

XP Power Limited
2025 Full Year Results

2025 performance in line with expectations
Significant structural improvements delivered
Well positioned for emerging market recovery

XP Power Limited (“XP Power”, “the Group” or “the Company”), one of the world's leading developers and manufacturers of critical power control solutions for the Semiconductor Manufacturing Equipment, Healthcare and Industrial Technology sectors, announces its results for the year ended 31 December 2025 (“2025” or “the year”).

Year ended 31 December (£m unless otherwise stated)	2025	2024	Change	
			At actual exchange rates	In constant currency ¹
Order intake	225.9	181.6	24%	28%
Revenue	230.1	247.3	(7)%	(4)%
Book-to-bill	0.98x	0.73x	0.25x	
Order book	115.8	122.3		
Adjusted results¹:				
Gross margin	42.7%	41.0%	170bps	
Operating profit	17.3	25.1	(31)%	(20)%
Profit before tax	9.5	13.8	(31)%	
Diluted earnings per share (pence)	22.5p	42.9p	(48)%	
Operating cash flow	38.9	65.6	(41)%	
Reported results:				
Gross margin	41.9%	39.2%	270bps	
Operating profit	0.7	3.6	(81)%	
Loss before tax	(7.3)	(7.7)	5%	
Diluted loss per share (pence)	(42.0)p	(40.4)p	(4)%	
Net Debt ¹	41.5	93.5	(56)%	
Net Debt: Adjusted EBITDA ¹	1.2x	2.3x		

¹ Details of the adjustments made and reconciliations to the reported results can be found in Note 3 of the consolidated financial statements

Financial Highlights

- Order intake of £225.9m, up 28% in constant currency:
 - Strong growth from Industrial Technology and Healthcare as customer destocking eased
 - Gradual improvement from Semiconductor Manufacturing Equipment as the year progressed
- Revenue of £230.1m, down 4% in constant currency:
 - All of the constant currency decline arose in the first half as customer destocking peaked
 - 7% growth from H1 to H2 as destocking eased
 - Healthy growth in new business wins supporting long-term growth
 - Market position and share maintained
- Adjusted Operating Profit of £17.3m, down 20% in constant currency:
 - Decline reflects impact of revenue reduction, limited by management actions
 - Actions deliver significant profit increase from £4.8m in H1 to £12.5m in H2
 - Adjusted Gross Margin expanded by 170 bps
 - Confident of achieving mid-40s gross margin % as end markets recover with 43.9% in H2 2025
 - US tariffs cost increases either mitigated or passed through

- Net Debt of £41.5m:
 - Reduced by £52.0m in the year following strong operating cash conversion and March 2025 share placing
 - Net Debt: LTM Adjusted EBITDA reduced from 2.3x to 1.2x

Operational Highlights

- Robust response in slower market conditions, well positioned for success as market recovers:
 - Cost discipline maintained and further efficiency improvement actions delivered
 - Inventory reduced and optimised, maximising cash
 - Full pipeline of new products with 24 new products launched
 - Improved customer service and satisfaction levels
 - Improved supply chain efficiency
 - Completion of construction of our Malaysia plant, allowing closure of our China facility
 - Decision taken to exit RF market to focus growth on more attractive product categories

Outlook for 2026

- Actions taken in 2025 create improved financial performance baseline for 2026
- While previously announced US export restrictions will reduce sales to China, we expect improved market demand to drive an improved financial performance as 2026 progresses.

Gavin Griggs, Chief Executive Officer, commented:

“While 2025 brought slower market conditions in which customer destocking reached a peak leading to lower profits, I am encouraged by the underlying progress we have made. We remained focused on delivering against our strategy, demonstrated by increased new business wins, strategic portfolio decisions, improved gross margins, disciplined cost control and further progress in sustainability. We took decisive action to improve our profitability in the second half of the year and we have made some important structural changes to ensure that the business has the right foundations for long-term growth.

There are growing signs of a market recovery, with financial performance expected to build as 2026 progresses. I am confident that our innovative product offering, ability to deliver complex solutions at speed and improved supply chain efficiency will enable us to capitalise as conditions improve.”

Enquiries:

XP Power

Gavin Griggs, Chief Executive Officer

+44 (0)118 976 5155

Matt Webb, Chief Financial Officer

+44 (0)118 976 5155

CDR

Claire de Groot

+44 (0)20 7638 9571

An analyst meeting will be held at 9:00am GMT on 3 March 2026 at the offices of Investec, with refreshments served from 8:45am. 30 Gresham St London EC2V 7QP. To register to attend please email jonah.boon@cdrconsultancy.com. A live video stream of the meeting can be accessed via https://brrmedia.news/XPP_FY25

XP Power designs and manufactures power controllers, essential hardware components in all electrical equipment that converts power from the electricity grid into the correct form for equipment to function. Power controllers are critical for optimal delivery in challenging environments but are a small part of the overall customer product cost.

XP Power designs power control solutions into the end products of major blue-chip OEMs, with a focus on the Semiconductor Manufacturing Equipment (circa 37% of sales), Industrial Technology (circa 38% of sales) and Healthcare (circa 25% sales) sectors. Once designed into a programme, XP Power has a revenue annuity over the life cycle of the customer's product which is typically five to seven years depending on the industry sector. XP Power has invested in research and development and its own manufacturing facilities in Vietnam, North America and Germany, to develop a range of tailored products based on its own intellectual property that provide its customers with significantly improved functionality and efficiency.

Headquartered in Singapore and listed on the Main Market of the London Stock Exchange since 2000, XP Power is a constituent of the FTSE SmallCap Index. XP Power serves a global blue-chip customer base from over 20 locations in Europe, North America, and Asia.

For further information, please visit www.xppowerplc.com

Forward-looking statements

This announcement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in this announcement will be realised.

The forward-looking statements reflect the knowledge and information available to management at the date of preparation of this announcement. XP Power and its Directors accept no responsibility to third parties and undertake no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

Chief Executive Officer's Review

I am pleased with the way the business navigated a year of relatively slow market conditions and macroeconomic uncertainty, improving our financial performance as the year progressed. We took disciplined and proactive actions to deliver a much stronger second-half financial result, while also strengthening the foundations for longer-term success.

It was also encouraging to see order intake strengthen as the rate of customer destocking slowed, underpinning future revenue.

We continued to focus on innovation, with development of new products and technology solutions, and to invest in resilient, scalable infrastructure to deliver world-class, efficient customer service across our global supply chain.

With improved operations and enhanced strategic positioning, we are well placed to make healthy progress as markets recover.

Review of our year

Order intake totalled £225.9m (2024: £181.6m), up 28% in constant currency. As we entered the year, we saw a significant step-up in order intake that indicated customers intended to slow their rate of destocking as the year progressed. The strongest growth came from distribution customers, where orders increased 69% year-on-year as their inventory holding of our products normalised, a positive sign that this extended period of destocking is coming to an end.

Group revenue was £230.1m (2024: £247.3m), down 4% in constant currency. All of the revenue decline in constant currency arose in the first half of the year, as destocking by both Industrial Technology and Healthcare customers reached a peak. Destocking eased as the year progressed, resulting in a 7% uplift in second-half revenue compared with the first half.

The Healthcare sector delivered our strongest revenue performance in 2025, growing 2% in constant currency. This reflected slower destocking by our customers as the year progressed, alongside healthy demand for some key medical technology projects in the US. Revenue from the Industrial Technology sector reduced by 5% in constant currency, reflecting ongoing destocking amongst OEM customers but growth from distribution customers, particularly in the second half. Semiconductor Manufacturing Equipment revenue was 7% lower in constant currency, against a 2024 comparative that benefited unusually from backlog clearance within our High Voltage High Power ("HVHP") business. The tough comparative for HVHP sales masked strong growth elsewhere in this sector which is encouraging for the Group's long-term growth prospects.

By region, North America revenue was up by 1% in constant currency as the increased US tariff costs were successfully passed through to customers without any material impact on demand. Europe and Asia declined by 11% and 13% respectively as a result of weaker end-customer demand conditions.

In response to a slow start to the year and the prospect of a slower overall pace of market recovery, we acted early to improve profitability in the second half of the year. The efficiency actions taken focused on reducing overheads within our supply chain, particularly as production volumes slowed or shifted within our production network. Together with purchase price savings negotiated on certain direct material costs, our Adjusted Gross Margin improved from 41.0% in 2024 to 41.4% in the first half of 2025 and 43.9% in the second half of the year.

Cash generation remained strong at £38.9m, representing Adjusted Operating Cash Conversion of 225% in the year. Inventory reduced by 20% to £57.0m while at the same time improving customer service and reducing delivery lead times. A new inventory holding strategy was implemented at year end, which is expected to further improve customer service levels from 2026 onwards.

New business wins grew by 12% and growth was strongest within our Technology Solutions offering, which is strategically important to our long-term success.

After a strategic review, we decided to exit the market for RF products. We held a minor c.1% market share and this gave us fewer opportunities for differentiation than our other product categories. The lack of a clear strategic advantage resulted in the RF business generating margins and returns materially lower than the Group average in recent years. This decision allows us to focus our resources on our Low Voltage and High Voltage Divisions, which enjoy superior strategic positioning, higher gross margins and significant growth potential.

We will wind down the RF business over approximately three years in order to continue to support our customers through a supply chain transition. In 2025, the RF business generated revenue of £24.3m and was close to break even, including unusually buoyant sales to China Semiconductor customers prior to expiry of export licenses, which will not repeat beyond 2025. We anticipate that annual revenue in RF products will be similar to 2025 during the wind

down period.

Construction of our new manufacturing facility in Malaysia is complete, with production set to commence later in 2026 following a period of commissioning. This has allowed us to close our manufacturing facility in China, consolidating our supply chain footprint into Vietnam and Malaysia. Both facilities will enable the Group to serve global customers efficiently. Production in Malaysia will be increased at a pace required by demand.

Global trading rules continue to evolve and become more complex, particularly regarding product exports. We take our responsibilities in this area very seriously and continually invest in our export control processes. In 2025, we implemented new software that automatically screens sales prospects for compliance with export rules throughout the sales life cycle. We tightened even further our terms and conditions of sale to ensure our customers understand our rules governing the use and re-sale of our products. We continued to train our global sales team on new rules as they were implemented.

Our appeal in respect of the Comet legal action was heard on 19 September 2025 in the US Court of Appeals for the Ninth Circuit. We await the judgement from the panel of appellate judges.

Revenue by market sector

The breakdown of our revenue by sector was as follows:

Revenue	2025 £m	2024 £m	% change in constant currency
Semiconductor Manufacturing Equipment	85.6	94.8	(7)%
Industrial Technology	87.3	94.8	(5)%
Healthcare	57.2	57.7	2%
Total	230.1	247.3	(4)%

Semiconductor Manufacturing Equipment

We provide precision solutions, which are often tailored to specific end-customer requirements, to customers at the heart of the semiconductor fabrication process. The demand for semiconductor fabrication equipment continues to be driven by the rapid expansion of High Performance Computing to support Artificial Intelligence demand.

Revenue for 2025 was £85.6m, which was 7% lower than 2024 in constant currency. HVHP revenue within this sector reduced by £14.2m against a challenging comparative in 2024 which was boosted by a one-off clearance in order backlog. Revenue from all other product categories grew by £5.0m, or 8%, representing a good recovery in demand for those product lines, particularly from customers in North America.

Order intake for 2025 was £84.3m, 10% higher than 2024 in constant currency. The rate of order intake increased by 18% sequentially from the first half year to the second and we are well positioned to benefit as the Wafer Fabrication Equipment market enters its next upcycle.

Our book-to-bill ratio improved to 0.98x (2024: 0.83x). The ratio for 2025 was reduced by final shipments to semiconductor manufacturing equipment customers in China prior to the expiry of US export licences, with orders for these shipments received in prior years. Absent these shipments, sector book-to-bill was 1.05x, which is supportive of future growth.

Industrial Technology

We deliver power conversion products which meet a broad range of customer demands across a diverse range of industrial applications, with a focus on precision projects where we can shorten the time to market for our customers. We offer a variety of standardised, customisable and bespoke products to ensure that we can provide the right solution for our customers in a diverse market.

Revenue for 2025 was £87.3m, 5% lower than the prior year in constant currency. Sales to distributors grew as stock of our products at high service level distributors reached normal levels. Sales to OEM customers declined as they continued to destock, albeit a Book to Bill of 1.0x indicates that the pace of destocking is slowing. We returned to revenue growth in the second half of the year.

Order intake for 2025 was £90.5m, 39% higher than the prior year in constant currency. Orders from high service level distribution customers, who represent around a quarter of this sector, grew by 78%. Orders from our "design in" distribution partner in Europe, Avnet, also increased materially with Avnet's sales pipeline continuing to build after the start of our relationship in 2023. Orders from Industrial OEM customers grew by 22%.

Our book-to-bill ratio was 1.03x (2024: 0.71x).

Healthcare

We work with major healthcare technology businesses in delivering tailored, compliant solutions in this fast-moving sector. Global megatrends of an ageing global population and advancements in healthcare technology underpin a long-term growth opportunity.

Revenue for 2025 was £57.2m, which was 2% higher than 2024 in constant currency. We saw healthy demand from US medical technology customers to whom we provide technology solutions in key areas such as Pulsed Field Ablation and Robotic Surgery tools.

Order intake for 2025 was £51.1m, 48% higher than the prior year in constant currency

Our book-to-bill ratio was 0.90x (2024: 0.61x), slightly lower than the other two sectors due to the timing of orders and shipments for larger US projects.

Revenue by region

The breakdown of our revenue by region was as follows:

Revenue	2025 £m	2024 £m	% change in constant currency
North America	142.0	144.2	1%
Europe	65.9	76.9	(11)%
Asia	22.2	26.2	(13)%
Total	230.1	247.3	(4)%

Our revenue in 2025 was reduced by the weaker US dollar, being the currency in which the majority of our revenues is transacted. The revenue decline in the year in constant currency was less than on a reported basis.

Sales to North America totalled £142.0m, up 1% in constant currency against a tough comparative that benefited from HVHP backlog clearance of £14.2m in 2024, as explained above. Underlying growth absent this backlog impact was therefore strong, driven largely by improved demand from US distributors, business wins with US medical technology customers and growing demand for our Technology Solutions offering, particularly from US Semiconductor Manufacturing Equipment customers.

Sales to Europe totalled £65.9m, down 11% in constant currency, as demand reflected continued destocking. However, the region delivered sequential quarterly growth throughout the year. This included progressively normalising sales to distributors and a growing pipeline with Avnet, our 'design-in' distributor.

Sales to Asia totalled £22.2m, down 13% in constant currency due to destocking and regional macroeconomic uncertainty as global trade rules evolved. The region benefited from the final purchase of RF products by China Semiconductor Manufacturing Equipment customers prior to the expiry of export licenses that prevent shipments beyond 2025. These shipments totalled £6.2m in 2025. Demand elsewhere in Asia was impacted by the knock-on impact of macroeconomic headwinds in China, the Region's dominant economy.

Delivery of our strategy in the year

Our vision is to be the first-choice power solutions provider and deliver a compelling experience for our customers and our people. We have made good progress in delivering against our strategic priorities during the year.

Products

During 2025 we launched 24 new innovative products spanning conduction-cooled, external, high power, high voltage, DC-DC converters and fully programmable units. Our product offering showcases innovation, with several products featuring fully digital architecture, giving customers complete programmability and control.

We focus our own internal engineering resources on the development of more technologically complex base products with significant long-term growth potential. This typically means high-voltage and/or high-power devices. These solutions are addressing many complex and novel applications, including ion implantation, mass spectrometry and pulsed electric field technology. The breadth of our existing product range is very competitive and our pipeline for future product development remains strong. This includes new product families and additions to existing product ranges like the CCR series and FLXPro.

Our Technology Solutions Group, primarily operating out of our new Silicon Valley Customer Innovation Centre, delivered 28 (2024: 19) new customised products to customers during the year. We worked closely with our customers to customise our base products to provide innovative, bespoke solutions to meet our customers' most complex needs. Approximately a third of our revenue is derived from Technology Solutions Group activities.

Customers

Improvements to our supply chain capabilities drove faster and more consistent product delivery to our customers in the year. We worked closely with US customers to navigate additional US tariffs, including shifting production from China to Vietnam, where the tariffs were lower, and shipping directly to their manufacturing plants outside of the US in order to reduce tariff costs.

We had open dialogue with our principal RF customers in determining the best approach to our exit from the RF market, resulting in significant final delivery requirement being secured.

New business wins increased 12% on 2024. Sampling activity i.e. projects not yet won where we have provided one or more units of a product to allow the customer to complete internal evaluation, also increased by 21%. Historically, we have a healthy success rate in converting projects which reach sampling stage into new business wins.

We saw much increased interest from customers in new Technology Solutions projects, particularly in the US, demonstrating the strength of these key relationships and increasing investment in product development amongst our customers.

The Net Promoter Score (NPS) in our most recent survey rose significantly to 25, up from 8 in the prior year. This reflects stronger customer sentiment and engagement, with all three regions recording increases of at least 15 points year-on-year.

Supply Chain

We continued to strengthen our supply chain capabilities and efficiency during the year. Inventory reduced by a further £10.9m during the year as we reduced both the value of finished goods and raw materials. Additional buffer inventory built up in previous years to mitigate global supply chain disruption has now been removed. The remaining reduction in the year of £3.3m was due to the impairment of inventory following the decision to exit the RF market (£3.0m) and a small write-off of components that cannot be transferred from the China factory to Vietnam (£0.3m).

We developed a new approach to inventory management, with improved data-led methodologies employed to drive better customer service. This will require a modest investment in additional raw material inventory for high running products in early 2026 to deliver a significant reduction in lead times for our customers, as well as cost efficiencies.

We continued to improve our sourcing capabilities in Asia, resulting in c. £1m of annualised component cost savings secured during the year. Through identifying alternative suppliers and negotiations with existing key suppliers, we have made good progress in making our sourcing arrangements more flexible, agile and resilient to unexpected shortages of individual components.

Underlying manufacturing efficiency improved further through rationalisation of production overheads and adopting Lean techniques. The impact of these efforts on gross margin was somewhat masked by reduced utilisation of factory fixed costs as a consequence of revenue reduction, but we are confident that the steps we are taking now will support the Group's return to target margins in normal demand conditions.

The construction of the new Malaysia manufacturing facility is complete, with £20.3m of capex incurred to date (of which £7.0m remains to be paid in early 2026). Commissioning of the facility is underway and will be completed during 2026. The progress on the Malaysia facility allowed closure of our Kunshan manufacturing plant in China to streamline our manufacturing footprint and to ensure our operational capacity is aligned to current trade restrictions.

People

I have had the pleasure of visiting many of our teams around the world during 2025 and I hold regular open discussions with our senior leadership team to facilitate effective two-way communication. Our colleagues have consistently demonstrated our values in responding to the challenging environment we face and morale remains high. Despite the difficult external circumstances, our most recent Gallup employee survey showed improved engagement scores. We have also seen improved retention at our Vietnam plant, where a large proportion of our colleagues are based, following the introduction of new compensation arrangements and skills development.

During the year we made targeted headcount reductions to ensure that our resources were appropriately deployed in response to lower manufacturing output. The closure of our manufacturing plant in China directly impacted a number of colleagues. The decision to exit the RF market has not had a significant impact on headcount in our Gloucester, Massachusetts plant in the US because we will continue to serve existing customers in this market for

approximately three years. We have supported the individuals affected by these changes through senior leadership engagement, transparent communications and appropriate outplacement services.

We have provided additional training and support for managers on people development, delivered an active engagement programme run by our People & Organisation team and strengthened our anti-fraud controls in response to the introduction of ECCTA legislation in the UK, with targeted training rolled out. We continued our focus on health and safety and saw tangible benefits from our 'Safety Begins with Me' programme implemented in 2024 with a 64% reduction in our Total Recordable Incident Rate (TRIR) and 79% in our Lost Time Injury Rate (LTIR) year-on-year. The achievement on TRIR is particularly notable as it was delivered during a period of reemphasis on complete and accurate reporting, which often leads to an initial increase in reported incidents.

Sustainability

We continue to prioritise sustainability as a critical enabler of our strategy. We are leading the way in developing ever more energy efficient power conversion solutions to meet the current and future needs of our customers. As an example, our exciting new FLXPro range launched this year is more power efficient and uses more environmentally friendly packaging than previous generation models. Full digital control allows end users to monitor and optimise energy usage.

We have made further progress in dual sourcing for components to mitigate the risk of climate impacts on our supply chain. Our own manufacturing sites (including our new site in Malaysia where a physical climate risk assessment has just been completed) are not exposed to significant direct impact from climate risks, although we remain vigilant with appropriate disaster recovery plans in place. All electricity consumption across the Group is from renewable sources or is covered by the purchase of Energy Attribution Certificates.

Our latest external rating agency scores reflect the progress we continue to make in this area. Our Sustainalytics score for ESG Risk management improved by 11.7 points with an overall grading of 'strong management'. In recognition of the strength of our climate transparency and action, we improved from a B to an A in our CDP Climate Change 2025 disclosure, achieving the highest rating for climate performance, placing us in the top 4% of c.20,000 assessed companies. This recognition underscores XP Power's leadership in environmental sustainability, our strong commitment to transparent disclosure for stakeholders and ability to support our customers in their own climate journeys. There is still work to be done to deliver our Science Based Target Initiative approved net-zero plan, but we remained focused on ensuring that sustainability is embedded into everything that we do.

Financial position and funding

Following the share placing in March, we continued to reduce borrowings through strong operating cash conversion. As a result, we ended the year with net debt reduced to £41.5m (2024: £93.5m). Adjusted Operating Cash Flows for the year were £38.9m and in addition we received a one-off customer prepayment of £16.4m, primarily for planned 2026 deliveries. Year-end leverage (Net Debt: Adjusted EBITDA) was 1.2x (31 December 2024: 2.3x).

We have made excellent progress in strengthening our balance sheet which provides a stable foundation as we prepare for market recovery. We are confident of achieving a consistent leverage of less than 1x as market conditions return to normal.

Outlook

The proactive actions taken in the year have improved our financial performance baseline for 2026. While previously announced US export restrictions will reduce sales to China, we expect improved market demand to drive an improved financial performance as 2026 progresses.

Gavin Griggs
Chief Executive Officer

Chief Financial Officer's Review

Statutory Results

Revenue in the year of £230.1m represents a reduction of 7% from 2024, reflecting the impact of continued customer destocking, the clearance of higher order backlog in 2024 and headwinds from a weaker USD. Gross margin improved to 41.9% due to improved efficiency. There was a minor increase in operating expenses of £2.2m primarily due to unfavourable foreign exchange movements in the first half of the year, partially offset by cost saving actions. As a result, operating profit was £0.7m. Loss for the year was £11.3m, compared to £9.4m in 2024.

Adjusted Results

As in prior years, Adjusted and other alternative performance measures are used in this announcement to describe the Group's results. These are not recognised under International Financial Reporting Standards (IFRS) or other generally accepted accounting principles (GAAP).

Adjustments are items included within our statutory results that are deemed by the Board to be unusual by virtue of their size or incidence. Our Adjusted measures are calculated by removing such Adjustments from our statutory results. The Board believes Adjusted measures help the reader to understand XP Power's underlying results and are used by the Board and management team to interpret Group financial performance. Note 3 to the consolidated financial statements includes reconciliations of statutory metrics to their Adjusted equivalent and provides a breakdown of the Adjustments made.

On an Adjusted basis the Group delivered operating profits of £17.3m and a profit before tax of £9.5m, compared to a profit before tax of £13.8m in 2024. The Chief Executive Officer's Review includes an explanation of revenue performance and an analysis of order trends during the year.

Gross Profit

The Group delivered a gross profit of £96.3m on revenue of £230.1m for the year. This represents a gross margin of 41.9%, 270bps higher than 2024.

Adjusted Gross Margin of 42.7% was 170bps higher than 2024 and achieved despite the headwind of reduced factory utilisation. Gross margin expanded as the year progressed, with the first half of the year at 41.4% and the second half of the year at 43.9%.

The improvement arose from three main sources:

- Reduction of supply chain overheads, in response to production transfers to more cost-efficient plants and reduced activity levels generally. These actions were announced in our Interim Results and delivered as planned in the second half of the year. They largely impacted our facilities on the US East Coast and in China.
- Negotiated savings on raw materials purchased for our Asia manufacturing operations, totalling c. £1m for 2025.
- Manufacturing efficiency improvements, including from Lean manufacturing techniques in Asia.

This strong underlying progress, and the resulting improved margin baseline as we entered 2026, is encouraging and should improve further as market recovery drives higher factory utilisation.

We closely managed the increase to input costs arising from new US tariffs by shifting delivery to customer manufacturing sites outside of the US or fully passing through the costs where necessary. Nearly all of the cost increase is attributable to products made at our facility in Vietnam.

Reported gross margin increased by slightly more than Adjusted Gross Margin in the year due to the release in 2025 of one-off inventory provisions created in 2024 relating to our decision to exit the China semiconductor market, which proved to be partially surplus to requirements.

Operating Expenses

Operating Expenses in 2025 totalled £95.6m, of which £14.7m were Adjusting Items as explained more fully below. Excluding the impact of these Adjusting Items, Adjusted Operating Expenses for 2025 were £80.9m, a £4.7m (6%) increase from 2024.

The increase was largely driven by the following non-discretionary and accounting items totalling £3.6m:

- Amortisation of capitalised product development costs increased by £0.6m, as a number of significant products

were brought to market.

- The capitalisation of product development costs reduced, increasing by £1.0m the amount of development spend being charged to the income statement. Only project work at the development stage can be considered for capitalisation, but all of these activities are critical to the success of the business, including testing of existing products against new regulatory requirements.
- We recorded an impairment of £1.2m relating to capitalised product development costs for a customer project which was cancelled due to US export control restrictions (2024: £0.2m).
- Foreign exchange movements increased operating expenses by £0.6m. The weakening of the US dollar resulted in a large foreign exchange cost headwind in the first half of the year. This partly reversed in the second half of the year, benefiting from actions taken to reduce our foreign exchange exposure.
- Share based payment expenses increased by £0.4m from an unusually low base.

Other cost categories, consisting largely of discretionary items, therefore increased by £1.1m, or 1%, with cost saving actions helping to fund inflationary increases.

Operating Profit

Adjusted Operating Profit for 2025 was £17.3m compared to £25.1m in the prior year. The total reduction in Adjusted Operating Profit arose from:

- Revenue volume reduction of £7.0m
- Increase in gross margin % of £3.9m
- Increase in Adjusted Operating Expenses of £4.7m

Adjusting Items

Items which have been treated as Adjusting and are therefore excluded from underlying operating profit are shown below.

Income / (cost) impact by Income Statement line £m	2025			2024		
	Operating profit	Net finance expense	Profit before tax	Operating profit	Net finance expense	Profit before tax
Restructuring costs	(1.4)	-	(1.4)	(2.3)	-	(2.3)
Exit from China Semiconductor market	2.3	-	2.3	(6.7)	-	(6.7)
Supply chain transformation	-	-	-	(1.6)	-	(1.6)
Comet legal case	(2.6)	-	(2.6)	(7.6)	-	(7.6)
Amortisation of acquired intangibles	(2.6)	-	(2.6)	(3.1)	-	(3.1)
Bid defence costs	-	-	-	(0.2)	-	(0.2)
Costs relating to RF exit	(8.3)	(0.2)	(8.5)	-	-	-
Cost relating to China factory closure	(4.0)	-	(4.0)	-	-	-
Total	(16.6)	(0.2)	(16.8)	(21.5)	-	(21.5)

Restructuring costs incurred in the current year of £1.4m comprised of severance payments in respect of headcount reductions which arose primarily in our manufacturing sites in the first half of 2025 reflecting the lower levels of production output during the year.

In late 2024, changes to US trade rules restricted the export of our products to customers in China's Semiconductor Manufacturing Equipment sector which resulted in us deciding to exit this market once existing export licences had expired and led to a provision for all inventory which was solely for use in the China semiconductor market. During 2025, we have fulfilled some additional final orders under licence which had not been anticipated at the end of 2024. As a result, we have reversed the provision as inventory was consumed, with a net benefit of £2.3m.

In January 2025 the trial judge in the Comet case ruled that plaintiff's legal fees and pre-judgement interest were to be paid by the Group and, as a result, the Group was required to purchase an additional bond (£11.7m cash outflow) in respect of this judgement, pending the hearing of our appeal. In September 2025, our appeal was heard by the Ninth District Court. Legal costs for our preparation for the appeal totalled £0.7m. Over the year an additional £1.7m of interest was accrued on the judgements to date while the case awaits an appeal verdict, and we incurred bond management fees of £0.2m. Interest of £1.6m was earned by the Group in the year on cash deposited to collateralise the surety bond pledged in this case.

Late in 2025 the Board took the decision to exit the RF market, with an approximately three-year run-off period to ensure that we support current customers as they transition to new supply arrangements. As a result, we recognised additional provisions against inventory which would not be required to fulfil anticipated final orders with an expense of £3.1m. We also impaired capitalised product development where the recoverable value was assessed as nil as the related designs would not be used in the run-off period with a total expense of £4.3m (of which £0.2m was capitalised finance costs). We also provided £1.0m for severance costs of current employees, which will be paid out on their leaving dates. Other related costs totalled £0.1m.

The closure of our manufacturing facility in China led to a one-off severance cost of £3.4m which was fully settled during the year. Much of the production fixed assets and inventory will be transferred to our Vietnam or Malaysia plant, with the remaining assets which were not suitable for transfer resulting in £0.4m expense as they were written down to nil. Other related costs incurred were £0.2m.

The total cash outflow for adjusting items in 2025 was £6.0m, the majority of which was severance costs. During 2024 the total cash outflow was £3.6m.

Currency

We report our results in sterling; however, most of our revenues and costs arise in other currencies. A large proportion of our revenue and costs are denominated in US dollars, so our results are impacted by relative movements in the currencies that the underlying transactions arise in compared to pounds sterling. The effect of foreign currency on the change in our Adjusted Operating Profit is illustrated below:

Adjusted £m	2024	Currency Impact	Constant Currency ¹	2025
Revenue	247.3	(6.9)	(10.3)	230.1
Revenue growth %		(3)%	(4)%	(7)%
Cost of sales	(146.0)	4.8	9.3	(131.9)
Gross Profit	101.3	(2.1)	(1.0)	98.2
Gross margin %	41.0%	0.3%	1.4%	42.7%
Operating expenses	(76.2)	(0.6)	(4.1)	(80.9)
Operating profit	25.1	(2.7)	(5.1)	17.3
Operating margin %	10.1%	(0.8)%	(1.8)%	7.5%

¹ The constant currency change is calculated with reference to the prior year amount at current year exchange rates.

Adjusted Operating Profit decreased by 20% in constant currency, with a 11% impact from currency movements. Currency movements had an overall negative impact on revenue, gross profit and operating expenses, but a positive effect on cost of sales year-over-year.

Net finance expense

Adjusted Net Finance Expense was £7.8m (2024: £11.3m).

During the year, we substantially reduced our net debt from £93.5m to £41.5m. This reduction in net debt, together with a reduction in applicable interest rates in the second half of the year resulted in a significant reduction in finance costs related to external borrowings of £3.6m. During the year we incurred additional costs in relation to renegotiating our bank facilities, which led to an increase in financing costs of £0.3m.

Taxation

Adjusted Tax Expense for the year was £3.3m, with an Adjusted Effective Tax Rate for 2025 of 34.7%. This rate was higher than 2024 largely due to the impact of foreign exchange losses on intercompany balances which were not tax deductible. We took action to settle these intercompany balances during the second half of the year which will resolve this tax inefficiency moving forwards. Our Adjusted Effective Tax Rate is expected to reduce to circa 25% with the return to normal market conditions, as the current low profitability causes unrelieved tax losses in some parts of the Group.

The reported tax expense of £4.0m includes an additional tax liability of £0.8m for an historical under provision of tax in respect of UK transfer pricing.

Profit after tax

The Group reported a loss after tax of £11.3m compared to a loss of £9.4m in 2024. Adjusted Profit for the Year was £6.2m compared to £10.4m in 2024. As a result of decisive actions taken during the year, we have been able to protect

profitability despite the significant external headwinds explained in the Chief Executive Officer's Review.

The basic loss per share was 42.0p compared with a basic loss per share of 40.5p in 2024. Adjusted Diluted Earnings Per Share of 22.5p was compared with 42.9p in 2024. The decrease in Adjusted Diluted Earnings Per Share is primarily due to the reduction in Adjusted Profit After Tax and an increase in the number of shares in issue due to the share placement in March 2025.

Cash flows

Adjusted	2025	2024
	£m	£m
Operating profit	17.3	25.1
Depreciation, amortisation & impairment	17.4	15.8
EBITDA	34.7	40.9
Change in working capital	4.2	25.0
Other items	-	(0.3)
Operating Cash Flow	38.9	65.6
Net capital expenditure – Product development costs	(8.7)	(10.1)
Net capital expenditure – Other assets	(7.4)	(10.1)
Net capital expenditure – Government grant	1.5	-
Net interest paid	(8.1)	(12.1)
Tax paid	(3.2)	(6.6)
Other items	(1.9)	(1.5)
Free Cash Flow	11.1	25.2

Adjusted Free Cash Flow remained relatively healthy at £11.1m (2024: £25.2m). Adjusted Operating Cash Flow totalled £38.9m, meaning we converted 225% of Adjusted Operating Profit into cash through continued tight control of working capital, particularly inventory. £8.7m was spent on product development costs, £1.4m less than last year as a smaller proportion of our ongoing investment in new products met the accounting threshold for capitalisation. Spending on other fixed assets totalled £7.4m, £2.7m less than last year as we near the end of our recent cycle of investment in infrastructure. Spending in 2025 included £6.3m spent on construction of our new manufacturing facility in Malaysia, bringing cash spending on the project to date to £13.0m. While construction is complete, final stage payments of £7.0m are due in the first half of 2026. Spending is shown net of a £0.9m landlord contribution toward leasehold improvements in the US. A grant of £1.5m was received from the US government toward the construction cost of our Silicon Valley Customer Innovation Centre. The reduction in net finance costs also led to a reduction in net interest paid of £3.9m. The lower tax paid reflects the weaker underlying financial performance.

Adjusted Operating Cash Conversion of 225% excludes the effect a one-off customer prepayment of £16.4m for 2026 deliveries.

Funding position and capital structure

Our Net Debt reduced from £93.5m at 31 December 2024 to £41.5m at 31 December 2025. We continued to prioritise the strengthening of our balance sheet in the year. This included reducing working capital particularly inventory, which reduced by £14.1m from 2024, and a successful share placing in March which raised net proceeds of £39.6m.

Our gross cash balance at the end of 2025 was £33.8m (2024: £13.9m).

At the start of the year, our revolving credit facilities totalling \$210m matured in December 2026. By the end of the year, following a year of significant debt reduction, we were able to reduce the facility size to \$130m and extend the maturity materially, with approximately \$100m maturing in June 2028 and \$30m maturing in June 2030.

The reduced facility size continues to offer ample liquidity. At December 2025, total liquidity, combining undrawn headroom in borrowing facilities and cash on deposit, totalled £51.9m.

The covenants applicable to our borrowing facilities, which are tested at each calendar quarter end, are as follows until maturity of the facility:

- Leverage ratio: Not more than 3.0x (at 31 December 2025: 1.2x)
- Interest cover: Not less than 3.0x (at 31 December 2025: 5.2x)

The Board is confident that the Group will continue to de-lever as market conditions recover until it enters its target leverage range of 0-1x Adjusted EBITDA.

The Director's assessment of going concern has involved consideration of the Group's forecast covenant position in

various scenarios, including a severe but plausible downside case. The Group is forecast to remain compliant with its covenants and have ample borrowing liquidity in all scenarios. Further details can be found in Note 1 of the consolidated financial statements. The Viability Statement is set out in the 2025 Annual Report and Accounts.

At the end of 2025, net current assets stood at £66.9m compared to £62.8m at the end of 2024. The principal changes in our working capital were the inventory reduction of £14.1m from 2024 due to further efforts taken to lower on hand inventory levels and reduction in inventory following the China factory closure and exit of RF business and the increase in contract liabilities of £16.4m due to the receipt of a large customer prepayment.

Dividends

Dividend payments were suspended in 2023. Dividends remain an important part of the Group's long-term capital allocation strategy. However, the Board believes it is in shareholders' long-term interests for debt reduction to be prioritised over shareholder distributions until net debt moves sustainably closer to our long-term leverage target range of 0-1x Adjusted EBITDA. As a result, no dividends have been declared or proposed during, or in respect of, the financial year ended 31 December 2025.

Matt Webb

Chief Financial Officer

XP Power Limited

Consolidated Income Statement

for the year ended 31 December 2025

£m	Note	Adjusted	Adjustments	2025	Adjusted	Adjustments	2024
Revenue	2	230.1	-	230.1	247.3	-	247.3
Cost of sales		(131.9)	(1.9)	(133.8)	(146.0)	(4.3)	(150.3)
Gross profit		98.2	(1.9)	96.3	101.3	(4.3)	97.0
Operating expenses							
Distribution and marketing		(55.3)	(11.0)	(66.3)	(52.1)	(6.6)	(58.7)
Administrative		(4.1)	(3.7)	(7.8)	(4.2)	(10.6)	(14.8)
Research and development		(21.5)	-	(21.5)	(19.9)	-	(19.9)
Operating profit		17.3	(16.6)	0.7	25.1	(21.5)	3.6
Net finance expense		(7.8)	(0.2)	(8.0)	(11.3)	-	(11.3)
Profit / (loss) before tax		9.5	(16.8)	(7.3)	13.8	(21.5)	(7.7)
Tax (expense) / credit	4	(3.3)	(0.7)	(4.0)	(3.4)	1.7	(1.7)
Profit / (loss) for the year		6.2	(17.5)	(11.3)	10.4	(19.8)	(9.4)
Attributable to:							
Equity shareholders				(11.4)			(9.6)
Non-controlling interests				0.1			0.2
Loss for the year				(11.3)			(9.4)
Earnings per share:							
Basic earnings/(loss) per share	5	22.5	(64.5)	(42.0)	43.0	(83.5)	(40.5)
Diluted earnings/(loss) per share	5	22.5	(64.5)	(42.0)	42.9	(83.3)	(40.4)

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

	2025	2024
Loss for the year	(11.3)	(9.4)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(2.3)	(1.8)
Exchange differences reclassified to profit or loss on disposal of foreign operation	(0.7)	-
Other comprehensive loss for the year, net of tax	(3.0)	(1.8)
Total comprehensive loss for the year	(14.3)	(11.2)
Attributable to:		
Equity shareholders	(14.4)	(11.3)
Non-controlling interests	0.1	0.1
Total comprehensive loss for the year	(14.3)	(11.2)

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

XP Power Limited

Consolidated Balance Sheet

As at 31 December 2025

£m	Note	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents		33.8	13.9
Inventories		57.0	71.1
Trade receivables		34.2	30.2
Bond receivable		48.8	39.2
Other current assets		5.9	5.6
Current income tax recoverable		1.2	0.7
Total current assets		180.9	160.7
Non-current assets			
Goodwill		72.8	73.2
Intangible assets		54.2	63.5
Property, plant and equipment		65.6	64.4
Right-of-use assets		47.8	51.8
Cash collateral		1.7	1.5
Deferred income tax assets		0.7	1.0
ESOP loan to employees		-	0.1
Total non-current assets		242.8	255.5
Total assets		423.7	416.2
LIABILITIES			
Current liabilities			
Accrued consideration		-	0.8
Current income tax liabilities		2.6	0.4
Trade and other payables		59.2	40.8
Lease liabilities		1.8	1.6
Provisions		50.1	54.0
Borrowings	6	0.3	0.3
Total current liabilities		114.0	97.9
Non-current liabilities			
Accrued consideration		1.7	0.7
Borrowings	6	76.7	108.6
Deferred income tax liabilities		7.9	9.1
Provisions		1.2	1.3
Lease liabilities		49.6	52.7
Total non-current liabilities		137.1	172.4
Total liabilities		251.1	270.3
NET ASSETS		172.6	145.9
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		110.8	71.2
Merger reserve		0.2	0.2
Share-based payments reserve		3.3	3.1
Translation reserve		(5.6)	(2.6)
Other reserve		10.1	8.6
Retained earnings		53.3	64.8
		172.1	145.3
Non-controlling interests		0.5	0.6
TOTAL EQUITY		172.6	145.9

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

XP Power Limited

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

£m	Share capital	Merger reserve	Share-based payment reserve	Translation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2024	71.2	0.2	2.1	(0.9)	7.6	74.4	154.6	0.7	155.3
Exercise of share-based payment awards	-	-	(0.9)	-	0.9	-	-	-	-
Share-based payment expenses, net of tax	-	-	1.9	-	-	-	1.9	-	1.9
Dividends paid	-	-	-	-	-	-	-	(0.2)	(0.2)
Future acquisition of non-controlling interest	-	-	-	-	0.1	-	0.1	-	0.1
Exchange differences on translation of financial statements of foreign operations	-	-	-	(1.7)	-	-	(1.7)	(0.1)	(1.8)
(Loss)/profit for the year	-	-	-	-	-	(9.6)	(9.6)	0.2	(9.4)
Total comprehensive (loss)/income for the year	-	-	-	(1.7)	-	(9.6)	(11.3)	0.1	(11.2)
Balance at 31 December 2024	71.2	0.2	3.1	(2.6)	8.6	64.8	145.3	0.6	145.9
Exercise of share-based payment awards	-	-	(1.7)	-	1.7	-	-	-	-
Share-based payment expenses, net of tax	-	-	1.9	-	-	-	1.9	-	1.9
Issuance of shares	39.6	-	-	-	-	-	39.6	-	39.6
Dividends paid	-	-	-	-	-	(0.1)	(0.1)	(0.2)	(0.3)
Future acquisition of non-controlling interest	-	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Exchange differences on translation of financial statements of foreign operations	-	-	-	(2.3)	-	-	(2.3)	-	(2.3)
Realisation of translation reserve upon liquidation of subsidiary	-	-	-	(0.7)	-	-	(0.7)	-	(0.7)
(Loss)/profit for the year	-	-	-	-	-	(11.4)	(11.4)	0.1	(11.3)
Total comprehensive (loss)/income for the year	-	-	-	(3.0)	-	(11.4)	(14.4)	0.1	(14.3)
Balance at 31 December 2025	110.8	0.2	3.3	(5.6)	10.1	53.3	172.1	0.5	172.6

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

XP Power Limited

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

£m	Note	2025	2024
Cash flows from operating activities			
Loss for the year		(11.3)	(9.4)
Adjustments for:			
- Income tax expense	4	4.0	1.7
- Amortisation and depreciation		18.8	18.7
- Net finance expense		8.0	11.3
- Share-based payment expenses		2.1	1.6
- Loss on disposal of property, plant and equipment		0.4	0.1
- Impairment loss on goodwill		-	1.4
- Impairment loss on intangible assets		5.3	0.2
- Impairment loss on right-of-use of assets		-	0.3
- Realisation of translation reserve upon liquidation of subsidiary		(0.7)	-
- Property, plant and equipment written off		-	0.2
- Unrealised currency translation loss/(gain)		2.5	(1.0)
- Provision for doubtful debts		0.1	-
Change in working capital:			
- Inventories		9.9	21.2
- Trade receivables and other current assets		(4.2)	15.4
- Trade and other payables		14.6	(8.0)
- Provisions		(0.2)	8.3
Cash generated from operations		49.3	62.0
Income tax paid, net of refund		(3.2)	(6.6)
Net cash provided by operating activities		46.1	55.4
Cash flows from investing activities			
Government grant relating to the purchase of property, plant and equipment		1.5	-
Purchases and construction of property, plant and equipment		(7.1)	(9.8)
Additions of development costs		(8.7)	(10.0)
Additions of software and software under development		(0.3)	(0.3)
Purchase of bond receivables		(11.7)	-
Bond premium paid		(0.7)	-
Proceeds from repayment of ESOP loans		0.1	-
Interest received		0.2	0.1
Net cash used in investing activities		(26.7)	(20.0)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		39.6	-
Proceeds from borrowings		40.0	3.8
Repayment of borrowings		(67.3)	(23.4)
Principal payment of lease liabilities		(1.8)	(1.6)
Interest paid		(8.3)	(12.1)
Dividend paid to equity holders of the Company		(0.1)	-
Dividend paid to non-controlling interests		(0.2)	(0.2)
Bank deposits pledged		(0.3)	-
Net cash provided by/(used in) financing activities		1.6	(33.5)
Net increase in cash and cash equivalents		21.0	1.9
Cash and cash equivalents at beginning of financial year		13.9	12.0
Effects of currency translation on cash and cash equivalents		(1.1)	-
Cash and cash equivalents at end of year		33.8	13.9

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. Basis of preparation

This financial information is presented in Pounds Sterling and has been prepared in accordance with the provisions of the Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

XP Power Limited (the "Company") is listed on the London Stock Exchange and incorporated and domiciled in Singapore. The address of its registered office is 19 Tai Seng Avenue, #07-01, Singapore 534054.

The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2025. The financial information for the year ended 31 December 2024 is derived from the XP Power Limited statutory accounts for the year ended 31 December 2024, which have been delivered to the Accounting and Corporate Regulatory Authority in Singapore. The auditors reported on those accounts; their report was unqualified. The statutory accounts for the year ended 31 December 2025 will be finalised based on the financial information presented by the Directors in this earnings announcement and will be delivered to the Accounting and Corporate Regulatory Authority in Singapore following the Company's Annual General Meeting.

While the financial information included in this earnings announcement has been computed in accordance with SFRS(I) and IFRS as issued by the IASB, this announcement does not itself contain sufficient information to comply with SFRS(I) and IFRS as issued by the IASB. The Company expects to publish full financial statements that comply with SFRS(I) and IFRS as issued by the IASB.

Going concern

Overview of liquidity

The Group has available to it a Revolving Credit Facility (RCF) of \$130m with approximately \$100m maturing in June 2028 and \$30m maturing in June 2030 and therefore the whole facility is committed throughout the minimum period for which going concern is assessed, which is 12 months from the date of signing these financial statements.

At 31 December 2025, the Group had drawn down \$106m (£79m) from the RCF, leaving undrawn facility headroom of \$24m (£18m). The Group has been in compliance with the associated covenants, which are leverage ratio (Net Debt: Adjusted EBITDA) of not more than 3:00 and interest cover (Adjusted EBITDA: Adjusted Net Finance Expense) of not less than 3.00. Each covenant is tested quarterly.

Approach to going concern review

As part of its going concern review, the Group has developed both base case and downside case financial scenarios, with the latter representing a severe but plausible downside scenario, assessing forecast liquidity and covenant compliance in each case.

The key assumption in these scenarios was revenue, particularly revenue beyond the initial circa six-month period for which the business already has visibility via existing sales orders. Revenue beyond this initial period will be determined by, amongst other things, the timing of the semiconductor upcycle and general global macroeconomic conditions.

The Group remains fully compliant with its financial covenants and maintains adequate liquidity in both Base and Downside Case under those scenarios.

Outcome of downside scenario

The downside case assumes a 2% decline in revenue between 2025 and 2026 due largely to reduced sales to China following the expiry of available export licences. The downside case assumes no broader market recovery to compensate for this, which is expected in the base case.

The lowest point of headroom in the Leverage Ratio covenant in this scenario was at 31 March 2026. EBITDA would need to fall c.51% short of expectations in the period 1 January to 31 March 2026 for a breach to occur. The lowest point of headroom in the Interest Cover covenant was at 31 December 2026. EBITDA would need to fall c.46% short of expectations in the period 1 January to 31 December 2026 for a breach to occur. c.51% of 2026 Downside Case revenue is now covered by firm orders in hand.

Conclusions

The Directors are confident that the base case and downside case provide an appropriate basis for the going concern assumption to be applied in preparing the financial statements, while recognising more modest headroom in the severe but plausible case. In both cases, the Group remains in full compliance with its financial covenants and with ample liquidity throughout the going concern assessment period.

Therefore, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group, therefore, continues to adopt the going concern basis in preparing its consolidated financial statements.

2. Segmental reporting

The Group is organised on a geographic basis. The Group's products are a single class of business; however, the Group is also providing information in respect of sales by end market to assist the readers of this report.

The revenue by class of customer and location of the design win is as follows:

£m	Europe	North America	Asia	2025 Total	Europe	North America	Asia	2024 Total
Semiconductor Manufacturing Equipment	6.0	69.3	10.3	85.6	4.1	79.0	11.7	94.8
Industrial Technology	43.4	35.8	8.1	87.3	52.2	32.8	9.8	94.8
Healthcare	16.5	36.9	3.8	57.2	20.6	32.4	4.7	57.7
Total	65.9	142.0	22.2	230.1	76.9	144.2	26.2	247.3

Revenue of £48.6m (2024: £59.0m) is derived from a single external customer. This is attributable to the semiconductor manufacturing equipment sector across all geographical regions.

Reconciliation of segment results to loss for the year:

£m	2025	2024
Europe	14.9	18.7
North America	41.3	40.7
Asia	8.4	10.3
Segment results	64.6	69.7
Research and development	(17.3)	(16.5)
Manufacturing	(14.0)	(12.4)
Corporate cost from operating segment	(16.0)	(15.7)
Adjusted Operating Profit	17.3	25.1
Net finance expense	(8.0)	(11.3)
Adjustments – as set out below	(16.6)	(21.5)
Loss before tax	(7.3)	(7.7)
Taxation	(4.0)	(1.7)
Loss for the year	(11.3)	(9.4)

3. Reconciliation of non-statutory measures

The Group presents Adjusted Gross Profit, Adjusted Operating Expenses and Adjusted Operating Profit by adjusting for costs and profits which management believes to be significant by virtue of their size, nature, or incidence or which have a distortive effect on current year earnings. Such items may include, but are not limited to, costs associated with business combinations, gains and losses on the disposal of businesses, fair value movements, restructuring charges, acquisition related costs and amortisation of intangible assets arising from business combinations.

In addition, the Group presents Adjusted profit measures for the year by adjusting for certain tax charges and credits which represent the tax effect of Adjusting items or which management believe to be significant by virtue of their size, nature, or incidence or which have a distortive effect (shown as Tax effects of Adjusting items below).

As a result, the Group also presents certain Adjusted measures which include the consequential impact of the adjustments made in Adjusted Gross Profit and Adjusted Operating Profit and Adjusted Tax Expense/Credit. This includes Adjusted Gross Margin, Adjusted Operating Margin, Adjusted Profit Before Tax, Adjusted Profit For The Year, Adjusted Diluted Earnings Per Share, Adjusted Operating Cashflow and Cash Conversion %.

The Group uses these Adjusted measures to evaluate financial performance and as a method to provide shareholders with clear and consistent reporting. The Group also reports key financing measures which are relevant to shareholders as they are used in determining covenant compliance. These include Leverage, Interest Cover, Net Debt, Adjusted Net Finance Expense and Adjusted EBITDA.

In order to assist shareholders in understanding year-on-year trading performance excluding the translational effect of foreign currencies, we present certain performance measures in constant currency. Constant currency performance measures are calculated by translating results which were recorded in a foreign currency into the reporting currency at the actual foreign exchange rates from the comparative period.

See below for a reconciliation of all non-statutory measures to the closest statutory measure included in these financial statements.

- (i) Adjusted Gross Profit, Operating Expenses Operating Profit, Net Finance Expense, Profit Before Tax, Tax Expense and Profit

2025 £m	Gross profit	Operating expenses	Operating profit	Net finance expense	(Loss) / Profit before tax	Tax (expense) /credit	(Loss) / Profit for the year
Statutory result	96.3	(95.6)	0.7	(8.0)	(7.3)	(4.0)	(11.3)
Adjusted for:							
Restructuring costs	-	1.4	1.4	-	1.4	(0.1)	1.3
Exit from China semiconductor market	(1.4)	(0.9)	(2.3)	-	(2.3)	0.4	(1.9)
Costs relating to legal dispute	-	2.6	2.6	-	2.6	-	2.6
Amortisation of intangible assets acquired from business combinations	-	2.6	2.6	-	2.6	(0.3)	2.3
Costs relating to RF exit	3.0	5.3	8.3	0.2	8.5	(0.1)	8.4
Costs relating to China factory closure	0.3	3.7	4.0	-	4.0	-	4.0
Historical under provision of tax	-	-	-	-	-	0.8	0.8
Total adjustments	1.9	14.7	16.6	0.2	16.8	0.7	17.5
Adjusted result	98.2	(80.9)	17.3	(7.8)	9.5	(3.3)	6.2

Adjusted Gross Margin is the Adjusted Gross Profit expressed as a percentage of revenue. Adjusted Operating Margin is the Adjusted Operating Profit expressed as a percentage of revenue.

The historical tax adjustment relates to additional tax potentially due in the UK relating to prior year following a transfer pricing change. The current year impact of the correction is reflected in the underlying results for 2025.

2024 £m	Gross profit	Operating expenses	Operating profit	Net finance expense	(Loss)/ profit before tax	Tax (expense) /credit	(Loss)/ profit for the year
Statutory result	97.0	(93.4)	3.6	(11.3)	(7.7)	(1.7)	(9.4)
Adjusted for:							
Restructuring costs	-	2.3	2.3	-	2.3	(0.5)	1.8
Exit from China semiconductor market	4.3	2.4	6.7	-	6.7	(0.8)	5.9
Costs relating to legal dispute	-	7.6	7.6	-	7.6	-	7.6
Amortisation of intangible assets acquired from business combinations	-	3.1	3.1	-	3.1	(0.4)	2.7
Global supply chain transformation	-	1.6	1.6	-	1.6	-	1.6
Bid defence costs	-	0.2	0.2	-	0.2	-	0.2
Total adjustments	4.3	17.2	21.5	-	21.5	(1.7)	19.8
Adjusted result	101.3	(76.2)	25.1	(11.3)	13.8	(3.4)	10.4

(ii) Adjusted Operating Cash Flow and Conversion %

£m	2025	2024
Cash generated from operations	49.3	62.0
Adjusted for cash flows in respect of:		
Restructuring costs	0.9	1.1
Costs relating to legal dispute	0.5	1.6
Global supply chain information	-	0.9
Costs relating to RF exit	1.3	-
Costs relating to China factory closure	3.3	-
One-off customer prepayment	(16.4)	-
Adjusted Operating Cash Flow	38.9	65.6
Adjusted Operating Profit	17.3	25.1
Adjusted Operating Cash Conversion	225%	261%

(iii) Adjusted EBITDA

£m	2025	2024
Operating profit	0.7	3.6
Adjusted for:		
Depreciation	8.8	8.8
Amortisation	10.0	9.9
Impairment	5.3	1.9
EBITDA	24.8	24.2
Adjusted for:		
Restructuring costs ¹	1.4	2.0
Exit from China Semiconductor market ²	(2.3)	5.3
Costs relating to legal dispute	2.6	7.6
Global supply chain transformation	-	1.6
Costs relating to RF exit ³	4.2	-
Costs relating to China factory closure	4.0	-
Bid defence costs	-	0.2

Adjusted EBITDA	34.7	40.9
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¹ Restructuring costs for 2024 does not include £0.3m of impairment loss on Rights-of-used assets which has already been adjusted as part of the impairment adjustment above;

² Exit from China Semiconductor market for 2024 does not include £1.4m of impairment loss on goodwill which has already been adjusted as part of the impairment adjustment above;

³ Costs relating to RF exit does not include £4.1m of impairment loss on intangible assets which has already been adjusted as part of the impairment adjustment above.

(iv) Net Debt

£m	2025	2024
Borrowings:		
Current	0.3	0.3
Non-current	76.7	108.6
Total borrowings	77.0	108.9
Cash and cash collateral:		
Cash at bank and on hand	33.6	13.8
Short-term bank deposits	0.2	0.1
Cash collateral	1.7	1.5
Total cash and cash collateral	35.5	15.4
Net Debt	41.5	93.5

(v) Leverage ratio (Net Debt: Adjusted EBITDA)

£m	2025	2024
Net Debt (Note 3(iv))	41.5	93.5
Adjusted EBITDA (Note 3(iii))	34.7	40.9
Leverage Ratio (Net Debt: Adjusted EBITDA)	1.2x	2.3x

(vi) Interest Cover (Adjusted EBITDA: Adjusted Net Finance Expense)

£m	2025	2024
Adjusted EBITDA (Note 3(iii))	34.7	40.9
Net finance expense	8.0	11.3
Adjusted for:		
Amortisation of financing costs	(1.1)	-
Costs relating to RF exit ¹	(0.2)	-
Conformed net finance expense	6.7	11.3
Interest Cover (Adjusted EBITDA: Adjusted Net Finance Expense)	5.2x	3.6x

¹ Costs relating to RF exit consists of the impairment of capitalised borrowing costs previously recognised.

Conformed Net Finance Expense reflects the definition of interest used to calculate Interest Cover for our borrowing facility covenants.

4. Income taxes

£m	2025	2024
Singapore corporation tax:		
- current year	1.5	0.3
Overseas corporation tax:		
- current year	3.3	1.6
- over provision in prior financial year	-	(0.1)
Withholding tax	0.1	0.1
Current income tax	4.9	1.9
Deferred income tax:		
- current year	(0.9)	(0.2)
Tax expense	4.0	1.7

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions at the balance sheet date.

The differences between the total income tax expense shown above and the amount calculated by applying the standard rate of Singapore income tax rate to the profit before income tax are as follows:

£m	2025	2024
Loss before income tax	(7.3)	(7.7)
Tax on profit at standard Singapore tax rate of 17% (2024: 17%)	(1.2)	(1.3)
Tax incentives	(0.5)	(0.3)
Higher rates of overseas corporation tax	(2.2)	(0.3)
Non-deductible expenditure	1.9	1.4
Non-taxable income	(0.3)	(0.3)
Deferred tax effect of change in tax rate	0.1	(0.1)
Deferred tax asset on tax losses and wear and tear allowances not provided for	5.3	2.6
Under / (over) provision of tax in prior financial years	0.8	(0.1)
Withholding tax	0.1	0.1
Tax expense	4.0	1.7

The tax expense reflects an effective tax rate of negative 55% (i.e. a tax charge on the loss before income tax) primarily due to unrelieved tax losses in some jurisdictions.

5. Earnings per share

Reconciliation to compute the Adjusted Earnings Per Share is as per below:

£m	2025	2024
Loss after tax attributable to equity holders of the Company	(11.4)	(9.6)
Restructuring costs	1.3	1.8
Exit from China Semiconductor market	(1.9)	5.9
Costs relating to legal dispute	2.6	7.6
Amortisation of intangible assets acquired from business combination	2.3	2.7
Costs relating to RF exit	8.4	-
Costs relating to China factory closure	4.0	-
Global supply chain transformation	-	1.6
Bid defence costs	-	0.2
Historical tax correction	0.8	-
Adjusted Earnings	6.1	10.2
Number of shares		
Weighted average number of shares for the purposes of basic earnings per share (thousands)	27,122	23,720
Effect of potentially dilutive share options (thousands)	4	60
Weighted average number of shares for the purposes of dilutive earnings per share (thousands)	27,126	23,780
Earnings/(loss) per share:		
Basic	(42.0)p	(40.5)p
Basic Adjusted*	22.5p	43.0p
Diluted	(42.0)p	(40.4)p
Diluted Adjusted*	22.5p	42.9p

6. Borrowings

The covenants attaching to the RCF are set out in Note 3.

The borrowings are repayable as follows:

£m	2025	2024
On demand or within one year	0.3	0.3
In the second year	56.3	108.6
In the third year	-	-
In the fourth year	20.4	-
Total	77.0	108.9

All loan covenants have been complied with as at 31 December 2025.

7. Foreign exchange rates

Exchange rates applied in these financial statements are the average for the twelve-month period for Income Statement items (including £1/USD1.3156, £1/€1.1717, £1/SGD1.7215) and are the closing rate for Balance Sheet items (including £1/USD1.3445, £1/€1.1454, £1/SGD1.7290 at 31 December 2025).

8. Principal risks and uncertainties

Responsibility

The Group has well established risk management processes to identify and assess risks. The Group's principal risks are regularly reviewed by the Board and are mapped onto a risk universe from which risk mitigation or reduction can be tracked and managed. This helps facilitate further discussions regarding risk appetite and draws out the risks that require a greater level of attention.

Disruption to manufacturing risks

An event that results in the temporary or permanent loss of a manufacturing facility could result in the Group being unable to sell products to customers. This could include fire, flood, infectious disease or climate-related events.

Reliance on a single Asian manufacturing site in Vietnam, following the closure of our manufacturing plan in China, combined with the commissioning of a new site in Malaysia, may lead to operational disruption, capacity constraints or delays.

As the Group manufactures approximately 80% of revenues, this would cause a short-term loss of revenues and profits and disruption to our customers and therefore would risk reputational damage.

Risk mitigation – We have disaster recovery plans in place for both facilities. We hold inventory in sales markets to meet short-term demand in the event of disruption.

We have epidemic control and prevention measures that can be introduced at all facilities in line with local guidelines and regulations.

Our key facilities are owned or on long-term leases and we have business interruption insurance in place.

Supply chain risks

The Group is dependent on retaining its key suppliers and ensuring that deliveries are on time and materials supplied are of an appropriate quality.

As the Group makes significant use of its Asian manufacturing footprint to supply US and European markets, it is exposed to any risks relating to threats to global shipping. While alternative routes by sea or air freight can be used, these would come with a time or cost impact.

Some key product components remain on relatively long lead times, increasing the risk of shortages at the point of manufacture.

Poor supplier conduct can negatively impact the business by damaging our reputation, leading to legal liabilities, and increasing costs due to supply chain disruptions.

Risk Mitigation – Components are dual sourced wherever possible.

Appropriate amounts of safety inventory of key components are held and these levels are regularly reviewed with reference to demand and lead times.

We monitor risks to our established transport routes, developing contingency plans and ensuring our customers are kept aware of issues and implications.

Our delegation of authority ensures appropriate review and approval of purchasing decisions.

Market/customer-related risks

The semiconductor market represents a significant percentage of Group revenue and is inherently cyclical.

A material proportion of the Group's revenue is derived from its largest customers. Demand for our products may be impacted by gains or losses of business with them, or changes in their inventory levels of our products.

Inherent cycles in the Semiconductor Manufacturing Equipment market could significantly impact the Group's revenue, profitability and financial condition, both positively and negatively, leading to unexpected changes in financial

performance. Losing key customers, could materially impact the Group's financial performance.

Risk mitigation - Staying close to our key customers and understanding the end-market to provide visibility of likely market movements.

The Group maintains conservative leverage to accommodate any cyclicalities.

We ensure the business is sufficiently diversified by sector to balance cyclicalities in any one sector.

The Group focuses on providing excellent service. Customer complaints and non-conformances are reviewed monthly by members of the Executive Leadership team.

While visibility of customer inventory levels is naturally limited, our sales teams discuss this with customers wherever possible and reflect it in their demand projections.

Product-related risks

A product recall due to a quality or safety issue would have serious repercussions to the business in terms of potential cost and reputational damage as a supplier to critical systems.

Failure to develop new products or to not respond to new disruptive products/technologies would impact the Group's future revenue stream.

Transferring facilities, equipment, and processes between factories disrupts production, affects quality and impacts customer deliveries.

Risk mitigation – We perform 100% functional testing on all own-manufactured products and 100% hi-pot testing, which determines the adequacy of electrical insulation. This ensures the integrity of the isolation barrier between the mains supply and the end user of the equipment. We also test all the medical products that we manufacture to ensure the leakage current is within the medical specifications.

We prioritise investment and work closely with our customers to ensure that our product offering remains market-leading.

The Group implements standardised business processes to ensure consistency, efficiency and compliance across business units.

IT/data risks

The Group is reliant on information technology in multiple aspects of the business from communications to data storage. Assets accessible online are potentially vulnerable to theft and customer channels are vulnerable to disruption. Any failure or downtime of these systems or any data theft could have a significant adverse impact on the Group's reputation or its ability to operate. Further, incomplete or inaccurate data can lead to poor decision making.

Sub-optimal use of AI could lead to missed opportunities for efficiency and innovation, or introduce new risks, including data quality, bias and compliance issues.

Risk mitigation – The Group's defined Business Impact Assessment identifies key information assets, replication of data on different systems or in the Cloud, an established backup process in place and robust cybersecurity protection on our networks.

Internally produced training materials are used to educate users regarding good IT security practice and to promote the Group's IT policy.

A large proportion of the Group uses a single unified ERP platform with standardised processes, comprehensive training, and robust financial reporting controls, supported by an experienced management team and effective governance mechanisms.

The Group has cybersecurity insurance in place and has established a Cyber Security Steering Committee and a Cyber Security Roadmap to strengthen governance and guide the implementation of additional security initiatives.

Funding/Treasury risks

The Group is reliant on external bank funding and needs to comply with the related covenants. The Group could find itself in breach of banking covenants and lose access to its funding.

Changes in interest rate impacts the interest payments and charges.

The majority of the Group's sales and material purchases are in US dollars, creating a natural transactional hedge. However, a minority of sales and costs are denominated in other currencies, exposing the Group to some transactional risks. The Group faces translation currency risk from reporting in sterling. This could lead to material adverse movements in reported earnings and cash flows.

Risk mitigation - The Group has set a clear and conservative leverage policy and performs detailed and regular cash forecasting to ensure the leverage targets are met.

The Group reviews balance sheet and cash flow currency exposures and, where appropriate, uses forward exchange contracts to hedge these exposures. The Group does not hedge any translation of its subsidiaries' results to sterling for reporting purposes.

The Group seeks to restructure intercompany loans to eliminate translation currency risk.

Legal & regulatory risks

The Group operates in multiple jurisdictions with applicable trade and tax regulations that vary. The Group ships product internationally, both in terms of the internal supply chain and from third party supplier and to end customers and also transfers manufacturing from North America to Asia locations. Compliance with export laws is critical. Failing to comply with local regulations could impact the profits and reputation of the Group and its ability to conduct business.

Intellectual property in terms of product design is an important feature of the power converter industry.

The effective tax rate of the Group is affected by where its profits fall geographically. The Group's effective tax rate could therefore fluctuate over time and have an impact on earnings and potentially its share price. It could also fluctuate if an efficient tax structure is not maintained.

New export controls may limit our ability to serve some customers. Failure to adhere to export compliance controls could lead to financial penalties.

Risk mitigation – The Group hires employees with relevant skills and uses external advisers to keep up to date with changes in regulations and to remain compliant.

The Group uses external specialists to mitigate tax exposures and stay up to date with legislative requirements.

The Group uses global trade compliance software to monitor transactions.

An outsourced internal audit function provides risk assurance in targeted areas of the business and recommendations for improvement. The scope of these reviews includes behaviour, culture, and ethics.

The Group establishes clear healthy and safety policy and procedures.

The Group has implemented new software to monitor changes in global trade restrictions.

People-related risks

The future success of the Group is substantially dependent on the continued services and continuing contributions of its Directors, senior management, and other key personnel. The loss of key employees could have a material adverse effect on the Group's business.

A decline in employee morale and engagement, could have a significant impact on productivity and business performance.

Organisational design may hinder clear ownership and effective decision making.

Fraudulent and unethical behaviour could have negative reputational impact and cause financial loss to the Group.

Risk mitigation – The Group undertakes performance evaluations and reviews to help it stay close to its key personnel. Where appropriate, the Group also makes use of financial retention tools such as equity awards.

The Group focuses on training, upskilling, and career progression opportunities for employees. In addition, the Group holds an annual employee survey to assess engagement and identify improvement actions.

The Group delivers annual Code of Conduct training.

Climate-related risks

The Group is exposed to climate related risks that can have a negative impact on the business. Severe weather could affect our own locations or the supply chain. Not meeting net zero targets may cause reputational damage and reduced revenue.

Significant harm to the environment resulting from inadequate controls.

Risk Mitigation – Ensure we maintain as flexible a manufacturing footprint as possible to allow us to respond any single-site disruption. We look to have dual-sourced supplies for material purchases and conduct regular review of safety inventories to ensure we have sufficient stocks.

We put relevant policies and KPIs to ensure environmental targets are deliverable.

We have procedures in plants to avoid damage to the surrounding environment.

8. Responsibility Statement

The statements below have been prepared in connection with the Company's full Annual Report and Accounts for the year ended 31 December 2025. Certain parts are not included in this announcement.

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

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

- that the balance sheet of the Company and consolidated financial statements of the Group, are drawn up in accordance with the applicable set of accounting standards, to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group for the year ended 31 December 2025; and
- the Annual Report and Accounts includes a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties they face.

This announcement was approved by the Directors on 2 March 2026.