available to view at: investors.eurocell.co.uk.

All Directors intend to attend the AGM, including the Chairs of the Audit and Risk, Remuneration, Nomination, and Social Values and ESG Committees, who are available to answer questions.

The Board welcomes questions from shareholders who have an opportunity to raise issues informally or formally before or during the meeting.

For each proposed resolution, the proxy appointment forms provide shareholders with the option to direct their proxy vote either for, or against, the resolution or to withhold their vote. The proxy form and any announcement of the results of a vote make it clear that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.

All valid proxy appointments are properly recorded and counted by Equiniti, the Company Registrars. Information on the number of shares represented by proxy, the proxy votes for and against each resolution, and the number of shares in respect of which the vote was withheld for each resolution, together with the proxy voting result, are given at the AGM. The total votes cast, including those at the AGM, are published on our website (investors.eurocell.co.uk) immediately after the meeting.

Derek Mapp Chair

18 March 2026

Stakeholder engagement and Section 172(1) statement

As required by s172 of the Companies Act 2006, the Directors of the Company must act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its shareholders. In so doing, the Directors must have regard (among other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company.

To better comprehend the effects of its decisions and operations, as well as the interests and viewpoints of our major stakeholders, the Board takes into account information from all areas of the business. This covers topics including key risks, legal and regulatory compliance, plus evaluations of strategy, financial performance, and operational performance. The Board and its Committees receive this information through reports that are circulated before each meeting and, where necessary, in-person presentations.

As a result of these activities, the Board has gained a thorough understanding of the interests and viewpoints of all key stakeholders, as well as other relevant factors, which helps the Directors comply with the requirements of section 172 of the Companies Act of 2006.

The table overleaf sets out the Board's approach to stakeholder engagement in the context of some of the most important decisions made during 2025. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of the Eurocell Group dictate that stakeholder engagement often takes place at an operational level. To give greater understanding to this, we have provided clear cross-referencing to where more detailed information can be found in this Annual Report.

The disclosures on the Company's substantial shareholders, restrictions on voting rights and powers to amend the Articles of Association are included within the Directors' Report on page 107.

Customers

Why they matter

The Board recognises that establishing strong and lasting relationships with our customers is essential to our growth ambitions. To become the supplier of choice, we must, among other things, continually improve our product offerings, quality, availability, and service.

How we engage

- Regular contact between senior management and key customers
- Review of insight surveys including Net Promoter Scores and Trustpilot ratings
- Periodic forums with customer groups to discuss product design and innovation
- Ongoing monitoring of social media platforms for relevant comments/issues.

How the Board complements engagement efforts

Throughout 2025, the Board received regular updates on our performance against customer and service-related KPIs, compared to historical and industry/sector benchmarks, and offered their input and sector advice on new initiatives.

How their interests were considered during 2025 and key decisions arising

Our Customer Growth and Business Effectiveness strategic pillars include continued progression of initiatives to enhance our customers' experience and deliver our ambition to be the trade customer's preferred choice. During the year, the Board:

- Approved the acquisition of the Alunet group of companies in March 2025 and oversaw the subsequent integration activities, including identification of shared customers and cross-selling opportunities
- Oversaw progress on our trade counter and enterprise resource management system replacement projects, which (inter alia) aim to significantly improve customer experience and support
- Reviewed the introduction of, and progress with, PowerUp, our new customer incentive and loyalty programme launched in 2025
- Approved the Branch Network expansion and relocation activities completed during the year.

For more details see Customer Growth on pages 16 and 17

Shareholders

Why they matter

The Board recognises the importance of engaging with all shareholders and places a high priority on having productive conversations to gather feedback, and act on areas of interest and concern, as well as ensure that our regulatory obligations are met.

How we engage

- Comprehensive investor relations programme and regular dialogue with the investment community
- Formal analyst presentations and investor meetings following the announcement of the Group's half-year and full-year results
- Investor meetings following trading updates and otherwise ad-hoc meetings throughout the year
- Annual General Meetings.

How the Board complements engagement efforts

The Board is committed to delivering sustainable value for our shareholders and engaged with investors during the year as follows:

- Board received regular updates on shareholder engagement, investor feedback, analyst reports, and share price developments
- Periodic Chair's roadshow plus ad hoc investor meetings, supported by the Non-executive Directors.

How their interests were considered during 2025 and key decisions arising

- Investor relations is covered at all Board meetings and updates
- Investor feedback is considered when reviewing our capital allocation policy decisions, which are designed to drive shareholder returns through a combination of ordinary dividends and share buybacks.

For more details see the Chief Financial Officer's Review on pages 48 to 51

Colleagues

Why they matter

The Board recognises that our colleagues are the major drivers of the Company's performance and success and, therefore, the importance of providing a safe workplace that values diversity and inclusion, and provides employees with the opportunities to advance in their careers and reach their full potential.

How we engage

- Regular senior management team briefings on progress with the strategy, operational and financial performance, with a summary cascaded through the organisation
- Monthly Company magazine, focusing on information-sharing and colleague engagement
- Periodic staff surveys, with results used to drive change and improvement
- Regular attendance by Executive Committee members on safety walks and at safety stand-downs
- Board-level sponsorship for review of whistleblowing reports and subsequent lessons learned.

How the Board complements engagement efforts

- Non-executive Director listening groups to gather colleagues' views on important topics

Suppliers

Why they matter

The Board appreciates that, to operate effectively, we must ensure secure supplies of good quality sustainable materials at a fair price from suppliers with high ethical standards, and monitor supplier performance against appropriate metrics.

How we engage

- Regular review meetings between senior management and key suppliers, covering topics such as pricing, supply continuity and service levels
- Formal tender processes conducted for large/high-value suppliers
- Engagement with suppliers on how we can support each other on environmental matters
- Clear communication of our expectations for suppliers in terms of conduct and ethics.

- Board member visits to operating sites and branches to drive enhanced engagement and increase Board awareness of day-to-day activities and challenges
- Social Values and ESG Committee receives progress updates on colleague engagement and wellbeing initiatives
- Board review of staff survey results, with proposed action plan considered and implementation monitored.

How their interests were considered during 2025 and key decisions arising

During 2025, management's proposals and activities relating to our People First strategic pillar were considered by the Board with the following actions arising:

- Approval of the 2025 annual pay award
- Review of the Group-wide grading framework development and wider work-force compensation and benefit arrangements
- Oversight of the Company's gender pay gap reporting
- Oversight of the 2025 'Winning Formula' colleague engagement survey results, focused on workplace culture.

For more details see People First on pages 25 to 27

How the Board complements engagement efforts

During 2025, cost inflation continued to be discussed at all Board meetings and updates. Board members shared their ideas and experiences on supplier relationships and engagement, in the light of current risks and challenges.

How their interests were considered during 2025 and key decisions arising

The Board continued to work with, and advise, management on their approach, including:

- To closely manage supplier agreements to provide security of supply at fair prices, particularly with regards to PVC resin, electricity and recycling feedstock
- To pass a fair proportion of cost inflation onto our own customers through selling price increases.

For more details see Sustainable Products on pages 32 to 33

Environment and communities

Why they matter

Environmental, Social and Governance ('ESG') considerations have been a key part of the Board's agenda again in 2025, as we further developed our plans in this very important area. The Board understands the role all organisations have to play in protecting the environment and in mitigating the impact of climate change. The Board also recognises the need to support the local communities in which our larger facilities are located.

How we engage

- Leading UK-based recycler of PVC windows
- Ongoing review of our environmental impact and action plans to reduce this
- Consultation with our suppliers to achieve reductions in carbon emissions across our value chain
- Major operational sites engage with, and support, local communities.

How the Board complements engagement efforts

The Board provides oversight on these matters through the Social Values and ESG Committee and maintains an open dialogue with our advisers, CEN Group, who regularly attend Committee meetings to engage on ESG topics.

How their interests were considered during 2025 and key decisions arising

- Approval of the project to install solar panels at our head office and distribution centre during 2025
- Monitoring of external ESG rating's agency assessments of the Company's disclosures
- Review of the ESG ambitions and plans for the next two-year period, confirming our ongoing commitment to delivering our stated targets and ambitions.

For more details see Environmental Leadership on pages 28 to 31

Government and regulatory/ industry bodies

Why they matter

The Board recognises the critical importance of ensuring the highest standards of corporate governance, including compliance with the rules for listed companies and other relevant regulations (e.g. health and safety, and taxation), which together give us our licence to operate.

How we engage

- Adherence to the UK Corporate Governance Code principles and provisions
- Clear policies to help prevent wrongdoing, including whistleblowing, bribery and corruption, fraud, financial crime and modern slavery, with training provided where appropriate
- Regular meetings with tax advisers to review tax compliance and HMRC correspondence
- Members of the Windows and Recycling groups of the British Plastics Federation and the British Fenestration Rating Council, which provide a forum to understand changes in relevant legislation and building standards.

How the Board complements engagement efforts

The Audit and Risk Committee receives regular reports on governance, regulatory and compliance matters from management and from external and internal auditors. The internal audit programme is designed to provide assurance in this area.

In addition, the Board receives updates on matters such as developments in building regulations and our associated new product development initiatives.

How their interests were considered during 2025 and key decisions arising

- Review of the 2024 revisions to the UK Corporate Governance Code to support compliance from the effective date of financial years beginning on or after 1 January 2025 (1 January 2026 for the effectiveness of the Company's material controls) guided by the Audit Committee
- Review of the Company's arrangements to prevent wrongdoing, including whistleblowing, bribery, corruption, fraud, financial crime, and modern slavery
- Approval of the Company's tax policy
- Review of the requirements of the Economic Crime and Corporate Transparency Act 2023.

For more details see Ethics and Compliance on pages 34 and 35

Engagement with the workforce

As described in Stakeholder engagement on pages 70 to 73, we acknowledge that our colleagues provide the foundation for our Company's performance and success, and that in the present social, political, and economic climate, active engagement is more important than ever.

To supplement the team briefings, continuous improvement workshops, and health and safety forums already in place, the Group hosts a variety of colleague engagement initiatives. These include:

- A digital Company magazine, 'Eurocell & You', which updates on performance and other important activities around the Group, with a focus on information sharing and colleague engagement
- Frequent colleague focus groups with the designated Non-executive Director, Alison Littlely, to ensure that the Board hears the opinions of the workforce
- Departmental listening groups to allow colleagues to provide direct feedback from which appropriate action plans can be formulated
- Group-wide staff surveys, to provide invaluable insight into how our colleagues feel
- Review of retention and recruitment challenges, to identify areas for improvement and ensure we remain competitive in the labour market
- Improvements to the induction process for new colleagues
- More flexible working arrangements, including hybrid working when appropriate
- Improvements in colleague facilities and restrooms as part of an overall staff welfare improvement programme
- Ongoing opportunities for all colleagues to become shareholders through the Save As You Earn scheme.

The Board evaluates and tracks culture through:

- Examining staff survey results and response rates
- Reviewing staff turnover rates
- Scrutinising health and safety data, including near-misses
- Reviewing colleague whistleblowing cases
- Engaging with senior management and colleagues
- Observing attitudes towards internal and external auditors and regulators like HMRC and HSE.

Through the implementation of consistent annual salary evaluations, annual bonus target-setting, and benefit entitlement, executive compensation has been, and remains, in line with the Company's overall pay policy. As a result, it has not been considered necessary to engage with colleagues on this matter.

Overall, the Board recognises that culture, including values and behaviours, is evolving across the Group.

Nomination Committee Report



**Dear shareholder,
I am pleased to report to
you on the main activities
of the Committee and
how it has performed its
duties during the year.”**

Derek Mapp
Chair of the Nomination Committee



Committee composition



Derek Mapp
(Chair)

Will Truman¹

Alison Littley



Iraj Amiri

Angela
Rushforth

¹ Stepped down from the Committee
4 November 2025.

Summary of activities during the year

The Nomination Committee met twice during the year and attendance at the meetings is shown on page 68.

The main activities of the Committee included:

- Oversight/recommendation of the changes to the Board, Committees and other senior management, as outlined within this report
- Considering the results of the internal evaluation of the Committee's effectiveness (see pages 66 to 68 for further details).

Board, Committee and other senior management changes

The following changes to key roles and personnel were overseen by the Committee during the year:

- The appointment of Will Truman as Chief Financial Officer (designate) in November 2025 and subsequently as Chief Executive Officer in February 2026
- The appointment of Angela Rushforth as Remuneration Committee Chair following the 2026 AGM, to better balance the workload across our Non-executive Directors
- The appointment of Stuart Livingstone as Chief Operating Officer in January 2025.

Role and responsibilities

The principal duties of the Nomination Committee are to:

- Regularly review the structure, size and composition of the Board (including its skills, knowledge, experience, length of service and diversity) and make recommendations to the Board with regard to any changes
- Identify and nominate, for approval by the Board, candidates to fill Board vacancies
- Review the time commitments required from Non-executive Directors, along with the number of external directorships held, to ensure all duties are being fulfilled
- Maintain an effective succession plan for the Board and senior management, considering the challenges and opportunities facing the Company, along with the skills and expertise needed in the future, while promoting diversity of ethnicity, gender, background and skills
- A review of Directors' time commitments and independence
- Consideration of the re-election of Directors at the Annual General Meeting
- Approving updates to the Committee's Terms of Reference
- Considering and approving the Committee's report for inclusion in the Annual Report and Accounts.

Nomination Committee members

During 2025, the Nomination Committee comprised:

Chair:

Derek Mapp

Committee members:

Iraj Amiri
Alison Littley
Angela Rushforth
Will Truman¹

Nomination Committee structure and governance

The Code recommends that a majority of the Nomination Committee be Non-executive Directors, independent in character and judgement and free from any relationship or circumstance, which may, could or would be likely to, or appear to, affect their judgement. The Board considers that the Company complies with the Code in this respect.

Only members of the Committee have the right to attend Committee meetings, but the Committee may invite others, including the People Director and external advisers, to attend all, or part of, any meeting if it thinks it is appropriate, necessary, or pursuant to the terms of any agreement with shareholders.

No individual participates in discussion or decision making when the matter under consideration relates to themselves. The Committee is supported by the services of the Group Company Secretary, and it is empowered to appoint search consultants and other professional advisers as it sees fit to assist with its work.

The Nomination Committee will meet as often as it deems necessary but, in accordance with its Terms of Reference, at least twice a year.

Diversity and inclusion

A range of personal strengths and industry backgrounds is represented on the Board. All Board and senior management appointments are made on merit, in line with the approach adopted throughout the Group's workforce.

The Board recognises and embraces the benefits of diversity and, in particular, the value that different perspectives and experience bring to the quality of debate and decision making. The Company has a documented Board Diversity Policy, available at investors.eurocell.co.uk, which covers both Board and Committee appointments.

¹ Stepped down from the Committee 4 November 2025.

The Board recognises the Group operates in a historically male-dominated industry but is committed to consider diversity as a key element in senior appointments. The table below summarises the progress made against each of the FCA's Board diversity targets:

FCA target		At 31 December 2025	At 31 December 2024
% of women on the Board	At least 40%	29% ¹	29% ¹
Number of senior Board positions ³ held by women	At least 1	1 ²	1 ²
Number of Board members from an ethnic-minority background	At least 1	1 ²	1 ²

¹ FCA target not met.

² FCA target met.

³ Senior Board positions are Chair, Chief Executive, Senior Independent Director or Chief Financial Officer.

At 31 December 2025, being the chosen reference date, the Group met two of the three FCA diversity targets.

The percentage of women on the Board at the date of this report has increased to 33% following Darren Waters stepping down from the Board.

The relatively small size of the Board, and the pre-existing Directors' service contracts, inevitably limits the pace of change but, nevertheless, as vacancies arise, the Board will continue to move towards the FCA's targets wherever possible.

However, the overriding policy in any new appointments will continue to be one of selecting candidates with an appropriate mix of skills, capabilities and market knowledge, to ensure the continued success of the business.

Nomination Committee Report continued

Details of the Board and Executive Committee's gender/ethnicity is as follows:

Gender representation					
At 31 December 2025	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
Men	5	71%	3	4	50%
Women	2	29%	1	4	50%
Total	7	100%	4	8	100%

At 31 December 2024	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
Men	5	71%	3	2	40%
Women	2	29%	1	3	60%
Total	7	100%	4	5	100%

Ethnicity representation					
At 31 December 2025	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
White British or other White (including minority-White groups)	6	86%	4	8	100%
Other ethnic group, including Arab	1	14%	–	–	–
Total	7	100%	4	8	100%

At 31 December 2024	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
White British or other White (including minority-White groups)	6	86%	4	5	100%
Other ethnic group, including Arab	1	14%	–	–	–
Total	7	100%	4	5	100%

The above data was collected on the basis of self-reporting by the individuals concerned who were asked to select their gender/ethnicity from a list of options derived from the FCA's template.

The gender balance of those in the senior management and their direct reports is included within the Sustainability Report on page 27.

Succession planning

In 2025, the Committee continued its proactive work on succession planning for the Board.

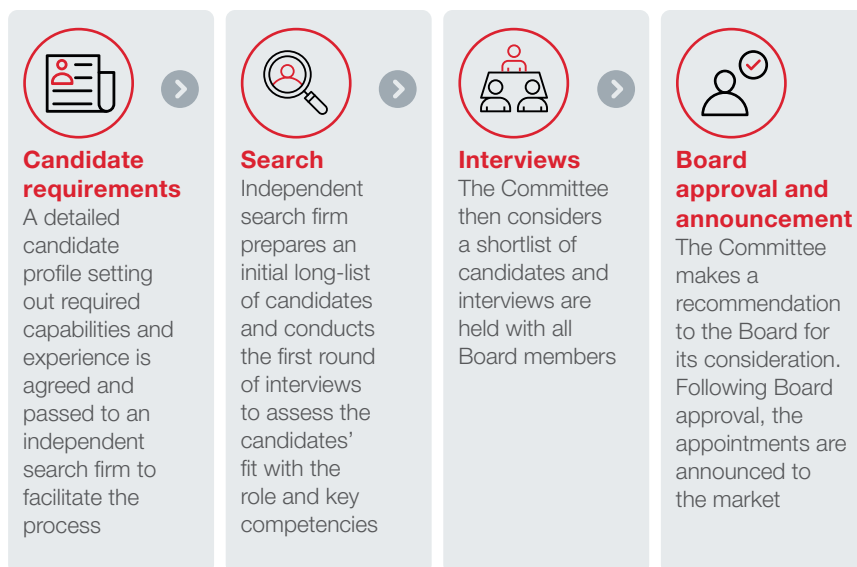
As part of this process, a detailed review of the composition, skills and experience of the Board, and each of its Committees, is maintained, together with desired role profiles, which identify the preferred attributes to be sought in future appointments. The process includes an analysis of any succession gaps or risks identified and includes contingency plans for the sudden or unexpected departure of Executive Directors or other senior managers.

The Committee also advises and oversees senior management talent assessments, appointments and succession plans, in order to maintain an appropriate balance of skills, experience and diversity within the Company. The benefits of this proactive approach are illustrated by the ongoing evolution of the Executive Committee.

In summary, we are confident that the Board has a good understanding of succession planning across the Group and the range of measures being used to continue to develop and recruit talented senior employees, and that this will be further strengthened by the development of succession plans for the Executive Committee planned for 2026.

Board appointment process

All appointments to the Board are subject to a formal, rigorous and transparent appointment process, and are made based on merit and objective criteria. The process for these appointments is typically as follows:



Appointment of Will Truman as an Executive Director

During 2025, the Committee considered the appointment of Will Truman, then a Non-executive Director, to the role of Chief Financial Officer Designate, following Michael Scott declaring his intention to retire in 2026. This appointment was confirmed by the Board in November 2025. Subsequently, following Darren Waters stepping down in February 2026, the Committee made a recommendation to the Board that Will Truman be appointed as Chief Executive. As a result of this, an external search for a Chief Financial Officer has commenced. As announced in February 2026, Michael Scott has agreed to defer his retirement, and remain as Chief Financial Officer while this search is carried out.

While the Company's usual practice is to conduct an external search process for Executive appointments, the Committee concluded that in each of these specific circumstances, an external process would not have been proportionate.

The Committee carefully considered each time the option of an external search, but determined that the associated time and cost would not have been in the best interest of the Company or shareholders, given the opportunity and benefits of continuity, particularly recognising the immediate priorities facing the business.

In reaching its decision, the Committee undertook a rigorous assessment of Will's suitability for each role. This included consideration of his skills, experience, leadership capability and his performance during his tenure as a Non-executive Director, as well as a re-assessment of his other external commitments and any potential conflicts of interest. Will was not involved in decisions regarding his own appointment.

The Committee was satisfied that Will's deep understanding of the Company, combined with his prior experience, enabled him to assume the roles effectively and with minimal transition risk. The Board approved his appointment initially as Chief Financial Officer (designate), and subsequently as Chief Executive Officer on this basis.

Derek Mapp
Chair of the Nomination Committee

18 March 2026



**Dear shareholder,
I am pleased to report to
you on the Audit and Risk
Committee's objectives,
responsibilities and
activities during 2025."**

Iraj Amiri

Chair of the Audit and Risk Committee



Committee composition



Iraj Amiri
(Chair)



Alison Littlely



Will Truman¹

¹ Stepped down from the Committee
4 November 2025.

In reviewing the 2025 Annual Report, the Committee considered the key areas of accounting estimates and judgements noted on page 81. This included reviews of the classification and separate presentation of certain items of income and expense as non-underlying, as well as the accounting and disclosures for the Alunet acquisition. In both cases, the Committee concluded that the treatment and presentation adopted was appropriate.

In the light of the Financial Reporting Council's ('FRC's') work on UK audit and corporate governance reform, the Committee has continued to focus on the Company's approach to risk management and internal controls, and has monitored the implementation of planned improvements in this area.

The Internal Audit programme for 2025 included reviews in five business areas, details of which are included on page 83. These reviews did not highlight any high-risk issues and demonstrated solid foundations upon which further developments and improvements can be based.

Another key area of work for the Committee in 2025 has been oversight of the onboarding of Deloitte LLP as the Group's external auditor, following their appointment at the 2025 AGM.

Further information on our activities is set out in this report. Collectively, this work has provided the necessary assurance to the Committee that internal controls and governance arrangements are both adequate and operating effectively, and that the 2025 Financial Statements are fair, balanced and understandable.

Finally, I would like to thank my fellow Committee members, and both the internal and external auditors, for their valuable contribution and support during the year.

Iraj Amiri
Chair of the Audit and Risk
Committee

18 March 2026

Summary of activities during the year

The Audit and Risk Committee met formally five times during the year and attendance at the meetings is shown on page 68.

The areas of particular focus for the Committee in 2025, and up to the date of this Annual Report, were as follows:

- Reviewed the accounting treatment, judgements and disclosures relating to the acquisition of the Alunet group of companies in March 2025
- Continued to review the Group's approach to risk management and internal controls and developed recommendations regarding the effectiveness, formalisation and documentation of both new and existing policies and processes
- Ongoing review and guidance over the work done to ensure the Group was ready to comply with those amendments to the UK Corporate Governance Code (the 'Code'), which became effective for financial years beginning on or after 1 January 2025, and monitoring progress towards the amendments to provision 29 of the Code, which will become effective for financial years beginning on or after 1 January 2026
- Considered the separate presentation of certain items of income and expense as non-underlying, including costs incurred on the project to replace our trade counter and enterprise resource planning ('ERP') systems, restructuring costs and acquisition-related expenses
- Oversight of arrangements to continually strengthen the cyber defences and further develop resilience and security in this area, including consideration of the conclusions from a third-party expert cyber audit in 2025
- Reviewed the external auditor's plan for their audit for the year ended 31 December 2025
- Reviewed reports from the external auditors setting out their findings arising from their audits for the years ended 31 December 2024 and 2025, as well as their review of the 2025 Half-Year Report
- Reviewed documentation prepared to support the viability statement and going concern assumption set out on page 59
- Considered the impact of any new accounting standards and financial reporting requirements, including guidance issued by the Financial Reporting Council ('FRC')
- Considered reports by management related to the effectiveness of the Group's systems of risk management and internal control
- Considered reports by management on the Company's procedures in place to mitigate the risk of material corporate fraud and meet the requirements of the Economic Crime and Corporate Transparency Act (2023)
- Reviewed the Group's risk register, including principal and emerging risks
- Considered reports prepared by the Group's outsourced internal audit function
- Considered the results of the internal assessment of the Committee's effectiveness
- Approved updates to the Committee's Terms of Reference.

The Committee was also kept up to date with changes to accounting standards and developments in financial reporting, company law and other regulatory matters through presentations from the external auditors, Chief Financial Officer and the Company's finance function.

The role of the Audit and Risk Committee is to oversee financial reporting, review the ongoing effectiveness of the Group's internal controls and provide assurance on the Group's risk management processes. The Committee also assesses information received from the external and internal audit functions.

Role and responsibilities

The key responsibilities of the Committee are as follows:

- Review the Annual Report, Half-Year Report and any other formal announcements relating to the Group's financial performance, giving due consideration to significant accounting issues and judgements contained therein, as well as compliance with accounting standards and other legal and regulatory requirements
- Review the Annual Report and Financial Statements to advise the Board on whether they give a fair, balanced and understandable explanation of the Group's business and performance over the relevant period
- Review the effectiveness of the Group's financial reporting systems and procedures
- Consider the Group's internal controls and risk management systems and advise the Board whether they are adequate, by receiving reports on their effectiveness from the Chief Financial Officer and Chief Executive, together with reports from the Group's outsourced internal auditors and from the external auditor
- Review updates to the Group's risk register presented by management
- Oversee the Group's procedures to ensure compliance with the provisions of the Bribery Act 2010 and the Group's Whistleblowing Policy
- Consider the external auditor's independence and objectivity, audit and non-audit fees and make recommendations regarding audit tender and the appointment and remuneration of the auditors, together with the terms of their engagement
- Review the annual audit plan and monitor the effectiveness of the external audit process
- Monitor and review the effectiveness of the outsourced internal audit function, including a review of the internal audit plan, all internal audit reports, and management's responses to the findings and recommendations of the internal audit function
- Consider the adequacy of the Group's finance function
- Review the Group's Tax Strategy
- Review the Committee's Terms of Reference
- Review the Committee's composition and effectiveness.

Following the 2025 year-end, at the March 2026 meeting, the Committee reviewed and recommended for approval by the Board, the financial results for the year ended 31 December 2025, including a review of the full-year external audit.

As part of that process, the members of the Committee reviewed the Annual Report, including the adequacy of the disclosure with respect to going concern and viability reporting. The Committee considered the appropriateness of preparing the accounts on a going concern basis, including consideration of forecast plans, and supporting assumptions, as well as sensitivity analysis, and concluded that the Company's financial position was such that it continued to be appropriate for accounts to be prepared on a going concern basis.

This additional review by the Audit and Risk Committee, supplemented by advice received from external advisers during the drafting process, assisted the Board in determining that the report was fair, balanced and understandable at the time that it was approved.

Audit and Risk Committee members

During 2025, the Audit and Risk Committee comprised:

Chair:

Iraj Amiri

Committee members:

Alison Littlely
Will Truman¹

All members of the Committee served throughout the year, unless otherwise stated.

The Governance Code recommends that all members of the Audit and Risk Committee are Non-executive Directors, independent in character and judgement and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgement and that one such member has recent and relevant financial experience.

The Board considers that the Company complies with the requirements of the Governance Code in this respect, and that, by virtue of his extensive experience (details of which is set out on page 61), Iraj Amiri, a Fellow of the Institute of Chartered Accountants in England and Wales has recent and relevant financial experience.

Furthermore, all Committee members have extensive relevant commercial and operational experience, including in building/construction and industrial organisations, which both benefit the Committee and collectively illustrate its competence relevant to the sector in which the Group operates.

Only members of the Committee have the right to attend Committee meetings, but both the internal and external auditors were invited to attend all meetings during the year, as a matter of course. The Chair of the Board, the Chief Executive, the Chief Financial Officer and other members of the Board were also invited to attend all the Committee meetings during the year.

In addition, the external and internal auditors met regularly with the Committee without executive management being present and met separately with each of the Audit and Risk Committee Chair and the Chief Financial Officer.

The Audit and Risk Committee will meet as often as it deems necessary but, in accordance with its Terms of Reference, at least three times a year.

¹ Stepped down from the Committee 4 November 2025.

Key accounting estimates and judgements

As described on page 78, the Committee reviewed the key estimates and judgements used in the preparation of the Group's 2025 Financial Statements (including a review of Deloitte LLP's report and a discussion of their observations and findings in this area) as follows:

Area	Estimate/judgement	Management's approach	Committee's review
Acquisition accounting	Identifying and valuing the fair value of the consideration payable and the fair value of the assets and liabilities acquired	<p>Review of the initial consideration paid for the business, including adjustments made in respect of working capital and net debt. Identify, estimate and value potential future consideration payments dependent on future performance against pre-determined targets for the acquired entities.</p> <p>Review of detailed financial information provided in support of the completion accounts to accurately assess the fair values of acquired assets and liabilities.</p> <p>Identify and value any intangible assets acquired, including goodwill.</p>	Critically reviewed the valuation of consideration payable and of the acquired assets and liabilities, including management's assessments of any acquired intangible assets such as customer relationships and goodwill.
Non-underlying items	Classification and separate presentation of certain items of income and expense as non-underlying	Identify items that, due to their nature and extent, merit separate presentation in the financial statements. This includes strategic IT projects, material restructuring of the business and associated impairment charges, and certain acquisition-related expenses.	Critically evaluated management's approach to identifying items that meet the classification criteria and assessed whether the presentation of financial performance measures excluding these items is helpful to the reader in understanding the underlying performance of the Group.
Accounts receivable recoverability	Provision for bad and doubtful debts	Application of IFRS 9's expected credit loss approach to the impairment of receivables (which requires the use of forward-looking statistical modelling to determine the appropriate level of provision), plus overlays to take into account other material factors affecting recoverability, including credit insurance.	Critically evaluated the methodology with respect to setting provisions for potential bad and doubtful debts, including management's assessment of macro uncertainty, as well as the absolute level of provisions held ¹ .
Inventory valuation	Standard costing and overhead absorption, plus provision for slow-moving items, discontinued product lines and obsolete stock	<p>Assessment of standard to actual cost adjustments and overhead absorption into stock.</p> <p>Assessment of the appropriate level of provisioning against obsolescence, undertaken in the context of current trading and the forecast for the next financial year and beyond.</p>	Critically reviewed the carrying value of the Group's inventory, the approach taken by management, and assessed the reasonableness of the underlying assumptions and financial forecasts used.

¹ The Committee's review also considered the specific nature and characteristics of customers in the Group's two major divisions.

Risk management

The Group's risk management processes are set out in detail on pages 52 and 53.

In the light of the Financial Reporting Council's ('FRC's') work on UK audit and corporate governance reform, and the revised UK Corporate Governance Code (2024), the Group has reviewed its approach to risk management and internal controls, and developed a plan to further improve their effectiveness. Implementation of these changes began in 2024 and continued during 2025.

A description of our work in relation to internal controls is included in the next section.

In terms of risk management, a formal Risk Appetite Statement has been developed and approved by the Board, with supporting frameworks now in place for risk management, assurance strategy and policy management, along with the implementation of enhanced risk assessment tools to support the risk management approach.

These tools include the preparation of a risk canvas, the completion of checklists from the FCA's Systems and Controls Sourcebook and Corporate Governance code, and a risk materiality assessment.

The Group's Risk Management Committee is chaired by the Chief Financial Officer.

This Committee reviews significant risks and the status of related mitigating actions.

The Audit and Risk Committee reviews the risk register twice per year to ensure the timely identification and robust management of inherent and emerging risks is taking place. To the extent that any failings or weaknesses are identified during the review process, appropriate measures are taken to remedy these.

Information relating to the management of risks and any changes to the assessment of key risks is reported by the Audit and Risk Committee to the Board.

Internal controls

The Board is responsible for the overall system of internal controls for the Group and for reviewing its effectiveness. The Board receives assurance on internal control effectiveness at least annually, covering all key controls including financial, operational and compliance controls and risk management systems.

In particular, the Board discharges its duties in this area by:

- Holding regular Board meetings to consider the matters reserved for its consideration
- Receiving regular management reports, which provide an assessment of key risks and mitigating actions
- Scheduling annual Board reviews of strategy, including consideration of the material risks and uncertainties facing the business
- Ensuring there is a clear organisational structure with defined responsibilities and levels of authority, which are regularly reviewed
- Scheduling regular Board reviews of performance against financial budgets and forecasts.

In reviewing the effectiveness of the system of internal controls, the Audit and Risk Committee:

- Reviews a summary of the risk register, compiled and maintained by senior managers within the Group, at least bi-annually and receives reports on near misses, errors and inaccuracies
- Receives management assurance on the effectiveness of the systems of financial and accounting controls
- Regularly reviews the internal audits performed and the progress against previously raised recommendations.

The Group has several operating policies and controls in place covering a range of issues including financial reporting, capital expenditure, business continuity and information technology, including cyber security, and appropriate employee policies. These policies are designed to ensure the accuracy and reliability of financial reporting and govern the preparation of financial statements.

In respect of the Group's financial reporting, the Finance function is responsible for preparing the Group financial statements using a well-established process and for ensuring that accounting policies are in accordance with International Financial Reporting Standards.

Consolidated accounts are prepared directly within the Group's SAP system. All business units report on SAP (except Alunet – see below), with no adjustments processed outside of the system, other than the accounting entries to reflect IFRS 16 (Leases), which are produced by a specialist lease accounting software package.

Alunet currently operates a Sage IT system. Full financial results are submitted each month by the Alunet Finance Director and consolidated by the Group Finance team. When the Group's system replacement project is complete, Alunet will transition onto IFS in line with all other business units.

Full balance sheet reconciliations are prepared every month at all business units (including Alunet) and independently reviewed by senior finance staff.

The Chief Financial Officer reviews consolidated and business unit financial statements with the Chief Executive every month. All financial information published by the Group is subject to the approval of the Audit and Risk Committee.

Other than as described, there have been no changes in the Company's internal control systems during the financial year under review that have materially affected, or are reasonably likely to materially affect, the Company's control over financial reporting.

The Board, with advice from the Audit and Risk Committee, is satisfied that an effective system of internal controls and risk management is in place, which enables the Company to identify, evaluate and manage key and emerging risks, and which accords with the guidance published by the FRC.

These processes have been in place since the start of the financial year and up to the date of approval of the accounts. Further details of specific material risks and uncertainties facing the business can be found on pages 54 to 58.

Effectiveness of the internal controls framework

In addition, the 2024 amendments to provision 29 of the UK Corporate Governance Code will require Directors (inter alia) to attest to the effectiveness of material controls on an annual basis for financial years beginning on or after 1 January 2026.

The Committee has provided ongoing review and guidance over the steps being taken to ensure the Group will be able to comply with the revised Code. The Group has defined material controls as being those controls over which the Board considers external stakeholders would want to receive assurance about their adequacy and effectiveness, and we have identified c.30 controls that meet this criteria.

During 2025, management has made progress documenting material risks and controls, including the related processes, and has completed a first round of effectiveness testing, which resulted in some recommendations for improvement, but no significant control ineffectiveness. Further testing will be undertaken throughout 2026. A KPMG internal audit review completed in H2 2025 concurred with the Company's assessment that good progress has been made (see summary of the audit findings in the table opposite).

The Committee is satisfied that the Company is well advanced in its readiness for the new Code requirements and that the Board will be appropriately positioned to make its first formal declaration on the effectiveness of internal controls in the 2026 Annual Report and Accounts.

Internal audit

KPMG LLP provide an outsourced Internal Audit function, which complements the internal finance-based checks performed on the Branch Network operations.

The Committee, working in conjunction with KPMG LLP, approved a full programme for 2025, which was compiled based on the following specific categories.

- **Risk:** internal audit reviews specifically linked to Eurocell's key financial and operational risks
- **Routine:** internal audit reviews covering financial, regulatory, compliance and IT operations, which require cyclical assurance coverage
- **Request:** internal audit reviews that have been specifically included at the request of either management, the Audit Committee or the Board.

Internal audit reviews may also be provided by other third-party experts where appropriate (e.g. cyber security).

A summary of the 2025 programme is as follows:

Internal audit programme	Summary of findings
Corporate Governance and Internal Controls Review	<ul style="list-style-type: none"> • Good progress has been made in readiness to comply with the revised UK Corporate Governance Code, specifically Provision 29 • Actions to finalise the list of key and material controls and to compile a test schedule have been completed.
Payroll	<ul style="list-style-type: none"> • There has been a significant improvement in the payroll processes since this area was last subject to an internal audit in 2017 and the processes are deemed satisfactory • New recommendations are low risk items, principally related to non-critical auditing and reporting limitations within our HR system.
ERP implementation	<ul style="list-style-type: none"> • The review found that the programme would benefit from more robustly documented project status tracking and reporting, clearer objectives/anticipated benefits analysis and improved project management documentation. Management has taken steps to develop each of these areas, and oversight and governance have been significantly strengthened.
Cyber security	<ul style="list-style-type: none"> • Deep technical review by third-party expert to assess current security posture and defences • Results from the key technical aspects of the review were excellent, reflecting significant investment in this area • Most improvement recommendations relate to incident response and business continuity documentation and policy.
Follow-up on previous internal audit recommendations	<ul style="list-style-type: none"> • Testing in 2025 demonstrated a clear improvement on the 2024 follow-up review with improvements to action completion, tracking and classification noted • More specific wording on actions arising from the audit programme would allow greater transparency on subsequent disclosures to the Committee relating to acceptance or closure of risks.

The Committee is satisfied with the overall delivery of the internal audit programme.

In addition to the topics summarised above, in 2025, the Board received reports from management providing assurance over internal controls operating in the following business areas: health and safety, and insurance programme effectiveness.

Whistleblowing, bribery and business ethics

The Group is committed to the highest standards of openness, honesty, integrity and accountability.

The Group maintains a suite of policies, which support our commitment to strong business ethics, and for which we take a strict approach to non-compliance.

This includes policies related to:

- Financial crime
- Conflicts of interest
- Gifts and hospitality
- Share dealing.

In addition, the Whistleblowing Policy makes colleagues aware that they should report any serious concerns or suspicions about any wrongdoing or malpractice on the part of any colleague of the Group, without fear of criticism, discrimination or reprisal, as well as the procedure for raising such concerns.

Each report is triaged by a nominated committee of senior management, and subsequently referred to the Senior Independent Non-executive Director.

The Committee also takes responsibility for reviewing the policies and procedures adopted by the Group to prevent bribery and corruption, and the Group is committed to a zero-tolerance position in this respect. The Committee is satisfied that the Group's procedures with respect to these matters are adequate.

In accordance with the obligations under the Reporting on Payment Practices and Performance Regulations 2017, the Company has submitted its bi-annual reports in line with the legislation during the year.

The Group's Modern Slavery Statement, which sets out details of the policies in relation to slavery and human trafficking, as well as its due diligence processes with its partners, has been published at: investors.eurocell.co.uk.

The Group has also updated its Tax Strategy Statement, again published on our website, in compliance with the Finance Act 2016, which sets out details of the Group's attitude to tax planning and tax risk. In addition, the Group continues to be certified as an accredited Fair Tax Mark business, recognising our responsibility to pay the right amount of tax, in the right place, at the right time.

External auditor independence

In accordance with best ethical standards, Deloitte LLP has processes in place designed to maintain independence, including the rotation of the audit engagement partner at least every five years. Lee Highton has held the role since Deloitte's appointment in May 2025.

The Committee has also adopted policies to safeguard the independence of its external auditors, which are underpinned by principles that ensure that the external auditors do not:

- Audit their own work
- Make management decisions for the Group
- Create a conflict of interest
- Find themselves in the role of advocate for the Group.

Any work awarded to the external auditors with a value of more than £5,000 in aggregate in any financial year, other than an audit, requires the specific approval of the Committee. Where the Committee perceives that the independence of the auditors could be compromised, the work will not be awarded to the auditors.

Details of amounts paid to Deloitte LLP for audit and audit-related assurance services in 2025 are set out on page 135. The audit-related assurance services provided during the year were in relation to the Half-Year Report (£49,600).

During the year, the Committee reviewed the audit process, the performance of the auditors and their ongoing independence, taking into consideration:

- An assessment of the lead audit partner and the audit team, including their responses to questions from the Committee
- A review of the audit approach, scope, determination of significant risk areas and materiality
- The execution of the audit, including the increased use of technology, and the audit findings reported
- Input from, and interaction with, management and communication with, and support to, the Committee
- The quality of any recommendation points; and a review of independence, objectivity, scepticism and their ability to challenge.

The Committee discharged its responsibilities and ensured compliance with the Audit Committees and the External Audit: Minimum Standard (the Minimum Standard) in 2025 through monitoring the effectiveness of the internal control environment and internal and external audit processes, as well as the integrity of financial statements and related announcements. Activities undertaken to meet the requirements of the Minimum Standard are described throughout this report.

Based on this review, the Committee concluded that the external audit process had been run efficiently and that Deloitte LLP has been effective in their role as external auditors.

The Committee is satisfied that the independence of the external auditors is not impaired, and the level of fees paid for non-audit services, details of which are set out in Note 5 to the Financial Statements, does not jeopardise their independence.

External auditor appointment

The Audit and Risk Committee has primary responsibility for making a recommendation to the Board on the appointment, reappointment, removal and remuneration of the external auditors. It keeps under review the scope and results of the audit, its cost-effectiveness and the independence and objectivity of the auditors.

Following a tender process in 2024, the Group's current auditors, Deloitte LLP were appointed at the 2025 AGM.

Iraj Amiri
Chair of the Audit and Risk Committee

18 March 2026

Non-financial and Sustainability Information Statement

The Group has complied with the requirements of sections 414CA and 414CB of the Companies Act 2006 by including certain non-financial information within the Strategic Report.

The following table summarises where you can find further information on each of the key areas of disclosure required by section 414CA and 414CB of the Companies Act. The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 amend these sections of the Companies Act 2006, placing requirements on the Group to incorporate climate disclosures in the Annual Report. We believe these have been addressed within this year's climate-related disclosures on pages 36 to 47 and as such, we have referenced the location of these within our statement on TCFD on page 37.

	Relevant Group policies and guidance	Information necessary to understand our Group and its impact, policies, due diligence and outcomes	Relevant information from our Annual Report
Environmental matters	<ul style="list-style-type: none"> • Safety, Health and Environment Policy • Sustainable Procurement Policy • Corporate Social Responsibility Policy. 	<ul style="list-style-type: none"> • Policies, which support our approach to environmental sustainability, are described in our Sustainability Report. 	<ul style="list-style-type: none"> • Environmental Leadership: pages 28 to 31 • Sustainable Products: pages 32 to 33.
Business model and principal risks	<ul style="list-style-type: none"> • Risk Management Framework • Delegated authorities. 	<ul style="list-style-type: none"> • We operate a vertically integrated business model with a differentiated customer proposition for fabricators, installers, housebuilders and small independent builders • Further information on how we manage risk within the Group is outlined in our Risk Management Report and Principle Risks and Uncertainties register. 	<ul style="list-style-type: none"> • Our Business at a Glance: pages 02 to 03 • Our Strategy: pages 14 to 19 • Business Review: pages 10 to 13 • Principal Risks: pages 54 to 58.
Non-financial KPI's		<ul style="list-style-type: none"> • More information on the non-financial KPI's we use to monitor our business can be found in our Sustainability Report. 	<ul style="list-style-type: none"> • Sustainable business goals: pages 22 and 25.
Colleagues	<ul style="list-style-type: none"> • Employee Handbook • Health and Safety Policy • Equality, Diversity and Inclusion Policy • Board Diversity Policy. 	<ul style="list-style-type: none"> • A key pillar of our strategy is to be a great place to work • More information on our people strategy and related policies can be found in our Sustainability Report. 	<ul style="list-style-type: none"> • Health and Safety: pages 23 to 24 • People First: pages 25 to 27.
Social matters	<ul style="list-style-type: none"> • Corporate Social Responsibility Policy • Privacy Policy • Anti-Bullying, Harassment and Victimisation Policy. 	<ul style="list-style-type: none"> • Creating sustainable building solutions is core to our Purpose and we have identified through our materiality assessments where our key focus areas are. Further detail is included in the Sustainability Report. 	<ul style="list-style-type: none"> • Ethics and Compliance: pages 34 to 35.
Human rights	<ul style="list-style-type: none"> • Anti-Slavery and Human Trafficking Policy • Whistleblowing Policy • Modern Slavery Statement. 	<ul style="list-style-type: none"> • The Group is committed to operating in accordance with internationally accepted human rights standards and with all relevant legislation including the UK Modern Slavery Act 2015. During 2025, we had no substantiated reports of modern slavery across our business and supply chain. 	<ul style="list-style-type: none"> • Ethics and Compliance: pages 34 to 35.
Anti-bribery and corruption	<ul style="list-style-type: none"> • Anti-bribery Policy. 	<ul style="list-style-type: none"> • The Group has policies in place to support the prevention of economic crime covering anti-money laundering, fraud and tax evasion • During the year, no bribery or corruption incidents were reported. 	<ul style="list-style-type: none"> • Ethics and Compliance: pages 34 to 35.



**Dear shareholder,
I am pleased to report to
you on the main activities
of the Committee and
how it has performed
its duties during 2025.”**

Alison Littley
Chair of the Social Values and ESG Committee



Committee composition



Alison Littley
(Chair)



Angela
Rushforth



Will Truman¹



Iraj
Amiri



Michael
Scott



Joy Naylor²



Cat
Hambleton-
Gray



Jon
Lawrence³



Darren
Waters⁴

¹ Member as Non-executive Director until 4 November 2025, thereafter attended as an Executive Director.

² Appointed 13 March 2025.

³ Stepped down from the Committee 30 November 2025.

⁴ Stepped down 9 February 2026.

The Committee is responsible for providing formal and transparent oversight of the Group's Environmental, Social and Governance ('ESG') programme and value-led agenda. This includes, but is not limited to, sustainability, employee welfare and responsible business practices, as well as the Company's contribution to the societies in which it operates.

Social Values and ESG Committee members

The Committee includes Non-executive Directors, Executive Directors and members of the senior management team.

During 2025, the Committee comprised:

Chair:

Alison Littley

Committee members:

Non-executive Directors:

Iraj Amiri

Will Truman (until 4 November 2025)

Angela Rushforth

Executive Directors:

Michael Scott

Will Truman (from 4 November 2025)

Darren Waters (until 9 February 2026)

Role and responsibilities

The principal duties of the Committee are to:

- Drive the social value and responsible business agenda on behalf of the Company
- Ensure that the Company conducts its business in a commercially responsible way to achieve maximum positive impact on the people, communities and the environment in which it works
- Monitor progress against key performance indicators and external ESG index results
- Benefit the customers, staff and shareholders of the Eurocell Group.
- Provide best practice on the structure, policies and regulations that impact the business
- Increase the understanding and awareness of corporate governance and social aspects that impact the business and industry
- Monitor and develop all aspects of employee welfare throughout the business
- Implement and promote common and workable standards of corporate governance for the business
- Provide advice on ESG matters to management and the Board
- Review and approve/recommend the Group's ESG initiatives, objectives, strategies and targets
- Advise on the reporting and disclosures on ESG matters in compliance with laws and regulations.

As a result, the Committee has the following objectives to:

- Emphasise the importance of environmental measures, sustainability goals and performance, at all levels of the business

Senior management team:

Cat Hambleton-Gray (People Director)

Jon Lawrence (Head of Safety, Health and Environment until 30 November 2025)

Joy Naylor (Manufacturing and Recycling Director from 13 March 2025)

All members of the Committee served throughout the year, unless otherwise stated.

Only members of the Committee have the right to attend Committee meetings, but the other members of the Board and, when appropriate, other members of the senior management team, are also invited to attend Committee meetings.

Summary of activities during the year

The Social Values and ESG Committee met formally three times during the year and attendance at the meetings is shown on page 68.

The areas of focus for the Committee in 2025, and up to the date of this Annual Report, were as follows:

- Review of management reports on safety performance and improvement initiatives
- Oversight of the ongoing environmental protection initiatives across the Group
- Review of the approach to, and delivery of, the People First Strategy
- Review of early stage progress of the Group's Net Zero Transition Plan, first published in 2025
- Considered the ongoing appropriateness of ESG metrics and any associated assurance requirements
- Overseeing the Group's performance with external sustainability rating agencies
- Reviewing the Committee's Terms of Reference.

Full details of our work to date on the development of our ESG strategy and related matters are set out in the Sustainability Report on pages 20 to 35 and the Task Force on Climate-related Financial Disclosures Report on pages 36 to 47.

Our Net Zero Transition Plan can be found at: investors.eurocell.co.uk.

Finally, I would like to thank my fellow Committee members who served during the year for their valuable contribution and support.

Alison Littley
Chair of the Social Values and ESG Committee

18 March 2026



Dear shareholder, I am pleased to introduce the Directors' Remuneration Report for 2025."

Alison Littley

Chair of the Remuneration Committee



Committee composition



Alison Littley
(Chair)



Iraj Amiri



Angela
Rushforth



Will Truman¹

¹ Stepped down from the Committee
4 November 2025.

Throughout the year, the Committee has endeavoured to balance the experience of the Company's stakeholders with its obligations to ensure remuneration is:

- Appropriately competitive
- Fit to incentivise and fairly reward the achievement of short and long-term business goals
- Cascaded appropriately throughout the business.

I hope this report explains how we have sought to achieve this aim for 2025, and how we plan to implement the approved remuneration policy in 2026.

Board evolution

Over the last few months, Eurocell has announced a number of changes to the Board and Executive team, in respect of which, the Committee has determined the remuneration arrangements for outgoing and incoming Directors in line with the Remuneration Policy approved by 98% of shareholders at the 2025 AGM.

In November 2025, it was announced that Michael Scott, Chief Financial Officer, had notified the Board of his intention to retire following the conclusion of the 2025 financial reporting process in Spring 2026.

Michael was to be succeeded as CFO by Will Truman, a Non-executive Director of Eurocell since 2023. Will was initially appointed as CFO Designate with effect from 4 November 2025 and assumed full-time executive responsibilities from this date.

In recognition of his experience and significant knowledge of Eurocell, as well as extensive and relevant past experience as an executive director, the Committee resolved to set Will's remuneration as CFO Designate in line with Michael's 2025 remuneration package. When Darren Waters stepped down as CEO on 9 February 2026, and noting the importance of surety of leadership in a critical period for the business, the Board appointed Will Truman as CEO with immediate effect. Michael Scott subsequently accepted the Board's request to postpone his retirement. Accordingly, Michael will continue as Chief Financial Officer during 2026.

In the light of Will's proven experience as a CEO, and his deep knowledge of Eurocell, the Committee set Will's remuneration on appointment as CEO in line with that of his predecessor. Specifically, his base salary was set at £434,928, his pension contribution at 5% of salary and his maximum annual bonus opportunity at 150% of salary. His first award under the PSP will be made in 2026 with a face value of 200% of salary. Further details are set out in the relevant sections of this report.

Finally, and as noted on the previous page, Darren Waters stepped down as CEO and from the Board on 9 February 2026. In acknowledgement of his leadership over his tenure, including the acquisition of Alunet and significant improvements to cultural change, Darren will retain interests in the PSP awards granted in 2023, and pro-rated interests for those granted in 2024 and 2025. Full details of the leaver arrangements agreed by the Committee for Darren are set out on page 102.

2025 performance context and remuneration outcomes

For the year in review, as described elsewhere in this Annual Report, against a weak market backdrop, Eurocell delivered a resilient financial performance for the year, with adjusted operating profit ahead of 2024. This context has framed the Committee's assessment of 2025 incentive outcomes, which are summarised below and further details of which are set out later in this report.

2025 annual bonus

The Executive Director annual bonus is based on a combination of financial metrics and strategic objectives, underpinned by Group health and safety. In 2025, the target bonus opportunity for Executive Directors was 75% salary, with the maximum bonus opportunity set at 150% of salary for Darren Waters and 100% for Michael Scott. Will Truman was not eligible for a bonus in respect of the part-year served as an Executive Director in 2025.

Based on performance against the targets and objectives set at the start of the year, the maximum bonus outcome was 7.5% of salary based on a formulaic assessment of the strategic objectives. The financial performance measures were not met. In addition to the health and safety underpin, the Committee reviewed this formulaic outcome in the context of factors such as individual performance, and shareholder and employee experience, and concluded that, while strong progress had been made on the strategic objectives, it was appropriate to apply a discretionary adjustment such that no bonus became payable. Full details of how these awards were determined are included on page 99 of this report.

2023 Performance Share Plan ('PSP')

The three-year performance period for the PSP granted in April 2023 ended on 31 December 2025, with vesting of these awards based two-thirds on adjusted basic EPS and one-third on Group ROCE. At the end of the period, EPS and ROCE were both below the threshold performance level set at the start of the performance period. As a result, the 2023 PSP will lapse in full in April 2026. Further details are included on page 100 of this report.

2025 PSP

Following approval of the new Policy and scheme rules, Darren Waters and Michael Scott were granted one-off awards under the PSP in 2025. As set out in last year's report, the 2025 PSP was designed to align with the Group's 2028 strategic ambition. Four-year targets were set to align with our stated goals for revenue, adjusted operating margin and adjusted operating profit. No further awards were to be granted to participants in the 2025 PSP until 2029. Further details are included on page 100 of this report.

Implementation of the Remuneration Policy in 2026 Base salaries

Following the Committee's annual review, Will Truman and Michael Scott were each awarded a salary increase of 3%, in line with the wider workforce. The resulting salaries remain below the median for FTSE companies of comparable size and complexity to Eurocell. Darren Waters was not awarded a salary increase, having stepped down prior to the effective date.

2026 annual bonus

For 2026, the maximum annual bonus opportunity for Will Truman will be 150% of salary for the period of his tenure as CEO and 100% of salary for the period as CFO Designate, and for Michael Scott will remain 100% of salary. Payouts will be linked to performance against a number financial metrics. In the case of Michael Scott, a modest element of his payout will continue to be linked to the achievement of individual strategic objectives. Further details of the performance measures and weightings are set out on page 106.

2026 PSP awards

Will Truman will be eligible for an annual PSP award opportunity of 200% of salary, vesting on the third anniversary of grant subject to performance over a three-year period. Recognising that the end of the 2026 PSP period coincides with the end of our current strategic horizon and the performance period attaching to the one-off, four-year PSP awarded to 2025, vesting of the 2026 PSP will be based on the same performance scorecard of revenue, adjusted operating margin and adjusted operating profit. Further details, including targets for each measure, are set out on page 106. As a participant in the 2025 PSP, Michael Scott will not receive a 2026 PSP award.

Conclusion

The Committee and I wish to thank all our shareholders for their ongoing support over the years. In line with prior years, we will be offering a resolution on an advisory basis on the Directors' Remuneration Report (excluding Part A: Directors' Remuneration Policy). I hope that we have succeeded in setting out clearly our proposals and the rationale for these, and can count on your support for the DRR resolution at the 2026 AGM.

I would also like to thank my fellow Committee members and external advisers for their valuable contributions during the year.

Alison Littley Chair of the Remuneration Committee

18 March 2026

Role and responsibilities

The Committee's principal responsibilities are to:

- Recommend to the Board the remuneration strategy and framework for the Executive Directors and senior managers
- Determine, within that framework, the individual remuneration arrangements for the Executive Directors and senior managers
- Determine the remuneration for the Chair
- Oversee any major changes in colleague benefit structures throughout the Group.

Summary of activities during the year

The Remuneration Committee met formally three times during the year and attendance at the meetings is shown on page 68.

The main Committee activities during the year (full details of which are set out in the relevant sections of this report) included:

- Assessing performance against the targets set, and the resulting pay-out of, the 2024 annual bonus
- Agreeing Executive Director and senior management base salaries from 1 April 2025
- Setting the performance targets for the 2025 annual bonus
- Agreeing the award levels and targets for the 2025 Performance Share Plan ('PSP') awards
- Reviewing the pay and benefits structure of the wider workforce to ensure alignment with the Executive Directors (as described in this report) and senior management and engaging via the Colleague Forum on pay and benefits.
- Reviewing the policy and extensively engaging shareholders before finalising its proposals

- Reviewing our gender pay gap reporting
- Overseeing the operation of the Group's Save As You Earn scheme
- Reviewing the Committee's Terms of Reference
- Approving leaver terms for Darren Waters and the package of his successor, Will Truman, in accordance with the policy.

Remuneration Policy links to strategy

The Group's five-year strategy was first set out in the 2023 Annual Report, with a full progress update included in this year's report on pages 14 to 19.

As described, the current Remuneration Policy reflects typical market norms, with the measures used in the annual bonus selected by the Committee to reinforce our short-term operational priorities. Long-term performance measures are selected to align with our strategic ambitions and targets typically reflect industry context, expectations of what will constitute appropriately challenging performance levels and factors specific to the Group.

Explanatory foreword

This report contains the material required to be set out as the Directors' Remuneration Report for the purposes of Part 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and is split into two parts as follows.

Part A: The Directors' Remuneration Policy

– this sets out the Remuneration Policy, which was approved by 97.8% of shareholders at the 2025 AGM. While no changes are proposed to the Policy this year, we have reproduced the Policy in full for both ease of reference and in order to provide context to the decisions taken by the Committee during the year.

Part B: The Annual Report on

Remuneration – this sets out payments and awards made to the Directors and details the link between Company performance and remuneration for 2025, and how the approved Policy will be operated for 2026. The Directors' Remuneration Report (excluding Part A: Directors' Remuneration Policy) will be subject to an advisory vote at the 2026 AGM.

The auditors have reported on certain parts of the Annual Report on Remuneration and stated whether, in their opinion, those parts have been properly prepared in accordance with the Companies Act 2006. Those parts, which have been subject to audit, are clearly indicated.

Part A: Directors' Remuneration Policy

Policy scope

The Policy applies to the Chair of the Board, Executive Directors and Non-executive Directors.

Policy duration

The Policy set out in this report was approved by 97.8% of shareholders at the 2025 AGM. The policy applies from that date until the end of the financial year in which the third anniversary of its approval falls, unless a revised policy is submitted for shareholder approval earlier, i.e. prior to the 2028 AGM.

This Part A reproduces the Policy approved by shareholders, save for: (i) updated page numbers; (ii) changes to the service contracts section to reflect changes in Board composition in 2025; and (iii) updated pay scenario charts to reflect how the Policy will be implemented in 2026.

Executive Directors

The following table summarises the key aspects of the Directors' Remuneration Policy:

Element and purpose	Policy and operation	Maximum	Performance measures
<p>Base salary</p> <p>This is the core element of pay and reflects the individual's role and position within the Group, with some adjustment to reflect their capability and contribution.</p>	<p>Base salaries will be reviewed each year by the Committee.</p> <p>The Committee does not strictly follow data but uses the median position (as against appropriate size and/or sector peers) as a reference point in considering, in its judgement, the appropriate level of salary having regard to other relevant factors including corporate and individual performance and any changes in an individual's role and responsibilities.</p> <p>Base salary is normally paid monthly in cash.</p>	<p>It is anticipated that salary increases will generally be in line with those awarded to salaried employees.</p> <p>However, in certain circumstances (including, but not limited to, changes in role and responsibilities, market levels, individual and Company performance), the Committee may make larger salary increases to ensure they are market competitive.</p> <p>The rationale for any such increase will be disclosed in the relevant Annual Report on Remuneration.</p>	n/a
<p>Benefits</p> <p>To provide benefits valued by recipients.</p>	<p>The Executive Directors can receive a car allowance or company car (and fuel), private family medical cover, permanent health insurance and life assurance.</p> <p>The Committee reserves discretion to introduce new benefits where it concludes that it is appropriate to do so, having regard to the particular circumstances and to market practice.</p> <p>Where appropriate, the Company will meet certain costs relating to Executive Director relocations.</p>	<p>It is not possible to prescribe the likely change in the cost of insured benefits or the cost of some of the other reported benefits year to year, but the provision of benefits will operate within an annual limit of £100,000 (plus a further 100% of base salary in the case of relocations).</p> <p>The Committee will monitor the costs of benefits in practice and will ensure that the overall costs do not increase by more than the Committee considers appropriate in the circumstances.</p>	n/a
<p>Pension</p> <p>To provide retirement benefits.</p>	<p>Executive Directors can receive pension contributions to personal pension arrangements or, if a Director is impacted by annual or lifetime limits on contribution levels to qualifying pension plans, the balance can be paid as a cash supplement.</p>	<p>The maximum employer's contribution (or cash supplement) for incumbent Executive Directors is, and for new appointments will be, aligned with the pension benefits available to the wider workforce, currently 5% of base salary.</p>	n/a

Directors' Remuneration Report continued

Element and purpose	Policy and operation	Maximum	Performance measures
<p>Annual Bonus Plan</p> <p>To motivate executives and incentivise delivery of performance over a one-year operating cycle, focusing on the short to medium-term elements of our strategic aims.</p>	<p>Annual Bonus Plan levels and the appropriateness of measures are reviewed annually at the commencement of each financial year to ensure they continue to support our strategy.</p> <p>From the 2025 Annual Bonus Plan cycle onwards, 50% of any earned award will be compulsorily deferred into Eurocell shares under the Company's Deferred Share Plan ('DSP'), for three years from grant. To the extent an Executive Director has achieved, and continues to meet, their share ownership guideline, the deferral requirement shall cease to apply, and subsequent earned awards will be paid in cash.</p> <p>The number of shares subject to vested DSP awards may be increased to reflect the value of dividends that would have been paid in respect of any ex-dividend dates falling between the grant of awards and the expiry of the deferral period.</p> <p>Malus and clawback provisions apply to the Annual Bonus Plan and DSP, as explained within this report.</p>	<p>150% of base salary for the Chief Executive Officer.</p> <p>100% of base salary for other Executive Directors.</p>	<p>The performance measures applied may be financial or non-financial and corporate, divisional or individual, and in such proportions as the Committee considers appropriate.</p> <p>Once set, performance measures and targets will generally remain unchanged for the year, except to reflect events such as corporate acquisitions or other significant events where the Committee considers it to be necessary in its opinion to make appropriate adjustments.</p> <p>Attaining the threshold level of performance for any measure will not produce a pay-out of more than 20% of that element of the overall opportunity attributable to that measure.</p> <p>However, the Annual Bonus Plan remains a discretionary arrangement, and the Committee retains a standard power to apply its judgement to adjust the outcome of the Annual Bonus Plan for any performance measure (from zero to any cap) should it consider that to be appropriate.</p>
<p>Long-term incentives</p> <p>To motivate and incentivise delivery of sustained performance over the long term, and to promote alignment with shareholders' interests.</p>	<p>Awards under the PSP take the form of nil-cost options, which vest to the extent performance conditions are satisfied over a period of at least three years.</p> <p>The number of shares subject to vested PSP awards may be increased to reflect the value of dividends that would have been paid in respect of any ex-dividend dates falling between the grant of awards and the expiry of the vesting period (or at the end of any holding period in respect of unexercised awards).</p> <p>A post-vesting holding period applies to PSP awards. For the 2025 PSP, a post-vesting holding period of one year will apply to 50% of any shares vesting at the conclusion of the four-year performance period. For any other PSP awards granted to Executive Directors during the policy term (as may be required for new appointments), a post-vesting holding period of two years will apply to 100% of any shares vesting.</p> <p>Malus and clawback provisions apply to PSP awards, as explained within this report.</p>	<p>For 2025 only:</p> <ul style="list-style-type: none"> • an award opportunity of 800% of base salary for Darren Waters; and • an award opportunity of 600% of base salary for Michael Scott. <p>Future years:</p> <ul style="list-style-type: none"> • No further awards will be made to Darren Waters or Michael Scott until 2029 • Annual awards (e.g. in the event of a new Executive Director appointment during the Policy term) may be made up to 200% of base salary. The Committee expressly reserves discretion to make such awards as it considers appropriate within this limit. 	<p>The Committee may set such performance conditions on PSP awards as it considers appropriate (whether financial or non-financial and whether corporate, divisional or individual).</p> <p>Performance periods may be over such periods as the Committee selects at grant, which will not normally be less than (but may be longer than) three years.</p> <p>No more than 25% of awards vest for attaining the threshold level of performance conditions. The Committee also has standard power to exercise discretion to adjust the outcome of the PSP for any performance measure (from zero to any cap) should it consider that to be appropriate.</p>

Element and purpose	Policy and operation	Maximum	Performance measures
<p>Share ownership guidelines</p> <p>To further align the interests of Executive Directors with those of shareholders.</p>	<p>Executive Directors are required to retain at least 50% of the net of tax shares, which vest under the PSP and DSP awards, until the guideline (being 200% of base salary) is met. Any PSP shares, which are performance vested but subject to a holding period, and any shares awarded in connection with annual bonus deferral, will be credited for the purpose of the guidelines (discounted for anticipated tax liabilities).</p> <p>Executive Directors are required to maintain a shareholding in the Company for a one-year period after stepping down from that position, being 100% of base salary or the Executive Directors' actual relevant shareholding at leaving this position, if lower.</p> <p>The Executive Directors' actual relevant shareholding will include shares vesting under any of the Company's discretionary share incentive arrangements (including any deferred bonus shares) from awards granted after 12 May 2022, but excludes shares acquired through purchase and the release of shares under share incentive plans where the grant occurred prior to 12 May 2022.</p>	n/a	n/a
<p>All-employee share plans</p> <p>To encourage share ownership by employees, thereby allowing them to share in the long-term success of the Group and align their interests with those of shareholders.</p>	<p>These are all-employee share plans established under HMRC tax-advantaged regimes and follow the usual form for such plans.</p> <p>Executive Directors will be able to participate in all-employee share plans on the same terms as other Group employees.</p>	<p>The maximum participation levels for all-employee share plans will be the limits for such plans set by HMRC from time to time.</p>	<p>Consistent with normal practice, such awards will not be subject to performance conditions.</p>
<p>Chair/Non-executive Director fees</p> <p>To enable the Company to recruit and retain Chairs and Non-executive Directors of the highest calibre, at the appropriate cost.</p>	<p>The fees paid to the Chair and Non-executive Directors aim to be competitive with other listed companies of equivalent size and complexity.</p> <p>The fees payable to the Non-executive Directors are determined by the Board, with the Chair's fees determined by the Remuneration Committee. Fees are paid monthly in cash.</p> <p>The Chair and Non-executive Directors will not participate in any cash or share incentive arrangements.</p> <p>The Company reserves the right to provide benefits (including travel and office support) to the Chair and Non-executive Directors where appropriate. Should any assessment to tax be made on such reimbursement, the Company reserves the ability to settle such liability on behalf of the Non-executive Director.</p>	<p>The aggregate fees (and any benefits) of the Chair and Non-executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association.</p> <p>If the Chair and/or Non-executive Directors devote special attention to the business of the Company or otherwise perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, they may be paid such additional remuneration as the Directors or any Committee authorised by the Directors may determine.</p>	n/a

Other elements of the Policy and notes to the Policy table

Performance targets

Targets applying to the annual bonus and PSP are set at the start of each award cycle, taking into account a number of internal and external reference points.

Annual bonus targets, which may change from year to year, are aligned with the annual budget agreed by the Board and measures will be selected by the Committee to reinforce short-term operational priorities. While commercially sensitive at the time of being agreed, bonus targets will be disclosed retrospectively in the relevant Annual Report.

PSP targets typically reflect industry context, expectations of what will constitute appropriately challenging performance levels and factors specific to the Group. For the four-year PSP approved at the 2025 AGM, measures and targets have been aligned directly to the KPIs of our five-year strategy published in the 2023 Annual Report.

Malus and clawback

Malus (being the forfeiture of unpaid or unvested awards) and clawback (being the ability of the Company to claim repayment of paid amounts) provisions apply to the Annual Bonus Plan, DSP and PSP in certain circumstances (e.g. material misstatement of accounts, miscalculation of vesting/pay-outs and conduct that would, or could, justify summary dismissal). Normally, clawback can operate for up to three years following the vesting of an award. This timeframe has been set by the Committee to align with the period over which the Company's processes and systems are likely to uncover any of the trigger events listed above. No malus or clawback provisions were used in the last reporting period.

Differences between the policy on remuneration for Directors and remuneration of other employees

While the appropriate benchmarks vary by role, the Company seeks to apply the philosophy behind this Policy across the Company as a whole. This includes the basis on which the wider senior leadership team is incentivised and, accordingly, the PSP structure, measures and targets are cascaded to all eligible participants.

Where Eurocell's pay policy for Directors differs from its pay policies for groups of employees, this reflects the appropriate market rate position and/or typical practice for the relevant roles. The Company takes into account pay levels, the bonus opportunity and share award opportunity applied across the Group as a whole when setting the Executive Directors' Remuneration Policy.

Committee discretions

The Committee will operate the Annual Bonus Plan, DSP and PSP according to their respective rules and the Policy table. The Committee retains discretion, consistent with market practice, in a number of respects, in relation to the operation and administration of these plans. These discretions include, but are not limited to, the following:

- the selection of participants;
- the timing of grant of an award/bonus opportunity;
- the timing of vesting of an award/bonus opportunity;
- the size of an award/bonus opportunity subject to the maximum limits set out in the Policy;
- the determination of the extent to which performance targets are satisfied and the resultant vesting/bonus pay outs;
- discretion required when dealing with a change of control or restructuring of the Group;
- determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends);
- the annual review of performance measures, weightings and targets from year to year; and
- application of malus and/or clawback provisions.

In addition, while performance measures and targets used in the Annual Bonus Plan and PSP will generally remain unaltered, if events occur which, in the Committee's opinion, would make a different or amended target a fairer measure of performance, such amended or different target can be set, provided it is not materially more or less difficult to satisfy (having regard to the event in question).

Any use of these discretions would, where relevant, be explained in the Directors' Remuneration Report and may, where appropriate and practicable, be the subject of consultation with the Company's major shareholders.

In addition, for the avoidance of doubt, in approving this Policy, authority is given to the Company to honour any commitments entered into with current or former Directors under previous policies.

The Committee may make minor amendments to the Policy (for regulatory, change of control, tax or administrative purposes, or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Recruitment Remuneration Policy

The Company's Recruitment Remuneration Policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the skillset necessary to deliver our strategic aims.

In terms of the principles for setting a package for a new Executive Director, the starting point for the Committee will be to apply the general policy for Executive Directors as set out and structure a package in accordance with that Policy. Any caps contained within the Policy for fixed pay do not apply to new recruits, although the Committee would not envisage exceeding these caps in practice.

The Annual Bonus Plan, DSP and PSP will operate (including the maximum award levels) as detailed in the general Policy in relation to any newly appointed Executive Director. For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses as it considers appropriate.

For external candidates, it may be necessary to make additional awards in connection with the recruitment to buy-out awards forfeited by the individual on leaving a previous employer.

While buy-out awards are not subject to a formal cap, the Company will not pay more than is, in the view of the Committee, necessary and will in all cases seek, in the first instance, to deliver any such awards under the terms of the existing Annual Bonus Plan, DSP or PSP. It may, however, be necessary in some cases to make buy-out awards on terms that are more bespoke than the existing schemes.

The structure and award opportunity under any buy-out arrangement, whether delivered under the Annual Bonus Plan, DSP, PSP or otherwise, will take due account of the service obligations and performance requirements for the remuneration relinquished by the individual when leaving a previous employer.

The Committee will seek (where it is practicable to do so) to make buy-outs subject to what are, in its opinion, comparable requirements in respect of service and performance. However, the Committee may choose to relax this requirement in certain cases (such as where the service and/or performance requirements are materially

completed, or where such factors are, in the view of the Committee, reflected in some other way, such as a significant discount to the face value of the awards forfeited) and where it is considered to be in the interests of shareholders to do so.

A new Chair/Non-executive Director would be recruited on the terms explained in respect of the main Policy for such Directors.

Service contracts Executive Directors

The Committee's Policy is that each Executive Director's service agreement should be of indefinite duration, subject to termination upon no more than 12-months' notice by either party. The service agreements of the Executive Directors comply with that Policy. Contracts contain provisions allowing the Company to make payments in lieu of notice (albeit not including bonus or benefits) but do not contain change of control provisions.

The Committee reserves flexibility to alter these principles, if necessary, to secure

the recruitment of an appropriate candidate including, if appropriate, a longer initial notice period (of up to two years) reducing over time.

The date of each current Executive Director's contract is:

Michael Scott	1 September 2016
Will Truman	4 November 2025

Chair/Non-executive Directors

The Chair and each Non-executive Director is engaged for an initial period of three years. These appointments can be renewed following the initial three-year term. These engagements can be terminated by either party on 12 months' notice.

Neither the Chair nor any Non-executive Directors can participate in the Company's incentive plans, are not entitled to any pension benefits and are not entitled to any payment in compensation for early termination of their appointment beyond the 12-months' notice referred to above. The details of the appointments of the current Non-executive Directors are as follows:

Name	Date of original appointment	Date of latest appointment	Term
Derek Mapp	16 May 2022	16 May 2025	3 years
Alison Littley	1 July 2022	1 July 2025	3 years
Iraj Amiri	7 November 2022	7 November 2025	3 years
Angela Rushforth	1 February 2024	1 February 2024	3 years

The Directors' service agreements and letters of appointment are available for shareholders to view from the Group Company Secretary on request.

Termination/change of control policy summary

It is appropriate for the Committee to consider treatments on a termination having regard to all of the relevant facts and circumstances available at that time. This Policy applies both to any negotiations linked to notice periods on a termination and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the Annual Bonus Plan, DSP and PSP. The potential treatments on termination under these plans are summarised in the table below:

Incentives	If a leaver is deemed to be a 'good leaver'; for example, leaving through injury, ill health, disability, retirement, redundancy, sale of business or otherwise at the discretion of the Committee	If a leaver is not a 'good leaver'	Change in control
Annual bonus	The Committee has discretion to determine an annual bonus, which may be limited to the period actually worked.	Annual bonus generally not paid.	The Committee has discretion to determine an annual bonus.
DSP	Awards normally vest either on the normal vesting date or cessation. The Committee can pro-rate awards if considered appropriate.	All awards will normally lapse.	Awards vest on a pro rata basis, unless the Committee determines not to pro-rate.
PSP	Awards usually subsist, subject to being pro-rated for time and the application of the performance conditions at the end of the normal performance period. The Committee retains standard discretions to either vary/disapply time pro-rating or to accelerate vesting to the earlier date of cessation (assessing the performance conditions at that time).	All awards will normally lapse.	Will receive a time pro-rated award subject to the application of the performance conditions at the date of the event, unless the Committee determines not to pro-rate for time.

Annual Bonus Plan, DSP and PSP awards typically vest immediately and in full upon death (although pro-rating may be applied, depending on the circumstances).

The Company has the power to enter into settlement agreements with Directors and to pay compensation to settle potential legal claims. In addition, and consistent with market practice, in the event of the termination of an Executive Director, the Company may make a contribution towards that individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees will be disclosed as part of the detail of termination arrangements. For the avoidance of doubt, the Policy does not include an explicit cap on the cost of termination payments.

External appointments

The Company's Policy is to permit an Executive Director to serve as a Non-executive Director elsewhere when this does not conflict with the individual's duties to the Company.

Where an Executive Director takes such a role, they will be entitled to retain any fees that they earn from that appointment (unless the Committee determines otherwise).

Statement of consideration of employment conditions elsewhere in the Group

Pay and employment conditions generally in the Group are taken into account when setting Executive Directors' remuneration. The Committee receives regular updates on overall pay and conditions in the Group, including (but not limited to) changes in base pay and any staff bonus pools in operation, and uses this information to ensure consistency and fairness of approach throughout the Group. As a result, the Committee does not consider it necessary to formally consult with colleagues when drawing up the Policy, determining how the Policy will be implemented, or in preparing the Remuneration Report.

However, it is intended that annual colleague engagement surveys would include coverage of relevant aspects of the Group's remuneration approach, to the extent this is considered appropriate in the circumstances.

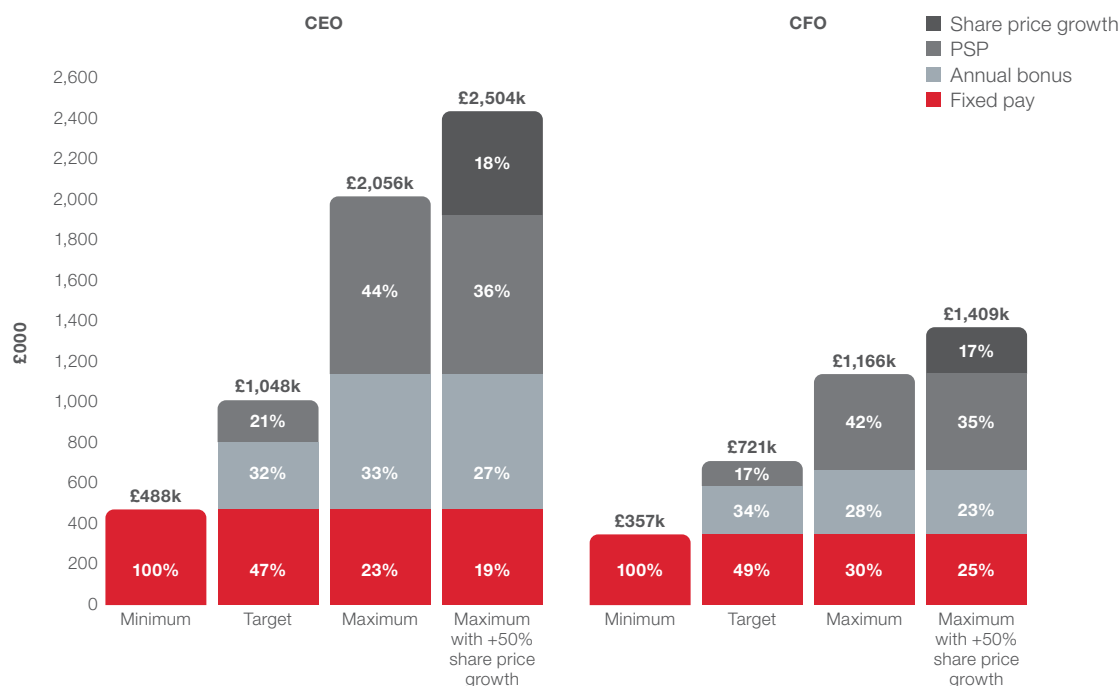
Statement of consideration of shareholder views

When determining executives' remuneration, the Committee takes into account views of shareholders and best practice guidelines issued by institutional shareholder bodies. The Committee is always open to feedback from shareholders on remuneration policy and arrangements, and commits to undergoing shareholder consultation in advance of any significant changes to remuneration policy. In developing the Policy set out in this report, we engaged with shareholders representing c.67% of our issued share capital. We had a high level of engagement and welcomed the broad indications of support for our proposals, which shareholders acknowledged closely align with our stated strategy, in terms of timeframe and scorecard measures.

The Committee will continue to monitor trends and developments in corporate governance and market practice to ensure that the structure of the executive remuneration remains appropriate.

Illustrations of application of Remuneration Policy

The charts below aims to show how the Remuneration Policy for Executive Directors will be applied in 2026 using the assumptions in the table below. Recognising his stepping down as CEO with effect from 9 February 2026, no chart has been shown for Darren Waters.



Minimum

- Consists of base salary, benefits and pension
- Base salary is the salary to be paid with effect from 1 April 2026
- Estimated value of a full-year's benefits, including car (and fuel) or car allowance, private family medical cover, permanent health insurance and travel insurance
- Pension measured as the cash allowance in lieu of Company contributions at 5% of base salary.

	Base salary	Benefits	Pension	Total fixed
Will Truman	£447,976	£17,400	£22,399	£487,775
Michael Scott	£323,671	£17,400	£16,184	£357,255

Target

- Annual bonus: consists of an assumed payment of 50% of maximum opportunity
- Long-term incentives: threshold vesting (25% of maximum) of the PSP opportunity. For Michael Scott, this reflects the annualised opportunity under the 2025 PSP; for Will Truman, this reflects the 2026 PSP award level (a maximum opportunity of 200% of salary).

Maximum

Based on the maximum remuneration receivable (excluding share price appreciation and dividends):

- Annual bonus: the maximum bonus opportunity
- Long-term incentives: 100% vesting of the relevant PSP opportunity (for Michael Scott this is annualised to reflect the one-off nature of the 2025 PSP).

Maximum with share price growth

- As per the 'maximum' scenario, but with a 50% share price growth assumption for the PSP awards.

Part B: The Annual Report on Remuneration

The Committee (unaudited)

Remuneration Committee members

During 2025, the Remuneration Committee comprised:

Chair:

Alison Littley

Committee:

Iraj Amiri

Angela Rushforth

Will Truman (until 4 November 2025)

All members of the Committee served throughout the year, unless otherwise stated.

The Chief Executive and Chief Financial Officer are invited to attend meetings of the Committee, except when their own remuneration is being discussed, and other Executives and Non-executive Directors attend meetings as required.

The Committee has formal Terms of Reference, which can be viewed on the Company's website at: investors.eurocell.co.uk.

During the year, the Committee considered its obligations under the Code and concluded that:

- The Directors' Remuneration Policy supports the Company's strategy (including in the performance measures chosen)
- Remuneration for our Directors remains appropriate.

Committee advisers

Ellason acted as the Committee's appointed advisers during the year, providing advice to the Committee on all matters relating to remuneration, including best practice. Ellason's fees in respect of 2025 were £36,575 (excluding VAT). Ellason's fees were charged on the basis of the firm's standard terms of business for advice provided.

Ellason is a signatory to the Remuneration Consultants Group's Code of Conduct, has no connection with the Group or any individual Director and provided no other services to the Group. Therefore, the Committee was satisfied that the advice provided by Ellason is objective and independent.

Audited information

Single total figure table (audited)

The remuneration for the Chair, Executive and Non-executive Directors of the Company who performed qualifying services during the relevant financial year is detailed below. The Chair and Non-executive Directors received no remuneration other than their annual fee.

For the year ended 31 December 2025:

Name	Salary/fees £000	Taxable benefits ¹ £000	Pension £000	Total fixed remuneration £000	Bonus ² £000	Long-term incentives ³ £000	Total variable remuneration £000	Total remuneration £000
Executive Directors								
Darren Waters	433	18	22	473	–	–	–	473
Michael Scott	313	18	16	347	–	–	–	347
Will Truman ⁴	49	1	3	53	–	–	–	53
Non-executive Directors								
Derek Mapp	158	–	–	158	–	–	–	158
Alison Littley	84	–	–	84	–	–	–	84
Iraj Amiri	63	–	–	63	–	–	–	63
Will Truman ⁴	44	–	–	44	–	–	–	44
Angela Rushforth	53	–	–	53	–	–	–	53

For the year ended 31 December 2024:

Name	Salary/fees £000	Taxable benefits ¹ £000	Pension £000	Total fixed remuneration £000	Bonus ² £000	Long-term incentives ³ £000	Total variable remuneration £000	Total remuneration £000
Darren Waters	422	18	21	461	15	–	15	476
Michael Scott	305	18	15	338	15	–	15	353
Derek Mapp	155	–	–	155	–	–	–	155
Frank Nelson ⁷	25	–	–	25	–	–	–	25
Kate Allum ⁸	36	–	–	36	–	–	–	36
Alison Littley ⁵	73	–	–	73	–	–	–	73
Iraj Amiri	62	–	–	62	–	–	–	62
Will Truman	52	–	–	52	–	–	–	52
Angela Rushforth ⁶	47	–	–	47	–	–	–	47

Notes:

- 1 Taxable benefits comprise company car (and fuel) or car allowance, private family medical cover, permanent health insurance and travel insurance.
- 2 Bonuses are calculated on the annualised salary as at the end of the financial year.
- 3 No long-term incentives vested in respect of 2024 or 2025.
- 4 Will Truman served as a Non-executive Director until 4 November 2025 and as CFO Designate from that date.
- 5 Alison Littley was appointed as Senior Independent Director from 16 May 2024 and Remuneration Committee Chair from 1 July 2024.
- 6 Angela Rushforth was appointed to the Board on 1 February 2024.
- 7 Frank Nelson stepped down from the Board on 16 May 2024.
- 8 Kate Allum stepped down from the Board on 31 July 2024.

The aggregate emoluments (being salary/fees, bonuses, benefits and pension allowances) of all Directors for 2025 was £1,275,000 (2024: £1,279,000).

Further information on the 2025 annual bonus (audited)

In 2025, the annual bonus metrics were a blend of targets relating to adjusted EPS (50% of the bonus opportunity), adjusted operating cash flow (20%), ROCE (20%) and strategic objectives (10%). An EPS underpin applied, such that below threshold performance on this metric, would reduce any payout on the other financial metrics to zero. Strategic objectives were not subject to the EPS underpin. In addition, a health and safety adjustment underpin is applied which, if not achieved, could reduce the bonus pay-out.

The financial targets and achievements were as follows:

	Threshold	Target	Maximum	Actual ¹	Achievement (% of max)
Adjusted EPS (£m)	18.2	20.0	21.5	12.0	0%
Adjusted operating cash flow (£m)	50.4	52.1	56.0	49.4	0%
ROCE (%)	16.3	22.0	23.7	13.7	0%

1 Excluding Alunet.

In order to reflect the level of stretch within the targets, the Committee determined that a pay-out of 75% of base salary would be appropriate for an on-target performance for 2025. A pay-out of 20% of base salary would be payable for threshold performance.

Performance against the Adjusted EPS, Adjusted operating cash flow and ROCE elements of the Annual Bonus Plan resulted in an achievement of 0% for those elements. The Committee considered the performance against the strategic objectives, which if on-target, would have resulted in a payment of 7.5% of salary to each of the Executive Directors. The Committee recognised that strong progress had been made on a number of these objectives, however, it elected to scale back these awards to zero in order to reflect the wider business performance.

The health and safety underpin was considered satisfied.

Directors' Remuneration Report continued

PSP awards vesting in respect of 2025 (audited)

The PSP values included for 2025 under the long-term incentives column in the single figure table relate to awards granted in 2023, which were eligible to vest in 2026, dependent on EPS and ROCE performance measured over the three-year period ended 31 December 2025, as described in the tables below.

Under the EPS element (two-thirds of the award), 25% vests where adjusted basic EPS of 17.3 pence is achieved for the year ended 31 December 2025, increasing pro rata to full vesting where adjusted basic EPS of 18.9 pence is achieved.

Performance target	Threshold	Maximum	Actual	Vesting % of element
Adjusted basic EPS	17.3p	18.9p	14.6p	0%

Under the Group ROCE element (one-third of the award), 25% vests where Group ROCE of 18.5% is achieved for the year ended 31 December 2025, increasing pro rata to full vesting where Group ROCE of 23.5% is achieved.

Performance target	Threshold	Maximum	Actual	Vesting % of element
Group ROCE ¹	18.5%	23.5%	15.2%	0%

¹ Adjusted operating profit for the year ended 31 December 2025, divided by average totals of opening and closing assets less trade and other payables, all measured on a pre-IFRS 16 basis.

As a result of performance against the targets set, PSP awards made in 2023 will lapse in full in 2026. No discretion to the formulaic outcome has been applied by the Committee.

PSP awards granted in 2025 (audited)

The following awards were made under the one-off, four-year PSP in 2025:

Director	Date of grant	Basis of award (% salary)	Share price ¹	Number of shares	Face value of award ²	Performance period
Darren Waters	30 May 2025	800%	150.8p	2,307,310	£3,479,423	January 2025 to December 2028
Michael Scott	30 May 2025	600%	150.8p	1,250,307	£1,885,463	January 2025 to December 2028

¹ Rounded to one decimal place for the purposes of presentation in this report.

² Calculated using the average share price over the five business days immediately prior to the date of grant.

The performance conditions applying to these awards align with our stated strategic ambition and comprise revenue (25% of the award), adjusted operating profit margin (25%) and adjusted operating profit (50%), as follows:

Revenue for the year ended 31 December 2028	Portion of award vesting
Above £500m	100%
Between £450m and £500m	Pro rata on straight-line between 25% and 100%
£450m	25%
Below £450m	0%

Adjusted operating margin for the year ended 31 December 2028	Portion of award vesting
Above 10.0%	100%
Between 8.9% and 10.0%	Pro rata on straight-line between 25% and 100%
8.9%	25%
Below 8.9%	0%

Adjusted operating profit for the year ended 31 December 2028	Portion of award vesting
Above £50m	100%
Between £40m and £50m	Pro rata on straight-line between 25% and 100%
£40m	25%
Below £40m	0%

DSP awards granted in 2025 (audited)

No awards were made under the DSP in 2025 in respect to the 2024 annual bonus, as the bonus outcome was below the 75% of salary threshold above which deferral applied for bonuses in respect of that performance year.

Outstanding share plan awards (audited)

Details of all outstanding share awards made to Executive Directors are set out below:

Executive	Award type	Exercise price (p)	Grant date	Number of shares				Interest at 31 December 2025	Exercise period	Notes
				Interest at 1 January 2025	Awards granted in the year	Awards lapsed in the year	Awards exercised in the year			
Darren Waters	PSP	0	11/04/23	461,365	–	–	–	461,365	Apr 26–Apr 27	2
	DSP	0	11/04/23	410,447	–	–	410,447	–	Apr 25–Apr 26	5
	PSP	0	10/04/24	483,812	–	–	–	483,812	Apr 27–Apr 28	3
	PSP	0	30/05/25	–	2,307,310	–	–	2,307,310	May 29–May 32	4
	SAYE	92.4	19/04/24	20,075	–	–	–	20,075	Jun 27–Nov 27	7, 8
Michael Scott	PSP	0	13/04/22	184,322	–	(184,322)	–	–	Apr 25–Apr 26	1
	PSP	0	11/04/23	333,345	–	–	–	333,345	Apr 26–Apr 27	2
	PSP	0	10/04/24	349,563	–	–	–	349,563	Apr 27–Apr 28	3
	PSP	0	30/05/25	–	1,250,307	–	–	1,250,307	May 29–May 32	4
	DSP	0	13/04/22	28,589	–	–	28,589	–	Apr 25–Apr 26	5
	SAYE	110.8	17/04/23	16,245	–	–	–	16,245	Jun 26–Nov 26	6, 8

All figures above exclude dividend equivalent shares, where applicable. No malus and clawback provisions were used in the last reporting period.

Notes:

- 1 See 'PSP Awards Vesting in Respect of 2024' in the 2024 Directors' Remuneration Report.
- 2 See 'PSP Awards Vesting in Respect of 2025' section.
- 3 As disclosed in the 2024 Directors' Remuneration Report.
- 4 See 'PSP Awards Granted in 2025' section.
- 5 See 'DSP Awards Granted in 2022' in the 2023 Directors' Remuneration Report.
- 6 Awards granted under the Eurocell plc Save As You Earn Scheme in 2023. Awards are based on a three-year savings contract with an exercise price of 110.8 pence.
- 7 Awards granted under the Eurocell plc Save As You Earn Scheme in 2024. Awards are based on a three-year savings contract with an exercise price of 92.4 pence.
- 8 Representing a 20% discount to the market value of the shares at the date of grant.

During the year ended 31 December 2025, the highest mid-market price of the Company's shares was 177.0 pence and the lowest mid-market price was 117.5 pence. At 31 December 2025, the share price was 130.5 pence.

The aggregate gains by all Directors during 2025 was £Nil (2024: Nil).

Directors' Remuneration Report continued

Statement of Directors' shareholdings and share interests (audited)

The table below details for each Director who served during 2025, the total number of Directors' interests in shares at 31 December 2025 and 31 December 2024:

	Beneficially owned 31 December 2024	Beneficially owned 31 December 2025 ¹	Vested but unexercised awards	Unvested DSP share options	Unvested PSP share options ²	Unvested SAYE options	Shareholding guideline (% of salary) ³	Shareholding guideline met? ³
Darren Waters	42,161	286,437	–	–	3,252,487	20,075	200	No
Michael Scott	179,157	197,137	–	–	1,933,215	16,245	200	No
Will Truman ⁴	5,767	12,684	–	–	–	–	200	No
Derek Mapp	586,417	601,444	–	–	–	–	–	n/a
Alison Littley	9,991	17,226	–	–	–	–	–	n/a
Iraj Amiri	65,599	71,563	–	–	–	–	–	n/a
Angela Rushforth	3,305	7,711	–	–	–	–	–	n/a

1 The beneficial shareholdings set out above include those held by Directors and their respective connected persons as at 31 December 2025.

2 Performance-based share awards.

3 The shareholding guideline for Executive Directors is 200% of salary. Executive Directors are required to retain at least 50% of the net of tax shares, which vest under the PSP and DSP until the guideline is met.

4 Will Truman was appointed as an Executive Director on 4 November 2025.

As previously announced, a number of the Non-executive Directors, including the Chair of the Board, entered into a share purchase plan for 12 months from 1 February 2023. This was subsequently extended for further 12-month periods from February 2024 and again from March 2025, and will be renewed again in March 2026 for a further 12 months. Each participating Director has irrevocably instructed the Company to direct one-quarter of their net monthly fees to an appointed broker to automatically make market purchases of ordinary shares. As a result, the number of shares beneficially owned since 31 December 2025 has changed due to planned purchases that took place on 2 February 2026 for Non-executive Directors. The revised figures are as follows: Derek Mapp – 605,671 shares; Alison Littley – 19,370 shares; Iraj Amiri – 73,235 shares; and Angela Rushforth – 8,895 shares.

Payments to past Directors (audited)

No payments to past Directors were made during the year. The retained interest in the 2022 DSP retained by Mark Kelly following his retirement on 11 May 2023 vested in 2025, following the end of the deferral period.

Payments for loss of office (audited)

No payments for loss of office were made during the year.

Leaver arrangements for Darren Waters (audited)

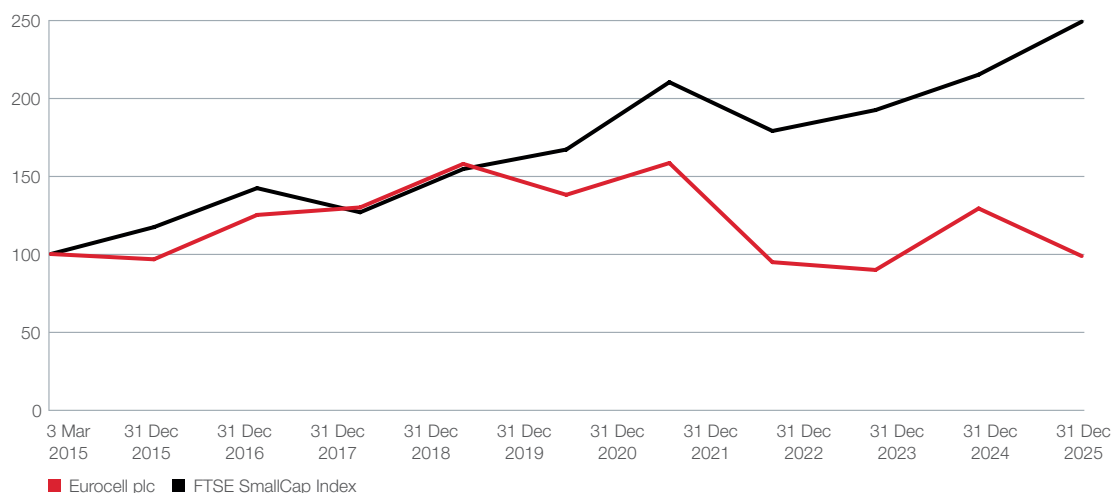
Darren Waters stood down as CEO and from the Board on 9 February 2026. As noted in the Committee Chair's Statement on page 88, the Committee determined the remuneration arrangements for Darren in line with the approved Policy, as follows:

- Darren continued to receive salary, pension and benefits until his cessation of employment, and will receive payment in lieu of his notice period to 9 February 2027
- As noted on page 89, Darren remained eligible for an annual bonus in respect of the financial year ended 31 December 2025, however following assessment of the performance criteria, no payment will be made. Darren is not eligible to participate in the annual bonus for the year ending 31 December 2026
- Reflecting the nature of his cessation, Darren has been treated as a 'Good Leaver' for the purposes of his 2023 PSP award. In accordance with the plan rules, and reflecting that his cessation of employment falls after the end of the performance period, these 461,365 shares will not be pro-rated for time. However, as noted on page 100 the awards will lapse in full in April 2026 as the applicable performance targets have not been met. Similarly, Darren will be treated as a 'Good Leaver' for the purposes of his outstanding 2024 and 2025 PSP awards which will be pro-rated to reflect the proportion of the period served between the respective performance period start dates and 9 February 2026. The proportion of these awards which ultimately vests will be calculated in accordance with the original performance conditions and, where applicable, a mandatory holding period will continue to apply
- Darren is subject to a post-exit shareholding guideline in accordance with the Policy.

Performance graph and CEO remuneration table (unaudited)

The following graph shows the Total Shareholder Return ('TSR') performance of an investment of £100 in Eurocell plc's shares from 31 December 2015 to 31 December 2025, compared with a £100 investment in the FTSE SmallCap Index over the same period. The FTSE SmallCap Index was chosen as a comparator because it represents a broad equity market index of similar-sized companies.

Total Shareholder Return Index (unaudited)



The table below details certain elements of the CEO's remuneration over the same period as presented in the TSR Index graph:

Year	CEO	Single figure of total remuneration	Annual bonus pay-out against maximum %	Long-term incentive vesting rates against maximum
2025	Darren Waters	£473,296	0%	0%
2024	Darren Waters	£475,613	4%	n/a
2023	Darren Waters	£411,794	30%	n/a
	Mark Kelly	£245,612	30%	0%
2022	Mark Kelly	£857,090	23%	63%
2021	Mark Kelly	£879,271	100%	0%
2020	Mark Kelly	£465,945	0%	0%
2019	Mark Kelly	£673,262	49%	0%
2018	Mark Kelly	£459,294	0%	0%
2017	Mark Kelly	£916,442	40%	n/a
2016	Mark Kelly	£560,558	80%	n/a
	Patrick Bateman	£284,457	33%	n/a

Directors' Remuneration Report continued

Annual change in remuneration of each Director compared to employees (unaudited)

The table below presents the year-on-year percentage change in remuneration for each Director who served in 2025 and for all Group employees:

	% change from 2024 to 2025			% change from 2023 to 2024			% change from 2022 to 2023			% change from 2021 to 2022			% change from 2020 to 2021 ⁷		
	Salary/fee increase/decrease %	Annual bonus increase/decrease %	Taxable benefits increase/decrease %	Salary/fee increase/decrease %	Annual bonus increase/decrease %	Taxable benefits increase/decrease %	Salary/fee increase/decrease %	Annual bonus increase/decrease %	Taxable benefits increase/decrease %	Salary/fee increase/decrease %	Annual bonus increase/decrease %	Taxable benefits increase/decrease %	Salary/fee increase/decrease %	Annual bonus increase/decrease %	Taxable benefits increase/decrease %
Darren Waters ²	3%	(100)%	2%	42%	(83)%	42%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Michael Scott	3%	(100)%	2%	5%	(83)%	6%	7%	41%	0%	6%	(76)%	25%	5%	n/a ⁸	2%
Will Truman ^{2,4}	79%	n/a	n/a	63%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Derek Mapp ¹	3%	n/a	n/a	4%	n/a	n/a	60%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alison Littlely ^{1,3}	3%	n/a	n/a	24%	n/a	n/a	146%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Iraj Amiri ¹	3%	n/a	n/a	11%	n/a	n/a	700%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Angela Rushforth ⁵	3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All employees ⁶	3%	(26)%	2%	4%	(61)%	2%	5%	36%	2%	4%	(76)%	2%	6%	232%	0%

1 Directors appointed to the Board during 2022.

2 Directors appointed to the Board during 2023.

3 Increase includes additional fees for assuming Remuneration Chair and Senior Independent Director roles during 2024.

4 Will Truman served as a Non-executive Director until 4 November 2025, on which date he was appointed as an Executive Director. Percentage increase is not available for his taxable benefits due to this element being £Nil during 2024 whilst he was a Non-executive Director.

5 Angela Rushforth joined the Board during 2024.

6 Group employee percentages provided for context only as a voluntary disclosure in excess of those made regarding the Parent Company.

7 All Directors took a 20% reduction in salary/fees, for two months, during the first lockdown period in 2020.

8 Percentage increase is not available due to 2020 bonuses being £nil.

CEO to employee pay ratio (unaudited)

The table below shows the CEO to employee pay ratio.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	Option B	18:1	16:1	13:1
2024	Option B	20:1	18:1	15:1
2023	Option B	25:1	22:1	18:1
2022	Option B	37:1	31:1	24:1
2021	Option B	42:1	33:1	27:1
2020	Option B	23:1	19:1	15:1
2019	Option B	34:1	27:1	21:1

Notes to the CEO to employee pay ratio:

1 Option B (based on the gender pay gap reporting disclosures) was preferred as this data was already prepared on a Group basis.

2 In line with the gender pay gap reporting regulations, pay for the 25th percentile, median and 75th percentile employees was calculated with reference to 5 April for each financial year.

3 The ratios for 2025 shown are representative of the FTE 25th percentile, median and 75th percentile pay for employees within the Group at the gender pay gap reference date of 5 April 2025.

4 FTE equivalent pay has been calculated using the gender pay gap reporting methodology.

5 For 2023, the total of salary, benefits, pension, bonus and long-term incentives, being the single figure of total remuneration, for both Chief Executives who served during the year combined, was used.

When we consider comparison between this year and that of the most recent reporting cycle in 2024, we recognise a narrowing CEO pay ratio across each quartile, in part due to the nil bonus payout for 2025.

The total pay and benefits, and the salary component of total pay and benefits for the employee at each of the 25th percentile, the median and the 75th percentile are shown below:

	Salary £000			Total pay and benefits £000		
	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
2025	27	31	37	28	31	38

Based on the salary profile of the Group's UK employees, the median pay ratio is consistent with the pay, reward and progression policies of the Group as a whole.

Relative importance of spend on pay (unaudited)

The table below details the change in total employee pay between 2024 and 2025 as detailed in Note 8 of the Financial Statements, compared with distributions to shareholders by way of dividend, share buybacks or any other significant distributions or as detailed in Note 26 of the Financial Statements.

	% change	2025 £m	2024 £m
Total gross employee pay	10%	97.7	89.2
Dividends/share buybacks	(41)%	12.1	20.4

The average number of employees during the year was 2,241 (2024: 2,067).

Statement of voting at the Annual General Meeting (unaudited)

The following table shows the results of the binding Remuneration Policy vote and the advisory Directors' Remuneration Report (excluding the policy part) vote at the 2025 AGM.

	Approval of the Directors' Remuneration Policy		Annual Report on Remuneration	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For (including discretionary)	76,816,551	97.8%	78,542,915	>99.9%
Against	1,730,961	2.2%	1,861	<0.1%
Votes withheld	213	–	2,949	–

Implementation of policy for 2026 (unaudited)

Base salaries

Will Truman was appointed as CEO effective 9 February 2026. On appointment, his salary was increased, from £314,244 per annum as CFO Designate to £434,928 per annum, in line with that approved by the Committee last year for the CEO role. With effect from 1 April 2026, Will Truman's salary will be increased by 3% to £447,976, recognising the Committee's philosophy to set the salary for the role and also Will Truman's previous experience as a CEO. Michael Scott's salary will similarly be increased by 3% from 1 April 2026, to £323,671. The salary increases are in line with those for the wider workforce and the resulting salaries remain below the median for FTSE companies of comparable size and complexity.

Pension

A defined contribution/salary supplement of 5% of salary, which is aligned to the wider workforce, continues to be offered to Will Truman and Michael Scott.

Benefits

Details of the benefits received by Executive Directors are set out in Note 1 to the Single Total Figure Table on page 98. There is no intention to introduce additional benefits in 2026.

Annual bonus

Under the Remuneration Policy, the maximum annual bonus opportunity for the Chief Executive Officer during 2026 is 150% of salary. The annual bonus opportunity for the Chief Financial Officer is 100% of salary. The annual bonus will be payable based on performance against the same blend of financial measures as in 2025, however the non-personal element will no longer be used for the bonus population and therefore weightings of the financial measures have been revised accordingly namely: adjusted EPS (60%), adjusted operating cash flow (20%), ROCE (20%). In the case of Michael Scott, a modest element of his payout will continue to be linked to the achievement of individual strategic objectives to reflect his support of the leadership transition. The remainder of Michael Scott's bonus opportunity will be split across EPS, cashflow and ROCE per the weightings set out above.

Performance targets for each element of the bonus scorecard were set in light of internal and external forecasts and will require outperformance of budget (and meeting expectations in relation to strategic objectives set for Michael Scott on supporting the leadership transition) to generate higher levels of pay-out. In addition, an EPS underpin will continue to apply which, if not achieved, could reduce the bonus pay-out.

Given the competitive nature of the Company's sector, the specific performance targets for 2026 are considered to be commercially sensitive and, accordingly, are not disclosed at this time, although the targets will be disclosed in next year's report in relation to the 2026 bonus outturn.

50% of any bonus earned will be deferred into shares for three years, unless the Executive Director meets their shareholding guideline at the time any bonus is to be paid, in which case the bonus will be paid in cash.

Long-term incentives

In keeping with the approved Remuneration Policy, Will Truman will be eligible for an annual PSP award opportunity of 200% of salary, vesting on the third anniversary of grant subject to performance over a three-year period. Recognising that the end of the 2026 PSP period coincides with the end of our current strategic horizon (and the performance period attaching to the one-off, four-year PSP awarded to 2025), it is proposed that the 2026 PSP to be granted to Will Truman be based on the same performance scorecard. The stretch targets will be aligned to those set for the 2025 PSP but, recognising the increasingly challenging market conditions faced by the business and in which Will Truman has been appointed to deliver Eurocell's ambitions, revised threshold performance levels have been set, as set out in the table below.

Measure	Weighting	Threshold (25% vesting)	Stretch (100% vesting)
Revenue	25%	£450m	£500m
Adjusted operating profit margin	25%	7.5%	10.0%
Adjusted operating profit	50%	£36.7m	£50.0m

Vesting for performance between threshold and stretch will be calculated pro rata on a straight-line sliding scale. Performance outcomes below threshold will result in 0% vesting for that element. As a participant in the 2025 PSP cycle, Michael Scott will not participate in the 2026 PSP.

Chair and Non-executive Directors' fees

In line with the wider workforce, the fee for the Chair will be increased by 3% from £159,120 per annum to £163,894 per annum and the base fees for Non-executive Directors will be increased by 3% from £53,040 per annum to £54,631 per annum with effect from 1 April 2026.

Similarly, additional fees for the Committee Chairs, where applicable, and the Senior Independent Director will be increased by 3% from £10,608 per annum to £10,926 per annum with effect from 1 April 2026.

On behalf of the Board

Alison Littley

Chair of the Remuneration Committee

18 March 2026

Directors' Report

The Directors present their audited consolidated financial statements for the year ended 31 December 2025. Eurocell plc (the 'Company') is a company incorporated and domiciled in the UK, with registration number 08654028, and is the holding company of the Eurocell Group of companies (the 'Group'). All of the Group's activities are within the United Kingdom, with the exception of two overseas branches in the Republic of Ireland.

The shares of the Company have been traded on the main market of the London Stock Exchange throughout the year ended 31 December 2025.

The Directors' Report includes the Corporate Governance Statement set out on pages 65 to 69.

The Directors' Report and Strategic Report comprise the 'Management Report' for the purpose of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTR 4.1.8R).

The Directors of the Company, and their biographical details, are listed on pages 60 and 61 and were all in place on the date this Directors' Report was approved. Changes to the Directors during the year, and up to the date of this report, are set out below:

Director	Position	Service in the year and up to date of report approval
Current Directors:		
Derek Mapp	Chair	Served throughout
Will Truman	Chief Executive Officer	Served as CEO from 9 Feb 2026
	Independent Non-Executive Director	until 4 Nov 2025, as CFO designate until 9 Feb 2026
Michael Scott	Chief Financial Officer	Served throughout
Alison Littlely	Independent Non-executive Director	Served throughout
Iraj Amiri	Independent Non-executive Director	Served throughout
Angela Rushforth	Independent Non-executive Director	Served throughout

Strategic Report

As permitted by section 414C of the Companies Act 2006, certain information required to be included in the Directors' Report has been included in the Strategic Report, which is set out on pages 01 to 59. Specifically, this relates to information on the Group's strategy, business model, likely future developments and risk management.

UK Corporate Governance Code (the 'Code')

For the year ended 31 December 2025, the Board is reporting under the 2024 Code, available at www.frc.org.uk. Further information is set out in the Strategic Report on pages 01 to 59, which examines the 'purpose' aspect of the 2024 Code and in the Corporate Governance Statement on pages 65 to 73, which describes the Company's approach and practices in relation to the 2024 Code. The page numbers cited are incorporated herein by reference.

Results

Our Financial Statements for the year ended 31 December 2025 are set out on pages 120 to 166. The Financial Statements should be read in conjunction with the Chief Executive's Report, Divisional Reviews and the Chief Financial Officer's Report.

Dividends

The Board is recommending a final dividend of 4.1pence (2024: 3.9 pence) per share for 2025 which, together with the interim dividend of 2.3 pence (2024: 2.2 pence) per share, makes a combined dividend of 6.4 pence (2024: 6.1 pence) per share.

Payment of the final dividend, if approved at the Annual General Meeting ('AGM'), will be made on 19 May 2026 to shareholders registered at the close of business on 17 April 2026. The ex-dividend date will be 16 April 2026.

Dividends paid in the year to 31 December 2025 and disclosed in the Consolidated Cash Flow Statement of £6.2 million (2024: £6.1 million), is comprised of the 2024 final dividend of 3.9 pence per share, which was paid in May 2025, and the 2025 interim dividend of 2.3 pence per share, which was paid in October 2025.

Tax governance

Our Tax Policy is set out as follows. It is determined by the Board and overseen by the Audit and Risk Committee. The Board reviews the Policy, and our compliance with it, on an annual basis. It was last reviewed in December 2025. Operational responsibility for the execution of the Group's Tax Policy rests with the Chief Financial Officer, who reports the Group's tax position to the Audit and Risk Committee on a regular basis.

Tax Policy

We are committed to compliance with tax law and practice in the UK and Ireland. Compliance for us means paying the amount of tax we are legally obliged to pay and doing so in the right place, at the right time. It involves disclosing all relevant facts and circumstances to the UK and Irish tax authorities in ways that reflect the economic reality of the transactions we undertake and claiming appropriate reliefs and incentives where available.

Risk management of tax affairs

The level of risk that we accept in relation to UK tax is consistent with our overall objective of achieving certainty in the Group's tax affairs. At all times, we seek to comply fully with our regulatory and other obligations, and to act in a way that upholds our core values and reputation as a responsible corporate citizen. We see compliance with tax legislation as key to managing tax risk, and understand the importance of tax in the wider context of business decisions.

Processes have been put in place to ensure tax is considered as part of our overall decision-making processes, with tax risks managed by local finance teams and escalated through to appropriate levels of management and, ultimately, to the Board when necessary.

Tax planning

In structuring our commercial activities, we will always consider – among other factors – the relevant tax laws. We believe that it is fair to mitigate tax using generally available reliefs in the spirit in which they are intended. However, any tax planning that we undertake will have commercial and economic substance and we will not use aggressive tax planning or enter into complicated tax avoidance schemes.

Although for commercial reasons, we may trade with customers and suppliers genuinely located in countries considered to be tax havens, we will not use such jurisdictions for the purpose of avoiding tax, nor will we seek to take advantage of the secrecy afforded to transactions recorded in these jurisdictions.

Engaging with HMRC

We aim to have a good working relationship with HMRC. We will engage with honesty and integrity, and in a spirit of cooperative compliance. We will make all returns and pay tax on a timely basis, across all types of tax.

Share capital

Details of our capital structure, including movements in issued share capital during the year, are shown in Note 25 to the Financial Statements. We have one class of ordinary shares, which carries no fixed income. Each share carries the right to one vote at our general meetings. The ordinary shares are listed on the Official List and traded on the London Stock Exchange.

As at 31 December 2025, there were 99,822,996 (2024: 103,150,173) ordinary shares of 0.1 pence each in nominal value in issue (the 'issued share capital') of which no shares are held in treasury and the Company's employee share trusts held 701,205 shares. Details of the shares issued in the year are shown in Note 25 to the Consolidated Financial Statements. No securities were issued in connection with a rights issue during the period.

As at 31 December 2025, the Company had purchased 13,618,229 ordinary shares under the share buyback programme launched on 23 January 2024 and as extended on 16 May 2024 and 4 September 2024. The nominal value of each of the shares purchased was £0.001 for a total consideration of £19.3 million. Of the shares repurchased 1,342,000 had been transferred into treasury to satisfy employee share awards, whilst all other shares that were repurchased have/will be cancelled.

The purpose of the programme was to reduce the share capital of the Company.

Holders of ordinary shares are entitled to receive dividends when declared, to receive the Company's Annual Report, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights.

While the Board has the power under the Articles of Association to refuse to register a transfer of shares, there are no such restrictions on the transfer of shares in place.

Under the Company's Articles of Association, the Directors have the power to suspend voting rights and the right to receive dividends in respect of shares in circumstances where the holder of those shares fails to comply with a notice issued under section 793 of the Companies Act 2006. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or voting rights.

Share schemes

The Company operates a number of share schemes.

Long-Term Incentive Plans payable to executives and senior managers are operated under our Performance Share Plan ('PSP'). Executive Directors may have a proportion of their annual bonus deferred for up to three years under our Deferred Share Plan ('DSP'). The Company also operates Save As You Earn (or 'Sharesave') schemes, which are available to all employees.

All shares issued under these plans carry the same rights as those already in issue.

During the period, shares with a nominal value of £Nil were allotted under all-employee schemes as permitted under Section 549 of the Companies Act 2006.

Related party transactions

Other than in respect of arrangements set out in Note 30 to the Financial Statements and in relation to the employment of Directors, details of which are provided in the Remuneration Committee Report on pages 88 to 106, there is no material indebtedness owed to, or by, us to any colleague or any other person or entity considered to be a related party. Internal controls are in place to ensure that any related party transactions involving Directors or their connected persons are carried out on an arm's-length basis and are properly recorded.

Substantial shareholders

The Company's major shareholders, with a shareholding above 3%, as at 31 December 2025 and subsequent changes up to 17 March 2026¹, were as follows:

Shareholder	At 31 December 2025		Changes since 31 December 2025 ²	
	No. of Shares	% of voting rights	No. of Shares	% of voting rights
Aberforth Partners	24,802,909	24.85%	24,802,909	24.99%
JO Hambro Capital Management	11,505,303	11.53%	11,492,309	11.58%
Huntington Management	9,852,275	9.87%	9,852,275	9.92%
Morgan Stanley as principal	8,325,023	8.34%	8,377,062	8.44%
ACR Alpine Capital Research	6,871,037	6.88%	7,621,037	7.68%
Chelverton Asset Management	4,678,875	4.69%	4,348,487	4.38%

¹ Being the latest practicable date prior to the date of this report.

² Changes notified to the Company pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules between 31 December 2025 and 17 March 2025.

The Takeover Directive

The rights and obligations attached to the issued share capital are set out in the Articles of Association (see below).

There are no agreements in place between the Company, its employees or Directors for compensation for loss of office or employment that trigger as a result of a takeover bid.

Articles of Association

The Company's Articles of Association can only be amended by special resolution of the shareholders. Our current articles are available on our website at: investors.eurocell.co.uk.

The Company's Articles of Association give powers to the Board to appoint Directors. All Board members are required to retire and submit themselves for re-election by shareholders at each Annual General Meeting.

The Board of Directors may exercise all the powers of the Company, subject to the provisions of relevant legislation, the Company's Articles of Association and any directions given by the Company in general meetings. The powers of the Directors include those in relation to the issue and buyback of shares.

Directors' retirement by rotation

In accordance with above, and in line with the Code, all Directors in office will retire and offer themselves for election/re-election at the 2026 AGM.

The Articles of Association provide that a Director may be appointed by an ordinary resolution of shareholders or by existing Directors, either to fill a vacancy or as an additional Director.

The Executive Directors serve under contracts that are terminable with 12-months' notice from the Company and 12-months' notice from the Executive Director. The Non-executive Directors serve under letters of appointment and do not have service contracts with the Company.

Copies of the service contracts of the Executive Directors and the letters of appointment of the Non-executive Directors are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Company's AGM.

There are no specific Company rules in relation to the appointment/replacement of Directors and all such matters are managed by the Board in accordance with the Articles of Association, the Companies Act 2006 and any directions given by special resolution.

Directors' interests

Details of Directors' remuneration, interests in the share capital (or derivatives or other financial instruments relating to those shares) of the Company and of their share-based payment awards are contained in the Remuneration Committee Report on page 102.

Directors' indemnities

Pursuant to the Articles of Association, the Company has executed a deed poll of indemnity for the benefit of the Directors of the Company, and persons who were Directors of the Company, in respect of costs of defending claims against them and third-party liabilities. These provisions, deemed to be qualifying third-party indemnity provisions pursuant to section 234 of the Companies Act 2006, were in force during the year ended 31 December 2025 and remain in force.

The indemnity provision in the Company's Articles of Association also extends to provide a limited indemnity in respect of liabilities incurred as a director, secretary or officer of an associated company of the Company.

A copy of the deed poll of indemnity is available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Company's AGM.

Conflicts of interest

Under the Companies Act 2006, Directors must avoid situations where they have, or could have, a direct or indirect interest that conflicts or possibly may conflict with the Company's interests. As permitted by the Act, the Company's Articles of Association enable Directors to authorise actual or potential conflicts of interest.

The Board has a formal system in place for Directors to declare conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. In deciding whether to authorise a conflict, the non-conflicted Directors are required to act in the way they consider would be most likely to promote the success of the Company for the benefit of all shareholders, and they may impose limits or conditions when giving authorisation, or subsequently, if they think this is appropriate. The Board believes that the systems it has in place for reporting and considering conflicts continue to operate effectively.

Legal and regulatory compliance

The executive team is responsible for identifying and carrying out assessments of those areas of the business where material legal and regulatory risks may be present. Where issues are identified, mitigating actions are built into an action plan involving the drafting and communication of policies and the delivery of training where appropriate, or are approached by way of a revision to key contractual terms. The Board receives regular reports on material litigation and the legal action taken to support our strategy.

Health and safety

We are committed to providing a safe place for colleagues to work. Our policies are reviewed on an ongoing basis to ensure that the approach to training, risk assessment, safe systems of working and accident management is appropriate.

As part of this process, a rolling audit programme is in place to ensure that health, safety, environmental and security risks are assessed stringently and that robust control measures are in place to limit or mitigate risk as appropriate.

Events after the balance sheet date

In February 2026, to further improve safety, reliability and to reduce cost, we began a project to consolidate our two recycling plants onto the existing recycling facility at Ilkeston. The project requires relocation of certain critical equipment from the site at Selby, plus investment in the Ilkeston plant to eliminate single points of failure, enhance the layout and improve working conditions. We expect to cease operations at Selby and begin full processing at Ilkeston in H2 2026, with the Selby site exit to be concluded by the end of the year. Capital investment is expected to be c.£2.6 million, with annualised cost savings of c.£1.5 million running from 2027. Non-underlying charges are expected to be in the region of £3 million, including non-cash asset write downs of c.£1.5 million.

Other matters**Employee disclosure (including equality, diversity and disabled employees)**

See Sustainability Report on page 27.

Employee engagement statement

See Corporate Governance Statement on pages 65 to 73.

Statement on engagement with suppliers, customers and others in a business relationship with the Company

See Corporate Governance Statement on pages 65 to 73.

Financial risk management

See Note 3 of the Financial Statements.

Research and development

The Group undertakes research and development work in support of its objectives.

Payments to suppliers

It is Group policy to abide by the payment terms agreed with suppliers, provided that the supplier has performed its obligations under the contract.

Political donations

In accordance with the Group's Policy, no political donations were made, and no political expenditure was incurred (2024: £nil). The Company will, however, as a precautionary measure to avoid inadvertent breach of the law, seek shareholder authority at its 2026 AGM to make limited donations or incur limited political expenditure, although it has no intention of using the authority.

Greenhouse gas emissions and energy use

See Sustainability Report on pages 20 to 35.

Disclosure of information to auditors

See the Directors' confirmations on page 111.

Disclosures required by Listing Rule 9.8.4R

There were no waivers of dividends during the year, which were greater than 1% of the total value of the dividend paid. There are no other disclosures to be made under the above listing rule.

By order of the Board

Vicky Williams
Group Company Secretary

18 March 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Accounts 2025 and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have prepared the Group Financial Statements in accordance with UK-adopted international accounting standards and the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- State whether applicable UK-adopted international accounting standards have been followed for the Group Financial Statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company Financial Statements, subject to any material departures disclosed and explained in the Financial Statements
- Make judgements and accounting estimates that are reasonable and prudent
- 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 safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006.

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

Directors' confirmations

The Directors consider that the Annual Report and Accounts for 2025, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

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

- The Group Financial Statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- The Company Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

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

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

The Directors' Responsibility Statement was approved by the Board on 18 March 2026.

Will Truman
Chief Executive

Michael Scott
Chief Financial Officer

Independent Auditor's Report to the members of Eurocell plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Eurocell plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 45.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 5 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

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

3. Summary of our audit approach

Key audit matters The key audit matters that we identified in the current year were:

- Acquisition of the Alunet Group
- Classification and accuracy of non-underlying items

Materiality The materiality that we used for the group financial statements was £1.4m which was determined using a combination of metrics – being revenue, total assets and adjusted EBITDA.

Scoping We have performed audit procedures over the entire financial statements for all components with the exception of the Alunet Group, for which we performed specified audit procedures.

All work has been performed by the group audit engagement team.

Our Approach The year ended 31 December 2025 is our first year as auditor of Eurocell plc. We have been independent since September 2024 and commenced our transition activities from that date. Our work included:

- Establishing a detailed audit transition plan;
- Shadowing the previous auditor through the 31 December 2024 audit, including attendance at key meetings, such as with the Audit & Risk Committee;
- Reviewing the previous auditor's audit files;
- Holding transition workshops with the group finance team to inform our audit planning; and
- Considering historical accounting policies and accounting judgements.

These procedures built our understanding of the Group which informed our audit risk assessment, through which we identified the risks of material misstatement to the Group's financial statements.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the reasonableness of assumptions applied by the directors in preparing their forecasts, including the impact of the acquisition of the Alunet Group in the year, recent restructuring activities and the impact of the current macroeconomic environment;
- Assessing the historical accuracy of forecasts prepared by management against achieved 2025 performance;
- Testing the clerical accuracy and appropriateness of the model used to prepare the forecasts;
- Performing sensitivity analysis over the forecasts prepared by management, including key variables such as EBITDA and growth rates;
- Assessing the amount of headroom in the forecasts (cash and covenants);
- Assessing consistency between impairment forecasting and the going concern modelling performed;
- Obtaining and performing analysis on post-year end results and assessing against forecasts prepared for going concern;
- Challenging the group's 'severe but plausible' case analysis and whether it is appropriate, including the appropriateness of the group's identified potential mitigating actions;
- Reperforming the group's sensitivity analysis, including the group's reverse stress test;
- Obtaining confirmations for financing facilities – including underlying contract documentation for the nature of facilities, repayment terms and covenants. Assessing post-year end refinancing terms and any associated updates to the terms, including key covenants;
- Considering the impact of climate-change risks and commitments on forecasted cash flows in the outlook period; and
- Assessing the appropriateness of the disclosures made within 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 and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters include 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.

Independent Auditor's Report to the members of Eurocell plc continued

Report on the audit of the financial statements

5.1. Acquisition of the Alunet Group

Key audit matter description	<p>As described in Note 34 to the financial statements, the group completed the acquisition of the Alunet Group in March 2025, for total consideration of £34.8m (being £21.2m cash consideration paid, £1.1m equity issued as consideration, £0.6m present value of deferred consideration, plus £11.9m present value of contingent consideration – based on EBITDA targets). This consideration was in exchange for 100% of the ordinary share capital of the Alunet group; being Alunet Systems Limited, Comp Door Limited, JD (UK) Investments Limited, JD (UK) Limited and UK Doors (Midlands) limited. The transaction has been accounted for in accordance with IFRS 3 'Business Combinations'.</p> <p>Following the acquisition, goodwill of £25.3m and £2.0m of customer relationships have been recognised. The customer relationship intangible was valued using discounted cash flows, with goodwill being recognised as the differential between acquired assets and liabilities (£9.5m) and total consideration (£34.8m).</p> <p>Management applied a number of judgements and estimates in accounting for the Alunet Group acquisition, including:</p> <ul style="list-style-type: none">• Determination of long-term growth rates and an appropriate discount rate used to discount future cash flows for valuation;• Determination of the fair value of acquired assets and liabilities, including any required fair value adjustments;• Valuation of the customer relationship based on expected customer attrition rates and discounted cash flow forecasts;• Valuation of the consideration that is contingent on EBITDA targets, and deferred income, including discounting to present value; and• The allocation of fair value to intangible assets – being customer relationships and goodwill. <p>We consider this to be a key audit matter as it required a high degree of auditor judgement and an increased extent of effort, including the need to involve our valuations specialists.</p> <p>Further details are included in page 78 (Audit & Risk Committee report) and Note 34 to the Financial Statements, which provide further detail relating to the acquisition.</p>
How the scope of our audit responded to the key audit matter	<p>To address this key audit matter, we performed the following procedures:</p> <ul style="list-style-type: none">• Evaluated the appropriateness of the fair value methodology applied in valuing the acquired assets and liabilities and allocation between customer relationships and goodwill;• Tested the integrity of the model used in determining the fair value allocations to intangible assets;• Assessed the reasonableness of the values attributed to acquired assets and liabilities, with input from our valuations specialists;• Worked with our valuation specialists to assess the growth rates and attrition rates determined by management, including sensitivities on the rates applied;• Assessed the reasonableness of the discount rate applied, with input from our valuation specialists who performed recalculations of the rate;• Read the share purchase agreements to assess the terms of the acquisition;• Evaluated the assumptions applied in the recognition of contingent and deferred consideration and the corresponding unwinding of the deferred consideration and year-end valuation of the contingent consideration;• Vouched the consideration paid to bank statements and contractual agreements and share price for the share issue; and• Evaluated the appropriateness of the disclosures made in the financial statements.
Key observations	<p>Based on the procedures performed, we concluded that the amounts recognised with regards to the acquisition are appropriate.</p>

5.2. Classification and accuracy of non-underlying items

Key audit matter description	<p>The group identified £6.8m (FY24: £6.2m) of non-underlying items, disclosed in Note 7 to the financial statements and included in the determination of Alternative Performance Measures (APMs).</p> <p>The classification of certain costs as non-underlying is not defined by UK-adopted international accounting standards and therefore requires significant judgement in determining the appropriate classification in line with guidance from the Financial Reporting Council ("FRC").</p> <p>The classification of costs as non-underlying impacts adjusted profit metrics (being adjusted EBITDA, adjusted operating profit, adjusted profit before tax, adjusted earnings per share, and pre-IFRS 16 adjusted EBITDA and net debt/cash). These metrics are considered by the group to be key in assessing the quality of the group's underlying earnings. The Directors determined that the circumstances of these items warrant separate presentation in the financial statements due to the nature, extent, and infrequency of the transactions. These include, but are not limited to, costs incurred in the act of securing debt or equity funding, acquisition costs, non-recurring costs arising from business restructuring and expensed software-as-a-service costs incurred in the process of developing strategic IT systems.</p> <p>We identified there to be a potential risk of fraud due to inappropriate manipulation of the classification and accuracy of non-underlying items. This would constitute inappropriate classification of items which are underlying in nature, in non-underlying items and the risk of inaccurate quantification of items classed as non-underlying.</p> <p>Further details on the non-underlying items are included in the Chief Financial Officer's Review on page 49 and the Audit & Risk Committee Report on page 81. Details of the accounting policy are included in Note 1 to the financial statements. Details of non-underlying operating expenses are provided in Note 7 to the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>To address this key audit matter, we performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of relevant controls over the classification of items as non-underlying and the associated accuracy of these items; • Obtained an understanding of the accounting policy for classification of non-underlying items; • Evaluated the classification of items recognised as non-underlying items, including an assessment of consistency against prior period disclosures and comparison against FRC guidance of an 'even-handed' approach; • Assessed whether costs recognised as non-underlying were incremental to wider business activities; • For a sample, tested individual costs presented as non-underlying items, tracing through to underlying supporting evidence to assess accuracy; • For a sample, assessed the classification of individual costs for appropriate presentation as non-underlying items, including the disaggregation within restructuring costs, asset impairment, strategic IT expenses, or acquisition costs; and • Evaluated the appropriateness of the disclosures in the financial statements.
Key observations	<p>Based on the procedures performed, we concluded that the classification and accuracy of non-underlying items are appropriate.</p>

Independent Auditor's Report to the members of Eurocell plc continued

Report on the audit of the financial statements

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£1,400,000	£850,000
Basis for determining materiality	<p>Our materiality was determined using a combination of metrics – being revenue, total assets and adjusted EBITDA.</p> <p>Our materiality is equivalent to:</p> <ul style="list-style-type: none"> • 0.35% of revenue • 0.49% of total assets • 2.72% of adjusted EBITDA (as included in Note 1 Alternative performance measures) 	1.0% of total assets
Rationale for the benchmark applied	In the current year revenue and profit of the group have remained low compared to historical levels, following ongoing subdued market demand and trading volumes. However, the overall size of the group remains stable when compared with previous periods. Hence, we have considered a range of metrics in the determination of our materiality.	We determined total assets to be an appropriate benchmark to utilise for the parent company financial statements as it is a non-trading holding company. The total asset balance incorporates investment balances – which are the primary activity of such a holding company.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Both the group and parent company performance materiality were established at 70% of their respective materiality balances. In determining performance materiality, we considered the following factors:

- a. Our risk assessment, including our assessment of the group environment and nature of operations;
- b. The reliability of internal controls over financial reporting, including any ineffective entity-level controls; and
- c. This being a first-year audit engagement.

6.3. Error reporting threshold

We agreed with the Audit & Risk Committee that we would report to the Committee all audit differences in excess £0.07m, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The primary purpose of the group is the manufacturing, distribution, and recycling of PVC window, door, and roofline products. Our audit was scoped by obtaining an understanding of the entity and its operations, including the relevant segments and entities within the group in accordance with the group structure and legal entities that make up the group. We identified seven components for which we performed audit procedures on the entire financial information, with a range in component performance materiality from £490,000 to £686,000.

We performed specified procedures on the Alunet Group, for which we audited the in-year acquisition with involvement from our valuation specialists. All procedures were performed by the group audit engagement team.

The components subject to audit procedures together represent 88.4% of revenue, 95.1% of total assets, and 95.7% of total liabilities.

7.2. Our consideration of the control environment

The group's accounting records are maintained in the group's accounting and reporting software platform, SAP. Together with our IT specialists, we have assessed the IT control environment and gained an understanding of the general IT controls, including controls over access, change management, and segregation of duties. We did not plan to rely on SAP or adopt a control reliance strategy over any business processes or account balances due to the control deficiencies identified by the external auditor in previous periods not being fully remediated and operating effectively for the entire period.

We also gained an understanding over the relevant controls and business processes for complex areas of estimation, including the financial closing and reporting process, management override of controls, revenue, non-underlying items, and payroll. From this work, we have identified some further deficiencies in the design of controls, which the group is subsequently taking action to remediate, and we have communicated findings and deficiencies on internal controls to the Audit & Risk Committee. As a result of the deficiencies identified we tailored the timing, nature and extent of our audit procedures in response and revisited our risk assessment.

7.3. Our consideration of climate-related risks

We have assessed the group's consideration of climate risks and opportunities, as disclosed in the sustainability report. In the principal risks and uncertainties report on page 54, the group has identified the areas of their business that will be most impacted by climate change. The key areas of the financial statements where management evaluated that climate risk has the potential for a significant impact are the physical risks associated with climate change on business operations, alongside the concern that investors and lenders could show preference to businesses with material ESG improvements in comparison to Eurocell, should these not be achieved.

In response to the risks identified, we performed the following procedures:

- Inquired of management and those charged with governance (TCWG) with regards to climate changes and corresponding considerations;
- Gained an understanding of the entity operations and considered how climate may impact the business and operating environment – including financial reporting;
- Assessed cash flow forecasts for the impact of climate related expenditure; and
- Together with our ESG specialists, we read the climate-related disclosures included in the annual report, specifically, the Task Force on Climate-Related Financial Disclosures and the principal risks and uncertainties the strategic report. We assessed the consistency of these disclosures with the financial statements, disclosure requirements, and knowledge gained throughout the audit.

8. Other information

The other information comprises the information included in the annual, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;

Independent Auditor's Report to the members of Eurocell plc continued

Report on the audit of the financial statements

- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations, ESG, tax, and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: classification and accuracy of non-underlying items. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included employment law, health & safety laws, and Energy and Carbon Reporting Requirements.

11.2. Audit response to risks identified

As a result of performing the above, we identified the classification and accuracy of non-underlying items as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- enquiring of management, the Audit & Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The UK Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 59;
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 124;
- the directors' statement on fair, balanced and understandable set out on page 111;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 69;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems page 81; and
- the section describing the work of the Audit & Risk Committee set out on page 78.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit & Risk Committee, we were appointed by the members at the Annual General Meeting held on 15 May 2025 to audit the financial statements for the year ending 31 December 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is accordingly one year.

15.2. Consistency of the audit report with the additional report to the Audit & Risk committee

Our audit opinion is consistent with the additional report to the Audit & Risk Committee we are required to provide in accordance with ISAs (UK).

16. 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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Lee Highton FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
18 March 2026

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	Year ended 31 December 2025			Year ended 31 December 2024		
		Underlying £m	Non-underlying ¹ £m	Total £m	Underlying £m	Non-underlying ¹ £m	Total £m
Revenue	4, 9	403.5	–	403.5	357.9	–	357.9
Cost of sales		(198.2)	–	(198.2)	(169.6)	–	(169.6)
Gross profit		205.3	–	205.3	188.3	–	188.3
Distribution costs		(28.0)	–	(28.0)	(25.7)	–	(25.7)
Administrative expenses		(153.2)	(6.8)	(160.0)	(139.8)	(6.2)	(146.0)
Operating profit	9	24.1	(6.8)	17.3	22.8	(6.2)	16.6
Finance expense	10	(5.1)	–	(5.1)	(2.8)	–	(2.8)
Profit before tax	9	19.0	(6.8)	12.2	20.0	(6.2)	13.8
Taxation	11	(4.2)	1.6	(2.6)	(4.6)	1.3	(3.3)
Profit for the year and total comprehensive income		14.8	(5.2)	9.6	15.4	(4.9)	10.5
Basic earnings per share	12	14.6p		9.5p	14.4p		9.8p
Diluted earnings per share	12	14.5p		9.4p	14.3p		9.7p

¹ Non-underlying items are detailed in Note 7. The Group's policy regarding the recognition of non-underlying items is outlined on page 136.

The Notes on pages 124 to 157 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Property, plant and equipment	14	63.2	60.5
Right-of-use assets	15	71.6	54.3
Goodwill	16	36.1	10.8
Intangible assets	16	4.7	3.8
Total non-current assets		175.6	129.4
Current assets			
Inventories	18	53.6	47.2
Trade and other receivables	19	51.9	45.8
Corporation tax		0.4	1.0
Cash and cash equivalents		6.3	0.4
Total current assets		112.2	94.4
Total assets		287.8	223.8
Liabilities			
Current liabilities			
Trade and other payables	21	(54.0)	(45.2)
Contingent consideration	34	(3.7)	–
Deferred consideration	34	(0.6)	–
Lease liabilities	22	(14.4)	(12.5)
Bank overdrafts		–	(3.0)
Provisions	23	(0.5)	(0.4)
Total current liabilities		(73.2)	(61.1)
Non-current liabilities			
Borrowings	20	(27.7)	(0.5)
Contingent consideration	34	(8.5)	–
Deferred consideration	34	(0.1)	–
Lease liabilities	22	(61.7)	(46.9)
Provisions	23	(1.8)	(1.3)
Deferred tax	24	(10.0)	(8.6)
Total non-current liabilities		(109.8)	(57.3)
Total liabilities		(183.0)	(118.4)
Net assets			
Equity attributable to equity holders of the parent			
Share capital	25	0.1	0.1
Share premium account	25	22.2	22.2
Treasury shares	25	(0.9)	(2.0)
Share-based payment reserve	26	2.4	2.3
Share buyback reserve	25	–	–
Retained earnings		81.0	82.8
Total equity		104.8	105.4

The Financial Statements on pages 120 to 157 were approved and authorised for issue by the Board of Directors on 18 March 2026 and were signed on its behalf by:

Will Truman
Chief Executive

Michael Scott
Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended 31 December 2025

	Note	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
Cash generated from operations	32	50.1	47.2
Income taxes paid		(1.7)	(3.0)
Net cash generated from operating activities		48.4	44.2
Investing activities			
Purchase of property, plant and equipment		(12.3)	(10.2)
Purchase of intangible assets		(0.2)	(0.1)
Acquisition of subsidiaries (net of cash acquired)		(20.6)	–
Net cash used in investing activities		(33.1)	(10.3)
Financing activities			
Purchase of own shares held as treasury shares	25	(1.0)	(1.9)
Share buybacks	25	(5.0)	(12.6)
Exercise of share options		–	(0.1)
Net proceeds from bank and other borrowings		27.0	1.0
Principal elements of lease payments		(16.4)	(14.4)
Finance elements of lease payments		(2.9)	(2.1)
Other finance expense paid		(1.9)	(0.7)
Dividends paid to equity Shareholders	13	(6.2)	(6.1)
Net cash used in financing activities		(6.4)	(36.9)
Net increase/(decrease) in cash and cash equivalents¹		8.9	(3.0)
Cash and cash equivalents¹ at the beginning of the year		(2.6)	0.4
Cash and cash equivalents¹ at the end of the year		6.3	(2.6)

¹ Cash and cash equivalents includes bank overdrafts as overdrafts form part of the Group's cash pooling facility.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Note	Share capital £m	Share premium account £m	Treasury shares £m	Share-based payment reserve £m	Share buyback reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2025	0.1	22.2	(2.0)	2.3	–	82.8	105.4
Comprehensive income for the year							
Profit for the year	–	–	–	–	–	9.6	9.6
Total comprehensive income for the year	–	–	–	–	–	9.6	9.6
Contributions by and distributions to owners							
Exercise of share options	25, 26	–	1.0	(0.9)	–	(0.2)	(0.1)
Share-based payments	26	–	–	1.0	–	–	1.0
Alunet acquisition		–	1.1	–	–	–	1.1
Purchase of own shares	25	–	(1.0)	–	(4.9)	(0.1)	(6.0)
Cancellation of shares	25	–	–	–	4.9	(4.9)	–
Dividends paid	13	–	–	–	–	(6.2)	(6.2)
Total transactions with owners recognised directly in equity		–	1.1	0.1	–	(11.4)	(10.2)
Balance at 31 December 2025	0.1	22.2	(0.9)	2.4	–	81.0	104.8

Note	Share capital £m	Share premium account £m	Treasury shares £m	Share-based payment reserve £m	Share buyback reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	0.1	22.2	(0.1)	0.9	–	91.2	114.3
Comprehensive income for the year							
Profit for the year	–	–	–	–	–	10.5	10.5
Total comprehensive income for the year	–	–	–	–	–	10.5	10.5
Contributions by and distributions to owners							
Exercise of share options	25, 26	–	–	(0.1)	–	(0.2)	(0.3)
Share-based payments	26	–	–	1.5	–	–	1.5
Purchase of own shares	25	–	(1.9)	–	(12.4)	(0.2)	(14.5)
Cancellation of shares	25	–	–	–	12.4	(12.4)	–
Dividends paid	13	–	–	–	–	(6.1)	(6.1)
Total transactions with owners recognised directly in equity		–	(1.9)	1.4	–	(18.9)	(19.4)
Balance at 31 December 2024	0.1	22.2	(2.0)	2.3	–	82.8	105.4

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1 ACCOUNTING POLICIES (GROUP)

Corporate information

Eurocell plc (the 'Company') and its subsidiaries (together the 'Group') is a publicly listed company incorporated and domiciled in England, United Kingdom. The registered office is located in England at the following address: Eurocell Head Office and Distribution Centre, High View Road, South Normanton, Alfreton, Derbyshire DE55 2DT.

The Group is principally engaged in the extrusion and supply of PVC window and building products to the new and replacement window market and the sale of building materials across the UK.

Basis of preparation

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

The Group has adequate resources to continue in operational existence for the foreseeable future and, as a result of this, the going concern basis has been adopted in preparing the Financial Statements (see below).

The Group Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Financial Statements have been prepared under the historical cost convention, as modified by fair values in respect of acquisition accounting. The functional currency is Sterling, and the Financial Statements are presented in millions, unless otherwise stated.

The preparation of the Group Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 2.

Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries at 31 December 2025 and present the results as if they formed a single entity. Where the Company has power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and continue to be consolidated until the date when such control ceases. Intercompany transactions and balances, unrealised gains and losses resulting from intra-Group transactions and dividends are eliminated in full.

The functional currency of all entities in the Group is Sterling. The vast majority of the Group's revenues are denominated in Sterling, and as a result, the consolidation of non-UK revenues has minimal foreign exchange impact.

The Consolidated Financial Statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

All dormant subsidiaries prepare and file financial statements in accordance with Section 480 of the Companies Act 2006, which are filed with the registrar at Companies House.

Under section 479A–479C of the Companies Act 2006 Ecoplas Limited (company number 03418474), Alunet Systems Limited (company number 10172250), Compdor Limited (company number 13557107), UK Doors (Midlands) Limited (company number 12776674), JD (UK) Limited (company number 04273064) and JDUK Investments Limited (company number 08126121) are exempt from an audit of their individual accounts. The accounts of these companies are consolidated herewith and its ultimate holding company, Eurocell plc has provided a guarantee under section 479C for the year ended 31 December 2025.

Going concern

The Group funds its activities through a £75 million Revolving Credit Facility, provided by Barclays, NatWest and AIB. The facility was renewed on 6 March and now matures in February 2030. The facility includes two key financial covenants, which are tested at 30 June and 31 December each year on a pre-IFRS 16 basis. These are that net debt should not exceed three times adjusted EBITDA (Leverage), and that adjusted EBITDA should be at least four times the interest charge on the debt (Interest Cover). Adjusted EBITDA is defined as operating profit before depreciation, amortisation and non-underlying items. See alternative performance measures on page 130.

No covenants were breached during the year ended 31 December 2025. For the next measurement period, being 30 June 2026, and going forward, the Group expects to comply with its covenants.

In assessing going concern, the Directors have considered financial projections for the period to December 2027, which is consistent with the Board's strategic planning horizon and reflects a period of at least 12 months from the date of approval of these Financial Statements. These forecasts have been compiled based on the best estimates of the Group's commercial and operational teams. This includes a severe but plausible 'Downside' scenario, which reflects demand for the Group's products being severely weakened.

In all scenarios tested, including sensitivities reducing sales forecasts to 10% below management's estimates for the period 2026-27, key raw material prices increasing by 33% over that period and both scenarios combined, the Group operates with significant headroom on its RCF facility and remains compliant with its original covenants.

After reviewing the Group's projected financial performance and financing arrangements, the Directors consider that the Group has adequate resources to continue operating and that it is, therefore, appropriate to continue to adopt the going concern basis in preparing these Financial Statements.

Changes in accounting policies and disclosures applicable to the Company and the Group

In the current year, the Group has applied the amendment below to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that is mandatorily effective for an accounting period that begins on or after 1 January 2025, with no material impact:

- Amendments to IAS 21 – Lack of Exchangeability.

The following new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group:

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments;
- IFRS 18 – Presentation and Disclosure in Financial Statements; and
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

IFRS 18 becomes effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when IFRS 18 is applied. IFRS 18 requires retrospective application with specific transition provisions. The Directors anticipate that the application of these amendments will have an impact on the Group's Consolidated Financial Statements in future periods.

Revenue

The Group manufactures and distributes a range of building plastic materials, along with associated ancillary products, via direct sales to its fabricator customers and through its Branch Network. Revenue is recognised when control of the products has transferred. Control is considered to have transferred once the customer has taken delivery of the products, or has collected them from the branch, has full discretion over the future use of those products, and where there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Revenue is based upon the price specified on the customer's invoice, which is determined with reference to a price list specific to each customer or category of customers. A receivable is recognised on the transfer of the products, as this is the point at which consideration is deemed to be unconditional. There are no variable elements to the consideration received that require estimation. No significant element of financing is present as sales are made with a credit term of 30 days end of month, which is consistent with market practice.

When payments are made by the Group to customers or potential customers in order to secure contracts to supply products to those customers in the future, these payments (subject to a de-minimis limit) are deferred and recognised as assets in the Consolidated Statement of Financial Position. Deferred amounts are recognised as a reduction of revenues over time as the goods or services to which each payment relates are transferred to the customer, typically over a period of not more than four years, and are assessed for indicators of possible impairment at least annually

Due to the fact that the Group's customers typically collect or take delivery of products for immediate use in their intended purpose, the likelihood of items being returned is small. Therefore, it is highly probable that a significant reversal of revenue will not occur. The Group's obligations to repair or replace faulty manufactured products under the standard warranty terms is recognised as a provision, see Note 23.

Non-underlying items

The Group presents some material items of income and expense as non-underlying items. This is done when, in the opinion of the Directors, the nature of the circumstances merit separate presentation in the Financial Statements. This includes, but is not limited to, material non-current asset impairment charges, non-recurring costs arising from business restructuring and expensed software-as-a-service costs incurred in the process of developing strategic IT systems (see Software on page 126).

This treatment allows users of the Financial Statements to better understand the elements of financial performance in the year, it facilitates comparison with prior periods, and it helps in understanding trends in financial performance. Further details are provided in Note 7.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

1 ACCOUNTING POLICIES (GROUP) continued

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is initially measured at cost, being the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired at the acquisition date. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated Statement of Comprehensive Income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceeds the fair value of consideration paid, the excess is credited in full to the Consolidated Statement of Comprehensive Income on the acquisition date.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques. Useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Software	5 to 10 years	Cost to acquire
Technology-based	10 to 17 years	Cost to acquire
Customer-related	5 to 10 years	Cost to acquire
Marketing-related	10 to 15 years	Cost to acquire

The amortisation charge for the year is included within administration costs within the Consolidated Statement of Comprehensive Income.

Software

Costs associated with maintaining computer software programmes are recognised as an expense in the underlying income statement as they are incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products that are controlled by the Company are recognised as intangible assets, and amortised on a straight-line basis over their estimated useful lives. Any costs incurred in relation to software-as-a-service ("SaaS") arrangements are expensed as incurred unless the cost results in the Company obtaining control over a related asset. Where expensed SaaS costs are incurred in the process of implementing strategic IT systems, which for the avoidance of doubt comprises the Group's new Enterprise Resource Planning Systems including a new trade counter system for the Branch Network, such costs are classified as non-underlying items as they are material in size and not part of the normal costs of operating the business.

Impairment of tangible assets, intangible assets, right-of-use assets and investments

Impairment tests on non-current assets are undertaken annually at the financial year-end or at any other time when an indication of impairment arises. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value-in-use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows – its cash-generating unit ("CGU"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill. Impairment is not considered at an individual branch level ("Building Plastics: CGU") as acquired goodwill is not separately identifiable on that basis.

Individual right-of-use lease property assets relating to the Group's Branch Network are also tested for impairment when an indication of impairment arises, such as a branch becoming loss-making. In considering individual branch performance, central overheads are allocated to each branch in proportion to sales.

Where it is considered probable that climate change will have a measurable and materially adverse impact on the future cash flows of a CGU or non-current asset, estimated cash flows and/or useful economic lives are reduced accordingly.

Impairment charges are included in the Consolidated Statement of Comprehensive Income, except to the extent they reverse gains previously recognised in Other Comprehensive Income. An impairment loss recognised for goodwill is not reversed.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Freehold land is not depreciated. Assets in the course of construction are not depreciated until they are in a condition that would allow them to be deployed in their intended use without further changes to their condition. Depreciation is provided on all other items of property, plant and equipment so as to write off their cost less residual value over their expected useful economic lives. It is provided at the following rates:

Asset class	Depreciation policy
Freehold property	2.5% per annum straight-line
Leasehold improvements	Equal instalments over the period of the lease
Plant and machinery	
Mixing plant	Between 20% and 25% per annum straight-line
Extruders	13 years based on production usage on a straight-line basis
Stillages and tooling	5 to 10 years based on production usage on a straight-line basis
Other	Between 10% and 25% per annum straight-line
Motor vehicles	Between 20% and 25% per annum straight-line
Office equipment and fixtures	Between 20% and 25% per annum straight-line

Right-of-use lease assets

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at, or before, the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Discount rates are based on our external financing rate and then a lease-specific adjustment is applied.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of the lease. Leases are assessed for impairment based on value-in-use and impaired where the carrying value exceeds the recoverable amount. Reversals of impairments can occur where assets are subsequently found to have further value-in-use.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase and conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes a proportion of attributable overheads.

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred up to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Financial assets

The Group records all of its financial assets at amortised cost and has not classified any of its financial assets at fair value through profit and loss or other comprehensive income. The Group's financial assets comprise trade and other receivables and cash and cash equivalents in the balance sheet. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Customer rebates are offset against receivable amounts in line with the terms of the customer agreements.

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for trade receivables.

Expected loss rates are derived based upon the payment profile of sales over the three-year period up to the reporting date, and the corresponding credit losses experienced. These rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle receivables, including GDP, the rate of unemployment, new housing starts, interest rates and household disposable income. Insured balances are excluded to the extent that no loss would arise in the event of default by the customer.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

1 ACCOUNTING POLICIES (GROUP) continued

Financial assets continued

Where the adjusted loss rates are different from the original estimate, there is an impact on the carrying value of trade receivables and the amount credited or charged on a net basis to operating expenses within the Consolidated Statement of Comprehensive Income.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less from inception, and – for the purpose of the Statement of Cash Flows – bank overdrafts. Bank overdrafts are shown within current liabilities in the balance sheet.

Financial liabilities

The Group classifies its financial liabilities as financial liabilities measured at amortised cost, which include the following items:

- Bank borrowings, which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Taxation

Tax on the profit for both the current and prior periods comprises both current and deferred tax and is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates that have been enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

The Group recognises a current tax asset in respect of relief claimed under the Patent Box when the inflow of economic benefits arising from that asset is virtually certain, deemed to be the submission of a claim to HM Revenue and Customs.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that future taxable profits will arise, against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities, which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Lease liabilities

The Group leases certain properties, vehicles and material handling equipment. The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (defined as leases with a value of less than £5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The incremental borrowing rate is calculated based upon a combination of the risk-free rate, financing and asset-specific credit spreads, adjusted for the term of each lease.

Lease payments included in the measurement of the lease liability comprise fixed lease payments, less any lease incentives. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The principal and finance elements of lease payments are presented separately on the face of the Consolidated Cash Flow Statement within financing activities.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

The Group has recognised provisions for liabilities of uncertain timing or amount in respect of leasehold dilapidations and warranty claims. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate as described above.

Dilapidations provisions represent the Directors' best estimate of the cost associated with the obligation using historical costs. Known specific obligations relating to repairs required or structural changes made to a building are recognised as soon as the timing and amount of the liability can be reliably estimated.

Warranty provisions are recognised to cover known potential warranty issues. The provision represents the Directors' best estimate of the costs associated with these obligations.

Share capital

The Group's ordinary shares are classified as equity instruments.

Treasury shares

Treasury shares are held by the Company and the Company's Employee Benefit Trust for the purpose of satisfying awards under the Group's various share-based payment schemes.

Shares in relation to the Employee Benefit Trust are acquired from the market and are held in treasury until such time as they are issued to share scheme participants. Treasury shares held by the Company are acquired through the share buyback schemes. Any shares not yet issued to employees at the end of the reporting period are shown as treasury shares in the Financial Statements. Shares issued to employees are recognised on a first-in first-out basis. Under the terms of the trust deed, the Group is required to provide the trust with the necessary funding for the acquisition of the shares.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the Shareholders at the Annual General Meeting.

Retirement benefits: defined contribution scheme

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period. The Group has no obligation to pay future pension benefits.

Foreign currency

The Group's Financial Statements are presented in Sterling. For each entity, the Group determines the functional currency, and items included in the Financial Statements of each entity are measured using that functional currency.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their 'functional currency') are recorded at the prevailing rate when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the Consolidated Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

1 ACCOUNTING POLICIES (GROUP) continued

Share-based payment transactions

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

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is determined at the grant date using the Black-Scholes valuation model and equity-settled share-based payments are expensed on a straight-line basis over the vesting period, based upon the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured based on the value of options over shares on the date of grant and the likelihood of all, or part of, the option vesting.

Current tax relief is available as shares vest based on the value at the date of vesting. A deferred tax asset is recognised at grant date based on the number of shares expected to be issued, at the value at which they are expected to be issued, proportioned in line with the vesting period.

Alternative performance measures

The Group uses alternative performance measures alongside statutory measures to facilitate a better understanding of financial performance and comparison with prior periods, and in order to provide audited financial information, against which the Group's bank covenants, which are all measured on a pre-IFRS 16 basis, can be assessed.

EBITDA is defined as operating profit before depreciation and amortisation charges. Pre-IFRS 16 EBITDA is stated inclusive of operating lease rentals under IAS 17 Leases.

Adjusted EBITDA, profits and earnings per share exclude non-underlying items. Adjusted profit measures allow users of the Financial Statements to better understand financial performance in the year by removing certain material items of income and expense that are unusual due to their nature or infrequency, thus facilitating better comparison with prior periods.

Covenants are assessed on a pre-IFRS 16 adjusted EBITDA, continuing basis.

	2025 £m	2024 £m
Operating profit	17.3	16.6
Depreciation and amortisation	27.4	25.3
EBITDA	44.7	41.9
Non-underlying items (Note 7)	6.8	6.2
Adjusted EBITDA	51.5	48.1
Operating lease rentals under IAS 17	(18.8)	(16.3)
Pre-IFRS 16 adjusted EBITDA	32.7	31.8

Pre-IFRS 16 total net debt/(cash) is defined as total borrowings and deferred consideration less cash and cash equivalents, excluding the impact of leases recognised under IFRS 16 Leases.

	2025 £m	2024 £m
Total net debt	98.2	62.5
Lease liabilities	(76.1)	(59.4)
Pre-IFRS 16 net debt/(cash)	22.1	3.1

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements.

Critical estimates and judgements

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

Acquisition accounting

Any contingent consideration included in the consideration payable for a business combination is recorded at fair value at the date of acquisition. These fair values are generally based on risk-adjusted future cash flows discounted using appropriate post-tax discount rates. The fair values are reviewed on a regular basis, and any changes are reflected in the income statement. The key sources of estimation uncertainty are sales forecasts and discount rate. Refer to note 34 for further information and sensitivity analysis.

Judgements

Asset impairment

The right-of-use impairment charge arose in 2024 following a dispute with the landlord at a secondary warehouse in Derbyshire, where there was significant deterioration to the flooring. Following legal advice, the Group terminated the lease. The landlord contested the termination and issued proceedings for unpaid rent. The Group determined that the landlord issuing legal proceedings represented an impairment trigger for the right-of-use asset, which had a net book value of £3.2 million at that time. With the site not in condition for use and the outcome of the dispute uncertain, the lease asset was impaired in full in 2024 (a non-cash item). Legal and other costs relating to the dispute of £0.4 million were incurred in 2025.

Non-underlying items

Categorisation of certain items as non-underlying items requires management judgement. In applying the Group's non-underlying items policy, we have considered a number of key matters, as detailed in note 7.

3 FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- credit risk
- market risk
- foreign exchange risk
- liquidity risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The Group does not consider there to be any significant concentration of risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these Financial Statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks, or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade and other receivables
- cash and cash equivalents
- deferred and contingent consideration
- trade and other payables
- bank overdrafts
- floating-rate bank loans
- lease liabilities.

The Group finances its activities using cash generated from operations and its Revolving Credit Facility. It does not use invoice discounting or any other financing facilities. The fair value for cash and cash equivalents is approximate to its book value.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

3 FINANCIAL INSTRUMENTS – RISK MANAGEMENT continued

Principal financial instruments continued

A summary of the financial instruments held by category is provided below:

	2025 £m	2024 £m
Financial assets		
Cash and cash equivalents	6.3	0.4
Trade and other receivables	43.1	35.2
Total financial assets	49.4	35.6
Financial liabilities		
Trade and other payables	44.8	36.1
Contingent consideration	12.2	–
Deferred consideration	0.7	–
Lease liabilities	76.1	59.4
Bank overdrafts	–	3.0
Borrowings	28.0	1.0
Total financial liabilities	161.8	99.5

The analysis above does not correspond to the values reported in the Consolidated Statement of Financial Position as excluded from the analysis above are assets and liabilities from which no future cash flows are expected to arise, including prepayments, other customer assets, rent-free periods on leased properties, and unamortised arrangement costs relating to the Group's borrowings.

Impairment of financial assets

Impairments of trade receivables are outlined in Note 19. No further impairments to financial assets are considered necessary.

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for trade receivables.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The Board receives monthly reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. These are then discussed at regular Board meetings.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out as follows.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk through its trade receivables arising from its normal commercial activities. It is Group policy, implemented locally, to assess the credit risk of new customers before entering into contracts.

Existing credit risks associated with trade receivables are managed in line with Group policies as discussed in the financial assets section of accounting policies. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. This risk is mitigated by ensuring that deposits are only made with banks and financial institutions with a good rating issued by an industry-recognised independent third party (e.g. Standard and Poor's). At 31 December 2025 all cash was held with banks and financial institutions rated A or above.

Further disclosures regarding financial assets are provided in Note 19.

Market risk

The Group is exposed to market risk from bank borrowings, which incur variable interest rate charges linked to base rate plus a margin. The Group's objective is to manage the interest cost of the Group within the constraints of its financial covenants and forecasts. It does this through regular reporting and monitoring of operating cash flows, effective working capital management and close controls over the authorisation of capital expenditure.

The impact of a change in variable interest rates in line with historic movements of 2-3% would not have a material impact on the Group's finance expense.

During 2025 and 2024, the Group's borrowings at a variable rate were denominated in Sterling. Further disclosures relating to bank borrowings are provided in Note 20.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of a financial instrument or future cash flow will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group manages its exposure to fluctuations in currency rates by wherever possible negotiating both purchases and sales to be denominated in Sterling. The profit or loss arising from likely changes in foreign exchange is not significant.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, cash flow forecasts are prepared and updated on a regular basis to ensure that the Group has adequate headroom in its facilities. The Board receives monthly updates on the Group's liquidity position and any issues are reported by exception.

At the end of the financial year, the most recent cash flow projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably foreseeable circumstances.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Total £m	Up to 3 months £m	Between 3 and 12 months £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
At 31 December 2025						
Trade and other payables	44.8	44.8	–	–	–	–
Contingent consideration	13.1	–	3.8	5.1	4.2	–
Deferred consideration	0.7	0.5	0.1	0.1	–	–
Lease liabilities	89.8	4.7	14.1	19.2	30.4	21.4
Borrowings	28.0	–	–	28.0	–	–
Total	176.4	50.0	18.0	52.4	34.6	21.4
	Total £m	Up to 3 months £m	Between 3 and 12 months £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
At 31 December 2024						
Trade and other payables	36.1	36.1	–	–	–	–
Lease liabilities	66.1	3.1	10.7	15.1	21.6	15.6
Bank overdrafts	3.0	3.0	–	–	–	–
Borrowings	1.0	–	–	–	1.0	–
Total	106.2	42.2	10.7	15.1	22.6	15.6

Excluded from the analysis above are assets and liabilities from which no future cash flows are expected to arise including rent-free periods on leased properties, deferred income and unamortised arrangement costs relating to the Group's borrowings.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

3 FINANCIAL INSTRUMENTS – RISK MANAGEMENT continued

Capital management

The Group's objective when managing capital, which is deemed to be total equity plus total debt and which was £209.3 million (2024: £168.3 million) at the balance sheet date, is to safeguard the Group's ability to continue as a going concern, through the optimisation of the debt and equity balance, and to maintain good headroom on its debt facilities and financial covenants. The Group manages its capital structure and makes appropriate decisions in the light of current economic conditions and its strategic objectives.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain the future development of the business.

The funding requirements of the Group are met by the utilisation of external borrowings, together with available cash.

A key objective of the Group's capital management is to maintain comfortable headroom over the covenants set out in its existing facility agreements.

The financial covenants which are in place, all measured on a pre-IFRS 16 basis, are as follows:

- Leverage: the ratio of total net debt to consolidated adjusted EBITDA of any relevant period of not more than 3:1
- Interest cover: the ratio of adjusted EBITDA to net interest payable in respect of any relevant period of not less than 4:1.

Covenants are measured at half-year and year-end on a rolling 12-month basis. As at 31 December 2025, Leverage and Interest Cover were 0.7:1 and 18:1 respectively (2024: 0.1:1 and 45:1). The Group operated well within the terms of its covenants throughout the current and prior periods. The Group anticipates that it will comfortably meet all future covenant obligations.

The following table sets out the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date:

	As at 31 December 2025			
	GBP £m	EUR £m	USD £m	Total £m
Trade and other receivables	43.0	0.1	–	43.1
Cash and cash equivalents	6.1	0.2	–	6.3
Lease liabilities	(75.9)	(0.2)	–	(76.1)
Other interest-bearing borrowings	(28.0)	–	–	(28.0)
Trade and other payables	(44.4)	(0.4)	–	(44.8)
	(99.2)	(0.3)	–	(99.5)

	As at 31 December 2024			
	GBP £m	EUR £m	USD £m	Total £m
Trade and other receivables	35.0	0.2	–	35.2
Cash and cash equivalents	0.3	0.1	–	0.4
Bank overdrafts	(3.0)	–	–	(3.0)
Lease liabilities	(59.1)	(0.3)	–	(59.4)
Other interest-bearing borrowings	(1.0)	–	–	(1.0)
Trade and other payables	(41.1)	(0.5)	–	(41.6)
	(68.9)	(0.5)	–	(69.4)

4 REVENUE

Revenue arises from:

	2025 £m	2024 £m
Sale of goods	403.5	357.9

External revenue by destination:

	2025 £m	2024 £m
United Kingdom	399.0	353.1
European Union	3.4	4.1
Rest of World	1.1	0.7
	403.5	357.9

There are no customers with sales in excess of 10% of total Group revenues.

Revenue is disclosed net of other customer asset amortisation and related expenses in the year of £1.4 million (2024: £1.5 million). Further details are provided in Note 19.

5 AUDITORS REMUNERATION

Total amounts payable to the Group's auditors were as follows:

	2025 £000	2024 £000
Audit of these Financial Statements	112	112
Amounts receivable by auditors and their associates in respect of:		
Audit of Financial Statements of subsidiaries pursuant to legislation	318	254
Audit-related assurance services	50	77
	480	443

The 2025 fees were payable to Deloitte LLP. All 2024 fees were payable to PricewaterhouseCoopers LLP.

6 EXPENSES BY NATURE

	2025 £m	2024 £m
Depreciation of property, plant and equipment (Note 14)	10.1	9.6
Depreciation of right-of-use assets (Note 15)	16.0	14.4
Amortisation of intangible assets (Note 16)	1.3	1.3
Impairment of property, plant and equipment and right-of-use assets	–	3.3
Other non-underlying operating expenses (Note 7)	6.8	3.0
Cost of inventories purchased in the year	183.8	153.2
Other variable costs of production	14.4	16.4
Employee benefits expense (Note 8)	97.7	89.2
Short-term lease rentals	2.1	2.2
Other operating costs	54.0	48.7
Total cost of sales, distribution costs and administration expenses	386.2	341.3

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

7 NON-UNDERLYING ITEMS

Amounts included in the Consolidated Statement of Comprehensive Income are as follows:

	2025 £m	2024 £m
Strategic IT expenses	4.2	2.2
Restructuring costs	1.8	–
Acquisition costs	0.4	0.8
Asset impairment charges and related expenses	0.4	3.2
Non-underlying operating expenses	6.8	6.2
Taxation	(1.6)	(1.3)
Impact on profit after tax	5.2	4.9

Strategic IT expenses

Strategic IT expenses of £4.2 million (2024: £2.2 million) relate to costs incurred on strategic IT projects involving 'Software-as-a-Service' arrangements and internal resourcing costs, which are expensed as incurred rather than being capitalised as intangible assets (see Note 1).

Such items are considered to be non-underlying in nature because they relate to multi-year programmes to deliver strategic IT implementations, which are material in size. Strategic IT projects include the replacement of our Enterprise Resource Planning ('ERP') system, including a new trade counter system for the Branch Network. The expected non-underlying cost of the system replacement is in the region of £13 million over the 2024–27 period.

Restructuring costs

A restructuring of the Branch Network was completed in April 2025, with the removal of a layer of regional operational management, a reduction in the size of the salesforce and closure of a small number of underperforming branches. Further restructuring work was also completed in Operations and Shared Services. In total, 53 roles were impacted at a cost of £1.8 million, comprising redundancy costs and related asset impairments.

Acquisition costs

In March 2025, the Group completed the acquisition of the Alunet Group. In total, acquisition-related expenses of £1.2 million were incurred in the process, comprising deal advisory, legal and due diligence costs.

Asset impairment

The right-of-use asset impairment charge arose in 2024 following a dispute with the landlord at a secondary warehouse in Derbyshire, where there was significant deterioration to the flooring. Following legal advice, the Group terminated the lease. The landlord contested the termination and issued proceedings for unpaid rent. The Group determined that the landlord issuing legal proceedings represented an impairment trigger for the right-of-use asset, which had a net book value of £3.2 million at that time. With the site not currently in condition for use and the outcome of the dispute uncertain, the lease asset has been impaired in full (a non-cash item). Legal and other costs relating to the dispute of £0.4 million were incurred in 2025.

Impact on cash flow

Of the £6.8 million non-underlying expenses recognised, £6.1 million was settled in cash at 31 December 2025 and £0.2 million related to non-cash impairment charges. The remaining £0.5 million will be settled within the next twelve months.

£3.0 million of the non-underlying expenses incurred in 2024 were settled in cash at 31 December 2025. The remaining £3.2 million related to non-cash impairment charges.

8 EMPLOYEE BENEFITS EXPENSE

	2025 £m	2024 £m
Staff costs (including Directors) comprise:		
Wages and salaries	83.2	76.3
Share-based payments	1.0	1.5
Social security costs	10.5	8.7
Other pension costs	3.0	2.7
	97.7	89.2

The average monthly number of employees, including Directors, during the year was as follows:

	2025 No.	2024 No.
Production	803	726
Office and administration	535	437
Distribution	903	904
	2,241	2,067

Key management personnel compensation and Directors' remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, which is considered to be the Directors of the Company.

	2025 £m	2024 £m
Emoluments	1.3	1.3
Share-based payments	0.7	–
Pension and other post-employment benefit costs	–	–
	2.0	1.3

Directors' remuneration is set out in the Remuneration Report on pages 88 to 106. The highest paid Director received remuneration, including share options exercised, of £1,162,000 (2024: £476,000).

During the year, retirement benefits were accruing to three Directors in respect of defined contribution pension schemes (2024: two). The value of contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £22,000 (2024: £21,000).

During the current year, 439,036 share options were exercised by Directors of the Group (2024: of which nil) of which 410,447 options were exercised by the highest paid director (2024: nil).

During the year, no long-term benefits were issued, nor any termination payments made.

The Group's policy for consulting with, sharing information with, and encouraging the involvement of employees is discussed on pages 64 to 73.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

9 SEGMENTAL INFORMATION

The Group organises itself into a number of operating segments that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Internal reporting provided to the chief operating decision-maker, which has been identified as the executive management team including the Chief Executive and the Chief Financial Officer, reflects this structure.

The Group has aggregated its operating segments into four reported segments, as these business units have similar products, production processes, types of customer, methods of distribution, regulatory environments, and economic characteristics:

- Profiles – extrusion and sale of PVC window and building products to the new and replacement window market across the UK. This segment includes Vista Panels, S&S Plastics and Eurocell Recycle North
- Building Plastics – sale of plastic building materials through the Branch Network, substantially all in the UK
- Alunet – sale of aluminium window and composite door products to the new and replacement market in the UK. This segment includes Alunet Systems, Comp Door, JDUK and UK Doors (Midlands)
- Corporate – represents costs relating to the ultimate parent company and includes the assets and related amortisation in respect of acquired intangible assets.

Inter-segmental sales, which are eliminated on consolidation, are transacted on an arms' length basis and relate to manufactured products distributed by the Building Plastics division.

	Profiles 2025 £m	Building Plastics 2025 £m	Alunet 2025 £m	Corporate 2025 £m	Total 2025 £m
Revenue					
Total revenue	208.2	210.5	46.7	–	465.4
Inter-segmental revenue	(61.5)	(0.4)	–	–	(61.9)
Total revenue from external customers	146.7	210.1	46.7	–	403.5
Adjusted EBITDA	30.5	14.3	5.8	0.9	51.5
Amortisation of intangible assets	–	–	–	(1.3)	(1.3)
Depreciation of property, plant and equipment	(6.8)	(1.6)	(0.7)	(1.0)	(10.1)
Depreciation of right-of-use assets	(6.3)	(9.3)	(0.3)	(0.1)	(16.0)
Adjusted operating profit/(loss)	17.4	3.4	4.8	(1.5)	24.1
Non-underlying operating expenses	(3.4)	(3.0)	–	(0.4)	(6.8)
Operating profit/(loss)	14.0	0.4	4.8	(1.9)	17.3
Finance expense					(5.1)
Profit before tax					12.2

	Profiles 2024 £m	Building Plastics 2024 £m	Alunet 2024 £m	Corporate 2024 £m	Total 2024 £m
Revenue					
Total revenue	209.8	212.3	–	–	422.1
Inter-segmental revenue	(63.7)	(0.5)	–	–	(64.2)
Total revenue from external customers	146.1	211.8	–	–	357.9
Adjusted EBITDA	33.3	15.7	–	(0.9)	48.1
Amortisation of intangible assets	–	–	–	(1.3)	(1.3)
Depreciation of property, plant and equipment	(7.5)	(1.3)	–	(0.8)	(9.6)
Depreciation of right-of-use assets	(6.4)	(7.9)	–	(0.1)	(14.4)
Adjusted operating profit/(loss)	19.4	6.5	–	(3.1)	22.8
Non-underlying operating expenses	(4.8)	(1.4)	–	–	(6.2)
Operating profit/(loss)	14.6	5.1	–	(3.1)	16.6
Finance expense					(2.8)
Profit before tax					13.8

	Profiles 2025 £m	Building Plastics 2025 £m	Alunet 2025 £m	Corporate 2025 £m	Total 2025 £m
Additions to plant, property, equipment and intangible assets	5.7	4.0	1.1	1.0	11.8
Segment assets	128.6	94.3	49.0	15.9	287.8
Segment liabilities	(58.5)	(57.3)	(11.0)	(18.5)	(145.3)
Borrowings					(27.7)
Deferred tax liability					(10.0)
Total liabilities					(183.0)
Total net assets					104.8

	Profiles 2024 £m	Building Plastics 2024 £m	Alunet 2024 £m	Corporate 2024 £m	Total 2024 £m
Additions to plant, property, equipment and intangible assets	7.1	2.7	–	0.9	10.7
Segment assets	122.3	84.0	–	17.5	223.8
Segment liabilities	(53.2)	(48.9)	–	(7.2)	(109.3)
Borrowings					(0.5)
Deferred tax liability					(8.6)
Total liabilities					(118.4)
Total net assets					105.4

Geographical information

	Revenue ¹ 2025 £m	Non-current assets 2025 £m	Revenue ¹ 2024 £m	Non-current assets 2024 £m
United Kingdom	401.3	175.6	355.8	129.4
Republic of Ireland ²	2.2	–	2.1	–
Total	403.5	175.6	357.9	129.4

1 Revenue stated at location of point of sale.

2 The net book value of non-current assets in the Republic of Ireland was less than £50,000 in both years.

10 FINANCE EXPENSE

	2025 £m	2024 £m
Finance expense		
Bank borrowings	1.9	0.7
Interest on lease liabilities	2.9	2.1
Unwinding of discounting	0.3	–
Total finance expense	5.1	2.8

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

11 TAXATION

	2025 £m	2024 £m
Current tax expense		
Current tax on profits for the year	2.4	3.0
Adjustments in respect of prior years	(0.4)	(0.3)
Total current tax	2.0	2.7
Deferred tax expense		
Origination and reversal of temporary differences	0.8	0.4
Adjustment in respect of prior years	(0.2)	0.2
Total deferred tax	0.6	0.6
Total tax expense	2.6	3.3

The reasons for the difference between the actual current tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2025 £m	2024 £m
Profit before tax	12.2	13.8
Expected tax charge based on the standard rate of corporation tax in the UK of 25% (2024: 25%)	3.1	3.4
Taxation effect of:		
Expenses not deductible for tax purposes	0.6	0.6
Patent Box claims	(0.5)	(0.4)
Deferred tax impact of share-based payments	–	0.4
Adjustment in respect of prior years	(0.4)	(0.3)
Tax effect of accelerated capital allowances	(0.8)	(1.0)
Current tax expense	2.0	2.7

The reasons for the difference between the total tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2025 £m	2024 £m
Profit before tax	12.2	13.8
Expected tax charge based on the standard rate of corporation tax in the UK of 25% (2024: 25%)	3.1	3.4
Taxation effect of:		
Expenses not deductible for tax purposes	0.4	0.4
Patent Box claims	(0.5)	(0.4)
Derecognition of trading losses	0.2	–
Adjustments in respect of prior years	(0.6)	(0.1)
Total tax expense	2.6	3.3

Some expenses incurred, such as certain legal and entertainment costs, are not allowable for tax purposes and are, therefore, not deducted from taxable income when calculating the Group's tax liability.

Capital allowances are tax reliefs for the expenditure the Group makes on fixed assets. The difference between the accounting treatment of fixed assets for tax and accounting purposes gives rise to temporary differences recognised within deferred tax.

The Group recognises a current tax asset in respect of relief claimed under the Patent Box when the inflow of economic benefits arising from that asset is virtually certain, deemed to be the submission of a claim to HM Revenue and Customs. Under the Patent Box regime, tax relief is available on relevant profits from the sales of goods covered by qualifying Intellectual Property rights, held by Eurocell Profiles Ltd.

Changes in tax rates and factors affecting the future tax charge

There was no change to the rate of UK corporation tax in the year.

There are no material uncertain tax provisions.

Tax included in Other Comprehensive Income

The tax charge arising on share-based payments within Other Comprehensive Income is £nil (2024: £nil).

Based on the current investment plans of the Group, and assuming the rates of capital allowances on capital expenditure continue into the future, there is little prospect of any significant part of the deferred tax liability becoming payable over the next three years.

Tax residency

Eurocell plc and its subsidiaries are all registered in the United Kingdom and are resident in the UK for tax purposes, except as described below.

The Group has two branches in the Republic of Ireland, with combined annual revenues of £2.2 million (2024: £2.1 million), total assets of less than £50,000 (2024: less than £50,000) and seven full-time employees (2024: nine full-time employees). For tax purposes, these two trading locations form a single branch within Eurocell Building Plastics Limited and, therefore, any profits generated are subject to tax in the Republic of Ireland. Profits generated during the year contribute less than 5% of the overall Group profits (2024: less than 5%). The tax charge in relation to the Group's Republic of Ireland operations in 2025 is €570 (2024: €600) and tax payments of €570 were made during the year (2024: €600). The reasons for the difference between the tax charge for the year and the standard rate of corporation tax in Ireland applied to the profits for the year is due to utilisation of losses brought forward. No deferred tax assets are recognised on unutilised losses due to the uncertainty of future profits in the Republic of Ireland (2024: none).

12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. Adjusted earnings per share excludes the impact of non-underlying items.

Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options. In the event that a loss is recorded for the period, share options are not considered to have a dilutive effect.

During the year, the Company completed the £15 million share buyback launched in January 2024. A new buyback of up to £5 million was launched in March 2025. As at 31 December 2025, the cash outflow in regard to these schemes and treasury shares purchased totalled £6 million (2024: £14.5 million) and equivalent of 3,331,218 shares (2024: 10,287,011).

	2025 £m	2024 £m
Profit attributable to ordinary shareholders excluding non-underlying items	14.8	15.4
Profit attributable to ordinary shareholders	9.6	10.5

	2025 Number	2024 Number
Weighted average number of shares – basic	100,739,059	106,455,702
Dilutive impact of share options granted	1,097,003	1,339,708
Weighted average number of shares – diluted	101,836,062	107,795,410

	2025 Pence	2024 Pence
Basic earnings per share	9.5	9.8
Adjusted basic earnings per share	14.6	14.4
Diluted earnings per share	9.4	9.7
Adjusted diluted earnings per share	14.5	14.3

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

13 DIVIDENDS

	2025 £m	2024 £m
Dividends paid during the year		
Interim dividend for 2025 of 2.3p per share (2024: 2.2p per share)	2.3	2.3
Final dividend for 2024 of 3.9p per share (2023: 3.5p per share)	3.9	3.8
	6.2	6.1
Dividends proposed		
Final dividend for 2025 of 4.1p per share	4.1	–
Final dividend for 2024 of 3.9p per share	–	4.0
	4.1	4.0

14 PROPERTY, PLANT AND EQUIPMENT

	Freehold property £m	Leasehold improvements £m	Plant and machinery £m	Motor vehicles £m	Office equipment and fixtures £m	Assets under construction £m	Total £m
Cost							
Balance at 1 January 2024	9.0	–	73.1	1.2	–	7.0	90.3
Additions	–	–	6.4	0.3	–	3.9	10.6
Disposals	–	–	(1.5)	(0.1)	–	–	(1.6)
Transfers	1.2	–	2.3	–	–	(3.5)	–
Balance at 31 December 2024	10.2	–	80.3	1.4	–	7.4	99.3
Additions	0.1	–	9.1	0.5	0.1	1.8	11.6
Added on acquisition	–	–	0.8	0.5	0.1	–	1.4
Disposals	–	–	(0.6)	(0.1)	–	–	(0.7)
Transfers	–	–	3.1	–	–	(3.1)	–
Balance at 31 December 2025	10.3	–	92.7	2.3	0.2	6.1	111.6
Accumulated depreciation and impairment							
Balance at 1 January 2024	2.1	–	27.5	0.8	–	–	30.4
Charge for the year	0.3	–	9.0	0.3	–	–	9.6
Disposals	–	–	(1.1)	(0.1)	–	–	(1.2)
Balance at 31 December 2024	2.4	–	35.4	1.0	–	–	38.8
Charge for the year	0.3	–	9.2	0.5	0.1	–	10.1
Disposals	–	–	(0.4)	(0.1)	–	–	(0.5)
Balance at 31 December 2025	2.7	–	44.2	1.4	0.1	–	48.4
Net book value							
At 31 December 2025	7.6	–	48.5	0.9	0.1	6.1	63.2
At 31 December 2024	7.8	–	44.9	0.4	–	7.4	60.5

Included within freehold property is non-depreciable land of £2.3 million (31 December 2024: £2.3 million).

There is no restriction of title, nor equipment pledged as security for liabilities included with property, plant and equipment.

15 RIGHT-OF-USE ASSETS

	Leasehold improvements £m	Motor vehicles £m	Office equipment and fixtures £m	Total £m
Cost				
Balance at 1 January 2024	70.3	25.0	0.3	95.6
Additions	11.2	5.7	–	16.9
Disposals	(3.9)	(7.2)	–	(11.1)
Balance at 31 December 2024	77.6	23.5	0.3	101.4
Additions	19.7	10.3	–	30.0
Added on acquisition	2.9	0.4	–	3.3
Disposals	(10.0)	(2.9)	–	(12.9)
Balance at 31 December 2025	90.2	31.3	0.3	121.8
Accumulated depreciation and impairment				
Balance at 1 January 2024	27.6	12.8	0.1	40.5
Charge for the year	9.4	5.0	–	14.4
Impairment charges	3.3	–	–	3.3
Disposals	(3.9)	(7.2)	–	(11.1)
Balance at 31 December 2024	36.4	10.6	0.1	47.1
Charge for the year	10.4	5.6	–	16.0
Transfers	(10.1)	(2.8)	–	(12.9)
Balance at 31 December 2025	36.7	13.4	0.1	50.2
Net book value				
At 31 December 2025	53.5	17.9	0.2	71.6
At 31 December 2024	41.2	12.9	0.2	54.3

Impairment charges of £3.3 million in 2024 related to the impairment of right-of-use properties, of which £3.2 million was classified as non-underlying (see Note 7).

See Note 22 for details of lease liabilities.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2025

16 INTANGIBLE ASSETS

	Software £m	Technology -based £m	Customer -related £m	Marketing -related £m	Goodwill £m	Total £m
Cost						
Balance at 1 January 2024	3.5	1.5	7.0	6.3	16.6	34.9
Additions	0.1	–	–	–	–	0.1
Transfers	–	–	–	–	–	–
Disposals	–	–	–	–	–	–
Balance at 31 December 2024	3.6	1.5	7.0	6.3	16.6	35.0
Additions	0.2	–	–	–	–	0.2
Added on acquisition	–	–	2.0	–	25.3	27.3
Balance at 31 December 2025	3.8	1.5	9.0	6.3	41.9	62.5
Accumulated amortisation						
Balance at 1 January 2024	1.6	0.9	6.8	4.0	5.8	19.1
Charge for the year	0.5	0.1	0.2	0.5	–	1.3
Disposals	–	–	–	–	–	–
Balance at 31 December 2024	2.1	1.0	7.0	4.5	5.8	20.4
Charge for the year	0.5	0.1	0.2	0.5	–	1.3
Balance at 31 December 2025	2.6	1.1	7.2	5.0	5.8	21.7
Net book value						
At 31 December 2025	1.2	0.4	1.8	1.3	36.1	40.8
At 31 December 2024	1.5	0.5	–	1.8	10.8	14.6

There are no internally-generated intangible assets.

17 IMPAIRMENT

For the purpose of impairment testing, goodwill is allocated to Cash-generating Units ('CGUs') as follows:

	2025 £m	2024 £m
Eurocell Building Plastics	5.1	5.1
Eurocell Profiles	3.3	3.3
Vista Panels	2.2	2.2
S&S Plastics	0.2	0.2
Alunet Group	25.3	–
	36.1	10.8

CGUs are determined with reference to the smallest identifiable groups of assets that generate cash flows independently of other groups of assets, with reference to the business or product sectors in which they operate and CGUs are smaller than the disclosed segments. Impairment of goodwill is not considered at an individual branch level ('Building Plastics: CGU') as acquired goodwill is not separately identifiable on that basis.

The recoverable amounts of the CGUs have been determined from 'value-in-use' calculations, which have been predicated on discounted pre-tax cash flow projections based on a three-year business plan approved by the Board. These projections are based on all available information and growth rates do not exceed growth rates achieved in prior periods.

The key assumptions in preparing these forecasts are in line with the Group's published strategy, which includes continuing to open new branches and increasing sales of windows and doors through the Branch Network.

The cash flow forecasts take into consideration the factors in relation to climate change as discussed in the Sustainability Report section of the Strategic Report on pages 20 to 35. Management has considered the impact of a rise in global temperatures of 2.0 degrees Celsius. In conclusion, the Group believes the impact on cash flows would be broadly neutral, on the basis that any negative impact of the transition to a low-carbon society would be offset by both the increased recycling of PVC windows and government legislation to reduce emissions through the replacement of old windows with newer windows with better thermal qualities (such as the Future Homes Standard), both long-term drivers of growth for the business. The Group continues to replace and upgrade its fleet of extruders and vehicles as part of its normal maintenance capex cycle and, therefore, does not anticipate any risk of asset obsolescence or significant additional costs in this scenario.

All of the Group's CGUs operate principally in the UK Repair, Maintenance and Improvements market, and all are funded through a combination of retained earnings and the Group's Revolving Credit Facility. The strategic decision-making timeframe is also consistent across all CGUs. Consequently, the key assumptions detailed below are applied consistently across each CGU:

	2025 £m	2024 £m
Period on which management-approved forecasts are based (years)	3	3
Discount rate (pre-tax)	11%	14%
Profit growth rate in perpetuity	2%	2%

The period on which management-approved forecasts are based is consistent with the Board's strategic planning timeframe. The discount rate reflects an estimate of the Group's pre-tax Weighted Average Cost of Capital, based on past experience and sector-weighted assumptions. The profit growth rate in perpetuity is consistent with the average annual growth in UK Gross Domestic Product from 1956 (source: Office for National Statistics).

Goodwill is considered to have an indefinite useful life.

The Group assessed the recoverable amount in respect of goodwill for each CGU to be greater than the carrying amount and, therefore, no impairment arises. No reasonably possible change in assumptions would result in an impairment for these CGUs.

Sensitivities

The following sales reduction or discount rate percentage would reduce headroom on each CGU to nil:

	2025		2024	
	Sales	Discount rate	Sales	Discount rate
Eurocell Building Plastics	83%	67%	77%	47%
Eurocell Profiles	47%	35%	71%	41%
Vista Panels	77%	75%	79%	56%
S&S Plastics	35%	20%	24%	14%
Alunet	51%	24%	–	–

18 INVENTORIES

	2025 £m	2024 £m
Raw materials	5.9	6.8
Work in progress	5.4	4.4
Finished goods and goods for resale	42.3	36.0
	53.6	47.2

All inventories are carried at cost less a provision to take account of slow-moving and obsolete items. At 31 December 2025, the inventory provision amounted to £5.3 million (2024: £3.7 million).

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

19 TRADE AND OTHER RECEIVABLES

	2025 £m	2024 £m
Trade receivables	46.1	37.7
Less: provision for impairment of trade receivables	(1.6)	(1.2)
Less: provision for rebates payable	(2.6)	(1.9)
Net trade receivables	41.9	34.6
Other customer assets	2.7	2.3
Prepayments	6.1	8.3
Other receivables	1.2	0.6
Total trade and other receivables	51.9	45.8

Trade receivables are non-interest-bearing and are generally on 30 days' credit. The fair values of trade and other receivables classified as financial assets are not materially different to their carrying values.

Other customer assets are amortised over the period in which revenue pertaining to those costs is recognised, which on average is four years. Additions of £1.3 million were recognised during the year (2024: £1.2 million), and amounts amortised against revenue were £1.0 million (2024: £0.8 million).

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all financial assets. In measuring expected credit losses for trade receivables, receivables have been grouped based on shared characteristics and days past due. Insured balances are excluded to the extent that no loss would arise in the event of default by the customer.

Expected loss rates are derived based upon the payment profile of sales over a three-year period before 31 December 2025, and the corresponding credit losses experienced. These rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle receivables, GDP, the rate of unemployment, new housing starts, interest rates and household disposable income.

The closing loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Trade receivables	
	2025 £m	2024 £m
At 1 January	1.2	1.2
Charged during the year	1.0	0.8
Added on acquisition	0.2	–
Released or utilised during the year	(0.7)	(0.7)
Receivables written off during the year as uncollectible	(0.1)	(0.1)
At 31 December	1.6	1.2

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

At 31 December 2025	Current £m	More than 30 days past due £m	More than 60 days past due £m	More than 90 days past due £m	More than 120 days past due £m	Total £m
Expected loss rate	1%	8%	29%	78%	77%	3%
Gross carrying amount – trade receivables	41.7	2.6	0.5	0.1	1.2	46.1
Loss allowance	0.3	0.2	0.1	0.1	0.9	1.6

At 31 December 2024	Current £m	More than 30 days past due £m	More than 60 days past due £m	More than 90 days past due £m	More than 120 days past due £m	Total £m
Expected loss rate	1%	15%	45%	78%	78%	3%
Gross carrying amount – trade receivables	35.1	1.5	0.2	0.1	0.8	37.7
Loss allowance	0.1	0.2	0.1	0.1	0.7	1.2

20 BORROWINGS

The book value and fair value of borrowings are as follows:

	Book value 2025 £m	Fair value 2025 £m	Book value 2024 £m	Fair value 2024 £m
Non-current				
Bank borrowings unsecured	27.7	27.7	0.5	0.5
Total borrowings	27.7	27.7	0.5	0.5

The Group has a £75 million multi-currency revolving unsecured credit facility, which was refinanced in March 2026 and now matures in February 2030. Interest is charged at an excess over base rate of between 1.5% and 2.5% per annum and is dependent upon the ratio of total net debt to consolidated EBITDA (on a pre-IFRS16 basis). Following the extension of the facility, £0.9 million of costs will be capitalised within borrowings and released to the Consolidated Statement of Comprehensive Income within finance expense over the period of the facility.

Borrowings of £28.0 million were drawn down at 31 December 2025 (2024: £1.0 million). The average drawdown on the facility during the year ended 31 December 2025 was £28.1 million (2024: £2.3 million). Total unamortised costs of £0.3 million as at 31 December 2025 are presented as a deduction to borrowings (2024: £0.5 million).

The bank borrowings outstanding at 31 December 2025 are classified as non-current liabilities as they relate to committed facilities available to the Group until 2030. The book value and fair value are not considered to be materially different.

All of the Group's borrowings are denominated in Sterling. Details of the Company's banking covenants are given in Note 3.

The analysis of repayments on the combined borrowings as at 31 December is as follows:

	2025 £m	2024 £m
Within one year or repayable on demand	–	–
Between one and two years	28.0	–
Between two and five years	–	1.0
	28.0	1.0

Notes to the Consolidated Financial Statements *continued*
For the year ended 31 December 2025

21 TRADE AND OTHER PAYABLES

	2025 £m	2024 £m
Current liabilities		
Trade payables	38.3	30.8
Other tax and social security	6.0	5.5
Other payables	1.0	0.9
Accruals and deferred income	8.7	8.0
Total current trade and other payables	54.0	45.2

Book values approximate to fair value at 31 December 2025 and 31 December 2024.

22 LEASE LIABILITIES

	2025 £m	2024 £m
Lease liabilities		
Current	14.4	12.5
Non-current	61.7	46.9
Total discounted lease liabilities at 31 December	76.1	59.4

	2025 £m	2024 £m
Maturity analysis		
– Less than one year	18.8	14.2
– One to five years	49.6	36.3
– More than five years	21.4	15.6
Total undiscounted lease liabilities at 31 December	89.8	66.1

	2025 £m	2024 £m
Finance expense		
Interest on lease liabilities	2.9	2.1

See Note 15 for details of right-of-use assets.

23 PROVISIONS

	Dilapidations and environmental provisions £m	Warranty provisions £m	Total £m
At 1 January 2024	1.3	–	1.3
Charged to Statement of Comprehensive Income	0.4	–	0.4
Utilised	–	–	–
At 31 December 2024	1.7	–	1.7
Charged to Statement of Comprehensive Income	0.3	0.2	0.5
Added on acquisition	0.1	–	0.1
Utilised	–	–	–
At 31 December 2025	2.1	0.2	2.3
Current	0.5	–	0.5
Non-current	1.6	0.2	1.8
At 31 December 2025	2.1	0.2	2.3

Dilapidations and environmental provisions

Under property lease agreements, the Group has obligations to maintain all properties to the standard prevailed at the inception of the respective leases. The provision represents the Directors best estimate of the costs associated with this obligation by applying historical information based on past events to estimate a cost per sq ft for individual properties and applying a risk-free rate to discount these future cash flows.

The timing of the utilisation of the provision is variable dependent on the lease expiry dates of the properties concerned, which vary between one and ten years. Based on the lease expiry, 25% of the provision (2024: 26%) would be utilised in less than one year, however, we predominately remain in existing locations with refurbishments carried out. Based on our business strategy, we only intend to exit or relocate a minimal number of branches during 2026, therefore, only anticipate utilisation of the provision to be approximately £0.1 million in the short term.

Warranty provisions

The Group makes provision to cover known potential warranty issues. The current provision is in relation to sales of garden rooms and extensions, and represents the Directors' best estimate of the costs associated with this obligation. The provision at 31 December 2025 is £158,000 (2024: £27,000).

The timing of the utilisation is variable depending on the circumstances of each individual claim under warranty.

24 DEFERRED TAX

The movement in the net deferred tax liability is as follows:

	2025 £m	2024 £m
At 1 January	8.6	8.0
Charged to Statement of Comprehensive Income	0.6	0.6
Added on acquisition	0.8	–
At 31 December	10.0	8.6

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered. There are no unrecognised deferred tax assets. The vast majority of the deferred tax liability is expected to unwind over a period of greater than one year.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the year, together with amounts recognised in the Consolidated Statement of Comprehensive Income and amounts recognised in Other Comprehensive Income are as follows:

	Asset 2025 £m	Liability 2025 £m	Net 2025 £m	Statement of Comprehensive Income 2025 £m	Equity 2025 £m
Accelerated capital allowances	–	(9.7)	(9.7)	(0.5)	–
Intangible fixed assets	–	(0.9)	(0.9)	0.1	–
Other temporary differences	0.6	–	0.6	(0.2)	–
Net tax assets/(liabilities)	0.6	(10.6)	(10.0)	(0.6)	–

	Asset 2024 £m	Liability 2024 £m	Net 2024 £m	Statement of Comprehensive Income 2024 £m	Equity 2024 £m
Accelerated capital allowances	–	(8.9)	(8.9)	(1.1)	–
Intangible fixed assets	–	(0.5)	(0.5)	0.2	–
Other temporary differences	0.8	–	0.8	0.3	–
Net tax assets/(liabilities)	0.8	(9.4)	(8.6)	(0.6)	–

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

24 DEFERRED TAX continued

Amounts within Other Comprehensive Income due to be settled in greater than one year are not material and, therefore, no further disclosure has been provided. Other temporary differences relate to the tax impact of share-based payment transactions expected to reverse within one to three years. During the year, tax losses of £0.6 million were derecognised with a deferred tax impact of £0.2 million.

Based on the current investment plans of the Group, and assuming the rates of capital allowances on capital expenditure continue into the future, the vast majority of the deferred tax liability is expected to unwind over a period of greater than one year.

25 SHARE CAPITAL, SHARE PREMIUM ACCOUNT, TREASURY SHARES AND SHARE BUYBACK

	Allotted, called up and fully paid	
	2025 Number	2024 Number
Ordinary shares of £0.001 each	99,822,996	103,150,173
	2025 £m	2024 £m
Ordinary shares of £0.001 each	0.1	0.1
Share premium account	22.2	22.2

As at 31 December 2025, there were 167,686,996 shares authorised for issue (2024: 176,280,173). The ordinary shares carry the rights to attend and vote at general meetings, the right to receive payment in respect of dividends declared and the right to participate in the distribution of capital. The ordinary shares are not redeemable.

During the year, the Company completed the £15 million share buyback launched in January 2024. A new buyback of up to £5 million was launched in March 2025. As at 31 December 2025, the cash outflow in regard to these schemes and treasury shares purchased totalled £6 million (2024: £14.5 million) and equivalent of 3,331,218 shares (2024: 10,287,011).

Treasury shares

	Number of shares	£m
Balance at 1 January 2024	(53,094)	(0.1)
Acquisition of shares	(1,342,000)	(1.9)
Deferred shares issued under the DSP scheme	31,637	–
Shares issued under the PSP scheme	7,671	–
Balance at 31 December 2024	(1,355,786)	(2.0)
Acquisition of shares	(775,000)	(1.0)
Issued for consideration of acquisition	782,335	1.1
Deferred shares issued under the DSP scheme	604,817	0.9
Shares issued under the SAYE scheme	42,429	0.1
Balance at 31 December 2025	(701,205)	(0.9)

Where any Group company purchases the Company's equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity as treasury shares until the shares are cancelled or reissued. Where shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity. All treasury shares at 31 December 2025 were held by the Employees Benefit Trust (2024: 13,786).

The Group issued 4,041 new shares (2024: no new shares) in respect of its Save As You Earn sharesave scheme, in the process receiving consideration from employees of £4,143 (2024: £nil). The consideration received above the nominal value of the shares issued has been recorded as share premium.

During the year, no new shares (2024: nil) were issued in respect of share-based payment transactions for Directors and none (2024: none) were issued in respect of share-based payment transactions for other key management personnel.

The 2024 and 2025 shares issued in respect of share-based payment transactions were all issued from treasury shares.

26 SHARE-BASED PAYMENTS

The Group enters into equity-settled payment transactions with its employees. For the year ended 31 December 2025, the charge was £1.0 million (2024: £1.5 million). A corresponding credit to equity is recognised in the share-based payment reserve. On exercise of options, balances are removed from the share-based payment reserve with corresponding entries made to share premium, retained earnings and cash. The balance on the share-based payment reserve at 31 December 2025 was £2.4 million (2024: £2.3 million).

26(a) Employee Save As You Earn Scheme

Each year, all employees have the right to participate in a Save As You Earn ('SAYE') scheme. Employees may make monthly contributions of up to £500, the proceeds being aggregated and then used to purchase ordinary shares at the end of the three-year vesting period. The cost to the participants is set at the inception of the scheme, with the balance being funded by the Company. Typically, participants are offered a discount on the share price at the date of issuance.

Set out below are summaries of options granted under the plan:

	2025		2024	
	Average exercise price per share option £	Number of options No.	Average exercise price per share option £	Number of options No.
As at 1 January	1.005	3,466,040	1.317	2,598,526
Granted during the year	1.240	865,088	0.924	2,682,692
Exercised during the year	1.036	(46,470)	1.103	(7,671)
Forfeited during the year	1.152	(912,451)	1.334	(1,807,507)
As at 31 December	1.026	3,372,207	1.005	3,466,040
Vested and exercisable at 31 December		-		-

There were 46,470 options exercised during the year ended 31 December 2025 (2024: 7,671).

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

	Expiry date	Exercise price £	31 December 2025 No.	31 December 2024 No.
1 June 2022	1 June 2025	1.720	1,674	145,976
1 June 2023	1 June 2026	1.108	734,682	910,668
1 June 2024	1 June 2027	0.924	1,979,280	2,409,396
1 June 2025	1 June 2028	1.240	656,571	-
As at 31 December			3,372,207	3,466,040
Weighted average contractual life of options outstanding at the end of the year			1.39 years	2.07 years

Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 31 December 2025 was £0.32 per option (2024: £0.40 per option). The fair value at the grant date is determined using a form of the Black-Scholes model.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

26 SHARE-BASED PAYMENTS continued

26(a) Employee Save As You Earn Scheme continued

Fair value of options granted continued

The model inputs for options granted during the year ended 31 December 2025 included:

	2025
Options are granted for the consideration set at the inception of the scheme	
Exercise price	1.240
Grant date	17-Apr-25
Expiry date	1-Jun-28
Share price at grant date	1.525
Expected price volatility of the Company's shares	20.0%
Expected dividend yield	4.0%
Risk-free interest rate	3.9%

The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

26(b) Deferred Share Plan

Annual Bonus Plan outcomes can be paid in a mix of cash and deferred shares granted under the Company's Deferred Share Plan ("DSP"), following the determination of achievement against performance measures and targets. Performance measures applied may be financial or non-financial and corporate, divisional or individual and in such proportions as the Remuneration Committee considers appropriate. The maximum level of Annual Bonus Plan outcomes is 100% of base salary per annum for the duration of this policy. Awards under the DSP are deferred for such a period as the Remuneration Committee selects at grant, which will normally be less than (but may be longer than) three years and are subject to continued employment. The options vest in full, provided that the scheme participants are deemed to be good leavers, and are settled through the issuance of treasury shares.

The following table shows the deferred shares granted and outstanding at the beginning and end of the reporting period:

	2025 No.	2024 No.
As at 1 January	1,127,809	1,243,941
Exercised during the year	(533,304)	(45,492)
Forfeited during the year	(59,010)	(70,640)
As at 31 December	535,495	1,127,809
Vested and exercisable at 31 December	-	-

The weighted average share price at the date of exercise of options exercised during the year ended 31 December 2025 was £1.51 (2024: £1.35).

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

	Expiry date	Exercise price £	31 December 2025 No.	31 December 2024 No.
30 June 2022	30 June 2025	0.001	-	73,338
3 April 2023	3 April 2025	0.001	-	15,681
3 April 2023	3 April 2026	0.001	493,430	552,440
11 April 2023	11 April 2025	0.001	-	410,447
11 April 2023	11 April 2026	0.001	8,227	8,227
14 September 2023	5 September 2025	0.001	-	33,838
14 September 2023	1 January 2026	0.001	33,838	33,838
As at 31 December			535,495	1,127,809
Weighted average contractual life of options outstanding at the end of the year			0.24 years	0.8 years

Fair value of options granted

The fair value at the grant date is determined using a form of the Black-Scholes model in line with inputs detailed in the previous table. No DSP options were granted in 2025 (2024: nil).

26(c) Long-term incentive plan ('PSP')

Awards under the PSP take the form of nil-cost options, which vest to the extent performance conditions are satisfied over a period of three years. The share award is based on a percentage of salary, a proportion of the maximum will vest based on performance targets of which, for options granted before 2025, Earnings per Share equates to two-thirds of the award and Return on Capital Employed one-third of the award. For options granted in 2025, revenue equates to one-quarter of the award, adjusted operating profit margin one-quarter of the award and adjusted operating profit one-half of the award.

Vested awards are settled through the issuance of treasury shares, and the PSP allows for awards over shares with a maximum value of 150% of base salary per financial year.

The following table shows the share options granted and outstanding at the beginning and end of the reporting period:

	2025 No.	2024 No.
As at 1 January	3,368,699	2,262,457
Granted during the year	7,817,606	1,948,389
Forfeited during the year	(3,196,426)	(842,147)
As at 31 December	7,989,879	3,368,699
Vested and exercisable at 31 December	–	–

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

	Expiry date	Exercise price £	31 December 2025 No.	31 December 2024 No.
13 April 2022	13 April 2025	0.000	–	621,805
11 October 2022	11 October 2025	0.000	–	137,589
11 April 2023	11 April 2026	0.000	–	794,710
10 April 2024	10 April 2027	0.000	1,521,296	1,755,258
17 October 2024	17 October 2027	0.000	59,337	59,337
15 May 2025	15 May 2029	0.000	6,409,246	–
As at 31 December			7,989,879	3,368,699
Weighted average contractual life of options outstanding at the end of the year			2.96 years	1.62 years

Fair value of options granted

The fair value at the grant date is determined using a form of the Black-Scholes model.

The model inputs for options granted during the year ended 31 December 2025 included:

	2025
Options are granted for the consideration set at the inception of the scheme	
Exercise price	0.000
Grant date	15 May 2025
Expiry date	15 May 2029
Share price at grant date	1.425
Expected price volatility of the Company's shares	20.0%
Expected dividend yield	4.0%
Risk-free interest rate	3.9%

The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The assessed fair value at grant date of the rights granted during the year ended 31 December 2025 were £1.42 per option (2024: a weighted average of £1.18). The closing share price on the 31 December 2025 was £1.31 (2024: £1.71).

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

26 SHARE-BASED PAYMENTS continued

26(d) Expenses arising from share-based payment transactions

The total charge arising from share-based payment transactions recognised during the period as part of employee benefit expense was as follows:

	2025 £m	2024 £m
Options issued under SAYE scheme	0.5	0.2
Deferred shares issued under the DSP scheme	0.3	0.6
Shares issued under the PSP scheme	0.2	0.7
	1.0	1.5

27 SHARE BUYBACKS

During the period, the Company completed the £15 million share buyback launched in January 2024. A new buyback of up to £5 million was launched in March 2025 and completed in February 2026, with 3,478,173 shares purchased.

In the year to 31 December 2025, 3,331,218 shares had been purchased, with a cash outflow of £5.0 million (including transactional costs).

28 CONTINGENT ASSETS AND LIABILITIES

The Group has entered into a cross-guarantee arrangement to cover the bank borrowings of all other Group companies in the event of default. As at 31 December 2025, the bank borrowings were £28.0 million (2024: £1.0 million).

The Group had no other material contingent assets or liabilities (31 December 2024: £nil).

29 CAPITAL COMMITMENTS

The Group had capital commitments relating to property, plant and equipment of £2.1 million at the balance sheet date (2024: £3.3 million).

30 RETIREMENT BENEFITS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £3.1 million (2024: £2.7 million). Contributions of £0.5 million were due to the scheme at 31 December 2025 (2024: £0.5 million).

31 RELATED PARTY TRANSACTIONS

The Group's subsidiary undertakings are detailed in Note 39. The Group has taken advantage of the exemption from disclosing transactions with wholly owned subsidiaries.

Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is considered to be the Directors of the Company. The remuneration of key management personnel of the Group is disclosed on pages 88 to 106.

Other related party transactions

Steve Hudson, a Director of the Alunet Group, had shareholdings in the entities included below.

The following charges were made from the 17 March 2025 being the date of acquisition of Alunet:

	2025 £'000
SGG Manufacturing Ltd	476
Slide & Fold Aluminium Ltd	640

The following balances are outstanding at the balance sheet date:

	2025 £'000
SGG Manufacturing Ltd	170
Slide & Fold Aluminium Ltd	204

32 RECONCILIATION OF PROFIT AFTER TAX TO CASH GENERATED FROM OPERATIONS

	2025 £m	2024 £m
Profit after tax	9.6	10.5
Taxation (Note 11)	2.6	3.3
Finance expense (Note 10)	5.1	2.8
Operating profit	17.3	16.6
Adjustments for:		
Depreciation of property, plant and equipment (Note 14)	10.1	9.6
Depreciation of right-of-use assets (Note 15)	16.0	14.4
Amortisation of intangible assets (Note 16)	1.3	1.3
Impairment of tangible and right-of-use assets	–	3.2
Loss on sale of tangible fixed assets	0.2	0.4
Share-based payments	1.0	1.5
Increase in inventories	(0.2)	(0.5)
Decrease/(Increase) in trade and other receivables	0.9	(3.4)
Increase in trade and other payables	3.0	3.7
Increase in provisions	0.5	0.4
Cash generated from operations	50.1	47.2

33 RECONCILIATION OF NET DEBT

	1 January 2025 £m	Cash flows £m	New leases £m	Non-cash movements ¹ £m	31 December 2025 £m
Cash and cash equivalents	0.4	5.9	–	–	6.3
Bank overdrafts	(3.0)	3.0	–	–	–
Borrowings	(0.5)	(27.0)	–	(0.2)	(27.7)
Liability arising from financing	(3.1)	(18.1)	–	(0.2)	(21.4)
Deferred consideration	–	–	–	(0.7)	(0.7)
Lease liabilities	(59.4)	19.3	(33.1)	(2.9)	(76.1)
Other debt liabilities	(59.4)	19.3	(33.1)	(3.6)	(76.8)
Total	(62.5)	1.2	(33.1)	(3.8)	(98.2)

	1 January 2024 £m	Cash flows £m	New leases £m	Non-cash movements ¹ £m	31 December 2024 £m
Cash and cash equivalents	0.4	–	–	–	0.4
Bank overdrafts	–	(3.0)	–	–	(3.0)
Borrowings	–	(1.0)	–	0.5	(0.5)
Liability arising from finance	0.4	(4.0)	–	0.5	(3.1)
Lease liabilities	(58.6)	16.5	(16.9)	(0.4)	(59.4)
Total	(58.2)	12.5	(16.9)	0.1	(62.5)

1 Non-cash movements relate to the amortisation of arrangement fees in respect of the Group's borrowings and finance charges accrued on leases.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

33 RECONCILIATION OF NET DEBT continued

	Current assets £m	Current liabilities £m	Non-current liabilities £m	Total £m
31 December 2025				
Cash and cash equivalents	6.3	–	–	6.3
Borrowings	–	–	(27.7)	(27.7)
Liability arising from finance	6.3	–	(27.7)	(21.4)
Deferred consideration	–	(0.6)	(0.1)	(0.7)
Lease liabilities	–	(14.4)	(61.7)	(76.1)
Other debt liabilities	–	(15.0)	(61.8)	(76.8)
Total	6.3	(15.0)	(89.5)	(98.2)
31 December 2024				
Cash and cash equivalents	0.4	–	–	0.4
Deferred consideration	–	(3.0)	–	(3.0)
Borrowings	–	–	(0.5)	(0.5)
Liability arising from finance	0.4	(3.0)	(0.5)	(3.1)
Lease liabilities	–	(12.5)	(46.9)	(59.4)
Total	0.4	(15.5)	(47.4)	(62.5)

The tables above satisfy the requirements of Paragraph 44A of IAS7.

34 ACQUISITION OF SUBSIDIARIES

On 7 March 2025, the Group acquired 100% of the ordinary share capital of Alunet Systems Limited, Comp Door Limited, JD (UK) Investments Limited, JD (UK) Limited and UK Doors (Midlands) Limited, together the 'Alunet Group', for an initial consideration of £22.3 million. Of the initial consideration, £1.1 million was in the form of ordinary shares in Eurocell plc and satisfied out of shares held in treasury, with the remainder paid in cash. Further consideration of up to £13.7 million is payable over the next four years, contingent upon future performance. The Group's best estimate of the present value of the future amounts payable at acquisition was £12.5 million.

Goodwill represents potential synergies arising from the enlarged group. The amount of goodwill deductible for tax purposes is £nil.

An assessment of the value of net assets acquired has been completed. The Group has 12 months from the date of the acquisition to revise this assessment. The Goodwill recognised for the combined Alunet Group has been estimated as follows:

	Book values on acquisition £m	Fair value adjustment £m	Recognised values on acquisition £m
Total acquired assets and liabilities			
Intangible assets	–	2.0	2.0
Property, plant and equipment	1.4	–	1.4
Right-of-use assets	–	3.3	3.3
Inventories	5.5	0.7	6.2
Trade and other receivables	7.5	(0.2)	7.3
Cash and cash equivalents	0.6	–	0.6
Trade and other payables	(6.7)	–	(6.7)
Lease liabilities	–	(3.4)	(3.4)
Provisions	–	(0.1)	(0.1)
Corporation tax	(0.3)	–	(0.3)
Deferred tax	(0.1)	(0.7)	(0.8)
Identifiable assets and liabilities	7.9	1.6	9.5
Cash consideration paid			21.2
Equity issued as consideration			1.1
Present value of deferred consideration			0.6
Present value of contingent consideration			11.9
Total consideration			34.8
Goodwill on acquisition			25.3

Cash flows arising on the acquisition were £20.6 million comprising the initial cash consideration paid less cash acquired.

Had the Alunet Group been consolidated from 1 January 2025 the Consolidated Statement of Comprehensive Income would have included revenue of £53.3 million and operating profit of £4.4 million.

Fair value adjustments

- The adjustment to intangible assets is to recognise intangible assets in respect of customer relationships, and has been valued using discounted cash flows
- The adjustments to the right-of-use assets and lease liabilities related to the adoption of IFRS 16
- The adjustment to inventories is to reflect the fair value of finished goods acquired
- The adjustment to trade receivables is a bad debt provision, which has been made as part of the fair value exercise
- The adjustment to provisions is to recognise a dilapidations provision in respect of the leased premises
- The adjustment to deferred taxation is to recognise the deferred tax liability arising on the intangible assets.

Subsequent payments

Under the terms of the acquisition agreement, the vendors are entitled to further cash consideration based on financial performance for the years ended 31 December 2025-28. An element of this further consideration is of certain amount and timing and has, therefore, been recognised as deferred consideration (£0.6 million). The remaining consideration is dependent upon future performance and has therefore been classified as contingent consideration. The estimated amount of contingent consideration is £13.1 million, and a liability for the present value of this amount has been recognised within Current and Non-Current Liabilities (in total £11.9 million). The discount will be unwound through Finance Expense in the Consolidated Statement of Comprehensive Income.

Acquisition-related costs

The Group incurred acquisition-related costs of £0.4 million in relation to professional fees and transaction costs arising upon acquisition. Costs of £0.8 million were incurred in the year ending 31 December 2024. These costs have been expensed to the Consolidated Statement of Comprehensive Income in the relevant periods.

Sensitivities

Sensitivities were applied to the valuation of the contingent consideration. The sensitivities were applied to the long term growth rate and discount rate with no material differences noted.

35 EVENTS AFTER THE BALANCE SHEET DATE

In February 2026, to further improve safety, reliability and to reduce cost, we began a project to consolidate our two recycling plants onto the existing recycling facility at Ilkeston. The project requires relocation of certain critical equipment from the site at Selby, plus investment in the Ilkeston plant to eliminate single points of failure, enhance the layout and improve working conditions. We expect to cease operations at Selby and begin full processing at Ilkeston in H2 2026, with the Selby site exit to be concluded by the end of the year. Capital investment is expected to be c.£2.6 million, with annualised cost savings of c.£1.5 million running from 2027. Non-underlying charges are expected to be in the region of £3 million, including non-cash asset write downs of c.£1.5 million.

Company Statement of Financial Position

As at 31 December 2025

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Investments	39	20.2	20.1
Total non-current assets		20.2	20.1
Current assets			
Trade and other receivables	40	64.8	44.0
Deferred tax	41	0.5	0.6
Cash and cash equivalents		–	–
Total current assets		65.3	44.6
Total assets		85.5	64.7
Liabilities			
Current liabilities			
Trade and other payables	42	(0.2)	(0.4)
Total current liabilities		(0.2)	(0.4)
Non-current liabilities			
Borrowings	43	(27.7)	(0.5)
Total non-current liabilities		(27.7)	(0.5)
Total liabilities		(27.9)	(0.9)
Net assets		57.6	63.8
Issued capital and reserves attributable to owners of the Company			
Share capital	25	0.1	0.1
Share premium account		22.2	22.2
Treasury shares	25	(0.9)	(2.0)
Share-based payment reserve		2.4	2.3
Share buyback reserve		–	–
Retained earnings		33.8	41.2
Total equity		57.6	63.8

A separate Statement of Comprehensive Income for the Company is not presented, in accordance with Section 408 of the Companies Act 2006. The Company recognised a profit of £4.8 million in the year (2024: profit of £34.3 million), including dividend income received from Group companies of £4.5 million (2024: £34.0 million).

The Financial Statements on pages 158 to 166 were approved and authorised for issue by the Board of Directors on 18 March 2026 and were signed on its behalf by:

Will Truman
Chief Executive

Michael Scott
Chief Financial Officer

Company Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital £m	Share premium account £m	Treasury shares £m	Share-based payment reserve £m	Share buyback reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2025	0.1	22.2	(2.0)	2.3	-	41.2	63.8
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	4.8	4.8
Total comprehensive income for the year	-	-	-	-	-	4.8	4.8
Contributions by and distributions to owners							
Exercise of share options	-	-	1.0	(0.9)	-	(0.2)	(0.1)
Share-based payments	-	-	-	1.0	-	(0.8)	0.2
Alunet acquisition	-	-	1.1	-	-	-	1.1
Purchase of own shares	-	-	(1.0)	-	(4.9)	(0.1)	(6.0)
Cancellation of shares	-	-	-	-	4.9	(4.9)	-
Dividends paid	-	-	-	-	-	(6.2)	(6.2)
Total transactions with owners recognised directly in equity	-	-	1.1	0.1	-	(12.2)	(11.0)
Balance at 31 December 2025	0.1	22.2	(0.9)	2.4	-	33.8	57.6
	Share capital £m	Share premium account £m	Treasury shares £m	Share-based payment reserve £m	Share buyback reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	0.1	22.2	(0.1)	1.1	-	25.0	48.3
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	34.3	34.3
Total comprehensive income for the year	-	-	-	-	-	34.3	34.3
Contributions by and distributions to owners							
Exercise of share options	-	-	-	(0.1)	-	(0.2)	(0.3)
Share-based payments	-	-	-	1.3	-	0.8	2.1
Purchase of own shares	-	-	(1.9)	-	(12.4)	(0.2)	(14.5)
Cancellation of shares	-	-	-	-	12.4	(12.4)	-
Dividends paid	-	-	-	-	-	(6.1)	(6.1)
Total transactions with owners recognised directly in equity	-	-	(1.9)	1.2	-	(18.1)	(18.8)
Balance at 31 December 2024	0.1	22.2	(2.0)	2.3	-	41.2	63.8

Notes to the Company Financial Statements

For the year ended 31 December 2025

36 ACCOUNTING POLICIES (COMPANY)

Corporate information

Eurocell plc (the 'Company') is a publicly listed company limited by shares and is incorporated and domiciled in England, United Kingdom. The registered office is located in England, at the following address: Eurocell Head Office and Distribution Centre, High View Road, South Normanton, Alfreton, Derbyshire DE55 2DT.

The Company is principally engaged as a holding company for its subsidiaries, which are engaged in the extrusion of PVC window and building products to the new and replacement window market and the sale of building materials across the UK.

Basis of preparation

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The Company has adequate resources to continue in operational existence for the foreseeable future and, as a result of this, the going concern basis has been adopted in preparing the Financial Statements (see below).

These Financial Statements have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework in conformity with the requirements of the Companies Act 2006 ('FRS 101') and the applicable legal requirements of the Companies Act 2006.

These Financial Statements have been prepared under the historical cost convention in accordance with FRS 101 and the Companies Act 2006.

Going concern

The position of the Company mirrors that of the Eurocell Group. The Eurocell Group funds its activities through a £75 million Revolving Credit Facility, provided by Barclays, NatWest and AIB. The facility was renewed on 6 March and now matures in February 2030. The facility includes two key financial covenants, which are tested at 30 June and 31 December each year on a pre-IFRS 16 basis. These are that net debt should not exceed three times adjusted EBITDA (Leverage), and that adjusted EBITDA should be at least four times the interest charge on the debt (Interest Cover). Adjusted EBITDA is defined as operating profit before depreciation, amortisation and non-underlying items. See alternative performance measures (see page 130).

No covenants were breached during the year ended 31 December 2025. For the next measurement period, being 30 June 2026, and going forward, the Group expects to comply with its covenants.

In assessing going concern, the Directors have considered financial projections for the period to December 2027, which is consistent with the Board's strategic planning horizons. These forecasts have been compiled based on the best estimates of the Group's commercial and operational teams. This includes a severe but plausible 'Downside' scenario, which reflects demand for the Group's products being severely weakened.

In all scenarios tested, including sensitivities reducing sales forecasts to 10% below management's estimates for the period 2026–27, key raw material prices increasing by 33% over that period and both scenarios combined, the Group operates with significant headroom on its RCF facility and remains compliant with its original covenants.

After reviewing the Group's projected financial performance and financing arrangements, the Directors consider that the Group has adequate resources to continue operating and that it is, therefore, appropriate to continue to adopt the going concern basis in preparing these Financial Statements.

The going concern assessment performed is intrinsically linked to the Group's financing arrangements and, therefore, letters of support have been provided from Eurocell plc to a number of Group companies, providing support over that individual Company's future cash flows in the period. This letter covers the period up to 31 December 2027.

Changes in accounting policies and disclosures applicable to the Company

The Company adopted no new accounting standards in the year. See Note 1 for more details.

Investments in subsidiary undertakings

Investments in subsidiaries are stated at cost less provision for impairment. Eurocell plc provides letters of Group support to its subsidiary entities where required.

Financial assets

The Company's financial assets comprise trade and other receivables and cash and cash equivalents in the balance sheet. The Company records all of its financial assets at amortised cost and has not classified any of its financial assets as fair value through profit and loss or other comprehensive income.

Financial assets are non-derivative assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of funding to Group companies, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company applies the simplified approach to measuring expected credit losses, if the risk is deemed material, which uses a lifetime expected loss allowance for intra-group receivables.

Expected loss rates are derived based upon the payment profile of Group companies over a three-year period up to the reporting date, and the corresponding credit losses experienced. These rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of Group companies to settle receivables, including GDP, the rate of unemployment, new housing starts, interest rates and household disposable income. Where the adjusted loss rates are different from the original estimate, there is an impact on the carrying value of amounts owed by Group undertakings and the amount credited or charged on a net basis to operating expenses within the Statement of Comprehensive Income.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Financial liabilities

The Company classifies its financial liabilities as other financial liabilities, which include the following items:

- Bank borrowings, which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Further information is provided in Note 3
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available, against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities, which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Share capital

The Company's ordinary shares are classified as equity instruments.

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2025

36 ACCOUNTING POLICIES (COMPANY) *continued*

Treasury shares

Treasury shares are held by the Company and Company's Employee Benefit Trust for the purpose of satisfying awards under the Group's various share-based payment schemes.

The Employee Benefit Trust transactions are incorporated in accordance with Note 1. Shares are acquired from the market and are held in treasury until such time as they are issued to share scheme participants. Any shares not yet issued to employees at the end of the reporting period are shown as treasury shares in the Financial Statements. Shares issued to employees are recognised on a first-in first-out basis. Under the terms of the trust deed, the Group is required to provide the Trust with the necessary funding for the acquisition of the shares.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

Further information regarding dividends is provided in Note 13.

FRS 101 exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of the Company Financial Statements, in accordance with FRS 101:

Paragraphs 45(b) and 46 to 52 of IFRS 2, Share-based Payment (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).

- paragraph 38 of IAS 1, Presentation of Financial Statements, comparative information requirements in respect of paragraph 79(a) (iv) of IAS 1;
- paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
- paragraph 118(e) of IAS 38 Intangible Assets (reconciliations between the carrying amount at the beginning and end of the period).

The following paragraphs of IAS 1, Presentation of Financial Statements:

- 10(d), (statement of cash flows);
- 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its Financial Statements, or when it reclassifies items in its Financial Statements);
- 16 (statement of compliance with all IFRS);
- 38A (requirement for minimum of two primary statements, including cash flow statements);
- 38B-D (additional comparative information);
- 40A-D (requirements for a third statement of financial position);
- 111 (cash flow statement information); and
- 134-136 (capital management disclosures).

Paragraph 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

Paragraph 17 and 18A of IAS 24, Related Party Disclosures (key management compensation).

The requirements in IFRS 7 Financial Instruments: Disclosures.

The requirements in IAS 24, Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

37 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements. There are no estimates and judgements that are considered to have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

38 EMPLOYEE BENEFITS EXPENSE

	2025 £m	2024 £m
Staff costs (including Directors) comprise:		
Wages and salaries	0.5	0.4
Social security costs	0.1	0.1
	0.6	0.5

The average number of monthly employees was five (2024: six), all of whom are Directors of the Company.

Key management personnel compensation and Directors' remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is considered to be the Directors of the Company.

	2025 £m	2024 £m
Emoluments	1.3	1.3
Share-based payments	0.7	–
Pension and other post-employment benefit costs	–	–
	2.0	1.3

The emoluments are paid by Eurocell Group Limited. Directors' remuneration is set out in the Remuneration Report on pages 88 to 106.

The highest paid Director received remuneration, including share options exercised, of £1,162,000 (2024: £476,000).

During the year, retirement benefits were accruing to three Directors in respect of defined contribution pension schemes (2024: two).

The value of contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £22,000 (2024: £21,000).

During the current year, 439,036 share options were exercised by Directors of the Company (2024: of which nil). 410,447 options were exercised by the highest paid director (2024: nil). No other shares were issued to Directors of the Company in either period.

39 INVESTMENTS

Cost	Investments in subsidiary undertakings £m	Capital contribution to subsidiary companies £m	Total £m
At 31 December 2024	17.8	2.3	20.1
Addition	–	0.1	0.1
At 31 December 2025	17.8	2.4	20.2

Capital contribution to subsidiary companies reflects the fair value movement of share-based payments issued by the Company to employees who have provided services to subsidiary undertakings.

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2025

39 INVESTMENTS *continued*

The subsidiaries of Eurocell plc, all of which have been incorporated in the United Kingdom, are included in these Consolidated Financial Statements, as follows:

Name	Principal activity	Holding (and voting rights)	
		2025	2024
Eurocell Holdings Limited ¹	Holding company	100%	100%
Eurocell Group Limited	Holding company	100%	100%
Eurocell Building Plastics Limited	Sale of building plastic materials	100%	100%
Eurocell Profiles Limited	Manufacture and sale of building plastic materials	100%	100%
Vista Panels Limited	Manufacture and sale of doors	100%	100%
Ecoplas Limited	Recycler of PVC windows	100%	100%
Alunet Systems Limited ²	Distributes aluminium window and door systems	100%	0%
Compdoor Limited ²	Manufacture and sale of doors	100%	0%
UK Doors (Midlands) Limited ²	Distributes garage doors	100%	0%
JD (UK) Limited ²	Manufacture and distributes garage doors	100%	0%
JDUK Investments Limited ²	Holding company	100%	0%
Kent Building Plastics Limited	Dormant	100%	100%
Trimseal Limited	Dormant	100%	100%
S&S Plastics Limited	Dormant	100%	100%
Fairbrook Group Limited	Dormant	100%	100%
Fairbrook Limited	Dormant	100%	100%
Fairbrook Holdings Limited	Dormant	100%	100%
Eurocell Window Systems Limited	Dormant	100%	100%
Eurocell Plastics Limited	Dormant	100%	100%
Cavalok Building Products Limited	Dormant	100%	100%
Merritt Plastics Limited	Dormant	100%	100%
Merritt Engineering Limited	Dormant	100%	100%
Deeplas Limited	Dormant	100%	100%
Deeplas Building Plastics Limited	Dormant	100%	100%
Ampco 113 Limited	Dormant	100%	100%

1 Directly held by Eurocell plc.

2 On 7 March 2025, the Group acquired 100% of the ordinary share capital of Alunet Systems Limited, Comp Door Limited, JD (UK) Investments Limited, JD (UK) Limited and UK Doors (Midlands) Limited.

All of the above have a registered address of Eurocell Head Office and Distribution Centre, High View Road, South Normanton, Alfreton, Derbyshire DE55 2DT.

The Company assesses that the recoverable amounts of these investments are supportable. Recoverable amounts have been determined from 'value-in-use' calculations, which have been predicated on discounted pre-tax cash flow projections based on a three-year business plan approved by the Board. These projections are based on all available information and growth rates do not exceed growth rates achieved in prior periods.

All of the Company's CGUs operate principally in the UK Repair, Maintenance and Improvements market, and all are funded through a combination of retained earnings and the Group's Revolving Credit Facility. The strategic decision-making timeframe is also consistent across all CGUs. Consequently, the key assumptions detailed below are applied consistently across the Group's entities:

	2025 £m	2024 £m
Period on which management-approved forecasts are based (years)	3	3
Discount rate (pre-tax)	11%	14%
Profit growth rate in perpetuity	2%	2%

40 TRADE AND OTHER RECEIVABLES

	2025 £m	2024 £m
Prepayments and other debtors	0.2	0.3
Amounts owed by Group undertakings	64.6	43.7
Total trade and other receivables	64.8	44.0

Amounts owed by Group undertakings attract interest of 5.75% (2024: 6.57%) and are repayable on demand. The Company applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all financial assets. In measuring expected credit losses, receivables have been grouped based on shared characteristics and days past due.

The Directors have assessed the risk of impairment of its amounts owed by Group undertakings as at 31 December 2025. After considering the projected future cash flows expected to arise in its subsidiary entities, the Directors believe that any provision over the amounts owed by Group undertakings are trivial.

41 DEFERRED TAX

	2025 £m	2024 £m
At 1 January	0.6	0.2
(Charged)/credited to the Statement of Comprehensive Income	(0.1)	0.4
At 31 December	0.5	0.6

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered. There are no unrecognised deferred tax assets. The vast majority of the deferred tax liability is expected to unwind over a period of greater than one year.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the year, together with amounts recognised in the Statement of Comprehensive Income and amounts recognised in Other Comprehensive Income are as follows:

	Asset 2025 £m	Liability 2025 £m	Net 2025 £m	Statement of Comprehensive Income 2025 £m	Equity 2025 £m
Other temporary differences	0.5	–	0.5	(0.1)	–
Net tax assets	0.5	–	0.5	(0.1)	–

	Asset 2024 £m	Liability 204 £m	Net 2024 £m	Statement of Comprehensive Income 2024 £m	Equity 2024 £m
Other temporary differences	0.6	–	0.6	0.4	–
Net tax assets	0.6	–	0.6	0.4	–

Amounts within Other Comprehensive Income due to be settled in greater than one year are not material and, therefore, no further disclosure has been provided. Other temporary differences relate to the tax impact of share-based payment transactions expected to reverse within one to three years.

42 TRADE AND OTHER PAYABLES

	2025 £m	2024 £m
Trade and other payables	0.2	0.4
Total current liabilities	0.2	0.4

Book values approximate to fair value at 31 December 2025 and 31 December 2024. Trade payables are non-interest-bearing and are generally settled on 30–60 day terms.

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2025

43 BORROWINGS

	Book value 2025 £m	Fair value 2025 £m	Book value 2024 £m	Fair value 2024 £m
Non-current				
Bank borrowings unsecured	27.7	27.7	0.5	0.5
Total borrowings	27.7	27.7	0.5	0.5

Borrowings of £28.0 million were drawn down at 31 December 2025 (2024: £1.0 million). The average drawdown on the facility during the year ended 31 December 2025 was £28.1 million (2024: £2.3 million). Total unamortised costs of £0.3 million as at 31 December 2025 are presented as a deduction to borrowings (2024: £0.5 million).

The bank borrowings outstanding at 31 December 2025 are classified as non-current liabilities as they relate to committed facilities available to the Group until 2030. The book value and fair value are not considered to be materially different.

The Group has a £75 million multi-currency revolving unsecured credit facility, which was refinanced in March 2026 and now matures in February 2030. Interest is charged at an excess over base rate of between 1.5% and 2.5% per annum and is dependent upon the ratio of total net debt to consolidated EBITDA (on a pre-IFRS16 basis). Following the extension of the facility, £0.9 million of costs will be capitalised within borrowings and released to the Consolidated Statement of Comprehensive Income within finance expense over the period of the facility.

Interest is charged at an excess over base rate of between 1.5% and 2.5% per annum and is dependent upon the ratio of total net debt to consolidated EBITDA (on a pre-IFRS 16 basis).

All borrowings are denominated in Sterling.

Details of the Company's banking covenants are given in Note 3.

44 SHARE BUYBACKS

During the period, the Company completed the £15 million share buyback launched in January 2024. A new buyback of up to £5 million was launched in March 2025 and completed in February 2026, with 3,478,173 shares purchased.

In the year to 31 December 2025, 3,331,218 shares had been purchased, with a cash outflow of £5.0 million (including transactional costs).

45 RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, which is considered to be the Directors of the Company and the Directors of the Group's subsidiary companies.

The remuneration for key management personnel is disclosed on pages 88 to 106. The Group has taken advantage of the exemption from disclosing transactions with wholly owned subsidiaries.

Other related party transactions

There were no material transactions with other related parties in the current or comparative period.

Company Information

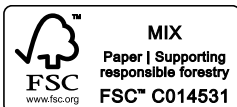
For the year ended 31 December 2025

Directors	Derek Mapp Alison Littley Will Truman Iraj Amiri Darren Waters (stepped down 9 February 2026) Michael Scott Angela Rushforth
Registered Number	08654028
Registered Office	Eurocell Head Office and Distribution Centre High View Road South Normanton Alfreton Derbyshire DE55 2DT
Independent Auditors	Deloitte LLP Chartered Accountants and Statutory Auditors 4 Brindley Place Birmingham B1 2HZ
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP National Westminster Bank plc 2 St Phillips Place Birmingham B3 2RB AIB Group (UK) PLC 13th Floor, 70 St Mary Axe London EC3A 8BE

For more investor information

visit eurocell.co.uk/investors

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