

30 January 2026

LPA GROUP PLC

("LPA", the "Company" or the "Group")

Final Results for year ended 30 September 2025

LPA Group plc, the innovation-led engineering specialist in electronic and electro-mechanical components and systems, is pleased to announce its Final Results for the year ended 30 September 2025.

Financial Highlights

	2025	2024
	£000	£000
Order Entry	28,770	17,259
Order Book	32,498	25,274
Revenue	21,546	23,546
Operating Loss	(592)	(626)
Adjusted EBITDA*	(50)	840
Loss before Tax	(602)	(593)
Basic Loss Per Share	(2.64)p	(2.46)p
Gearing**	21.5%	13.1%

* Adjusted EBITDA is Operating Loss before Share Based Payments, Negative Goodwill, Non-recurring items, Depreciation and Amortisation

** Net Debt as a % of Total Equity

Operating Highlights

New Chief Executive Officer: Philo Daniel-Tran joined the Group on 2 January 2025.

Acquisition: Successful acquisition of Eaton's Powertron business in March 2025, followed by the integration of the business into the Group.

Market diversification: Increased revenue from Aviation, Aerospace and Defence to 28% (previously 25% in 2024 and 20% in 2023).

"One LPA": Since January 2025, the Group has focused on streamlining and consolidating functions across all sites to be a more operationally effective business. Through the reorganisation, LPA Group has eliminated the divisional structure and created a unified company under the "One-LPA" vision, leveraging capabilities groupwide and creating a solid foundation to accelerate growth.

Rebrand and new Executive team: The Group has also energised its executive team with new appointments, and together with our rebrand, it resets our strategic focus on innovation, quality and delivery of cost-effective engineering solutions globally.

Delivering profitability: The reorganisation and harmonisation into a unified multisite group is already yielding impressive results. For the first time in over four years the business was profitable in the first quarter. This progress gives us confidence that we will align with expectations for this fiscal year.

Robert B Horvath – Chairman commented:

“This has been a formative year for the LPA Group as we rebalanced, restructured and refinanced the Company. We secured £28m of new orders, a large part of which will be deliverable in 2026. We have focused on operational resilience, reducing the back orders and getting product out to our customers, on time and in full. We traditionally have a stronger second half of the year but for the first time in 4 years we can see our business plan bearing fruit as we have started 2026 on budget and profitable.

Philo Daniel-Tran, our CEO has worked hard to re-energise the business; and her work and that of her team is being rewarded. We have made significant changes within our senior leadership teams and this transition is now largely complete. Our Sales and Marketing team are proactively identifying opportunities, and in collaboration with our Technical and Engineering teams, are delivering innovative solutions to our global network of customers. The UK rail market is stabilising as Great British Railways (GBR) is more than halfway through its acquisition of the operating companies. Aerospace and Defence is now 28% of our turnover and rising - 3 years ago it was 13%. The Board’s strategy to rebalance the business emphasising products rather than projects is the right one and the recent acquisitions will support this.

Although our gearing has increased because of the 2025 losses, it is still low. The balance sheet remains strong, our headroom, post the refinancing, is comfortable to withstand the slow payment of some of our major customers. The near-term pipeline visibility is good, and we are looking forward to 2026 with optimism and enthusiasm.”

Enquires:

LPA Group plc

+44 (0) 1799 512 800

Robert B Horvath, *Chairman*

Philo Daniel-Tran, *Chief Executive Officer*

Stuart Stanyard, *Chief Financial Officer*

Cavendish Capital Markets Ltd (Nominated Advisor and Broker) +44 (0) 20 7220 0500

Corporate Finance

Ed Frisby / Elysia Bough / Joe Smith

Corporate Broking

Tim Redfern

About LPA

LPA Group plc (AIM: LPA) is an innovation-led engineering specialist in electronic and electro-mechanical components and systems.

Focused on transport (rail and aviation), aerospace, defence, infrastructure and industrial markets and supplying into hostile and challenging environments, LPA is known for engineering solutions to improve product reliability, reducing maintenance and life cycle costs.

LPA Group Plc

The Group has four sites across the UK, selling to customers in the UK and overseas. Three of these are design and manufacturing sites: Saffron Walden, Essex - electro-mechanical systems for rail, aviation and industrial; Knapwell, Cambridge – power supplies for the rail market, Normanton, Yorkshire - LED lighting and electronic systems for rail and infrastructure. The fourth site is Newbury, Berkshire - value-added distribution of engineered components for rail, aerospace and defence.

With over 150 years of UK design and manufacture, and with origins in the first ever light installed in 'Electric Avenue', Brixton; innovation is core to LPA and to the products and services supplied to our customers worldwide.

For more information visit www.lpa-group.com

STRATEGIC REPORT

Chairman's Statement

Introduction

The year ending September 2025 marked a significant paradigm shift with the transformation of LPA into a single business entity. It was never going to be an easy task and I am pleased to report the work is almost complete. Our recently appointed CEO, Philo Daniel-Tran, took on the challenge with energy and her passion and commitment to delivering the business plan was soon apparent. Recovering from the shortfall in sales before coming into post was always going to be a big ask but the progress in the second half has been rapid and the start of this new financial year is encouragingly on track and demonstrating good profitability.

Reducing and redistributing the managerial overhead focusing on our sales and customers has delivered £28.8m of orders in 2025, a great deal of which is being delivered in the coming financial year. We are achieving this through our new organisational structure as our two principal manufacturing facilities are now controlled by a Group Operations Director working closely with the Group Technical Director. Sales and Marketing is no longer siloed and is working comprehensively across all the product lines with a clear path for group wide customer relationship management. The investment in our new ERP systems is driving new benefits in operational planning, stock control and delivery especially as with the growth in Aerospace and Defence we will be manufacturing more product lines in the future through our existing factories. Our goal in 2026 will be to turn the Saffron Walden factory into a centre of excellence.

We negotiated the transfer of the Eaton Electrical Products power supply business "Martek" in January 2025. Their power supply products are complementary to our own and will assist us in developing new products. Most applications in our marketplace require some form of controlled power supply and already our technical teams are combining their expertise to solve LPA existing customer needs.

The business plan has always been about less dependency on rail and on major projects within rail. We need to keep the manufacturing facilities busy with creating off the shelf product for daily demand and paying the fixed overhead costs. We do value projects and we will work with our customers to deliver new projects. A good example is the new rolling stock for the TFL Deep Tube Upgrade project, which is now well into production, and we are working with our customer to meet their revised delivery schedules. This work was won in 2022. We are now also beginning discussion about the follow-on project for the next underground train line rolling stock. These long-term projects will create the order volumes we need to enhance our earnings and enable us to plan and scale up as required.

Aerospace and Defence is a growing market for LPA and we have a number of significant opportunities that will balance our historical reliance on the Rail market. We have seen significant demand for our Aviation products following a proactive nurturing of our customer base, leading to customer focused product development plans for the global market. This means our inventory has increased to cover our expanded product lines.

We have worked hard to run the business within our existing facilities but the pace of our growth has caused strain on our liquidity after previous year's losses. Our preference, and that of our advisors was to solve our growth plan with new Equity (and perhaps increase liquidity through institutional investment). However we could not find an acceptable solution with our largest shareholder; so we have refinanced the business with debt. This refinance was completed in January 2026 through a 3-year revolving credit and a CID (customer invoice discounting) facility with Arbuthnot. This facility will create circa £2m of headroom of banking facilities for us to expand more quickly and to manage growth while we generate cash profits in the future to repay the debt.

Shareholders and Investors

We have started an active campaign to reach out and communicate our long-term plans to more of our shareholders; inviting many to visit our facilities and understand our products. For those that cannot take up this offer I would like to highlight the investor presentations made by our Executive Directors that are regularly posted on our website. They focus on who we are, our technology, our strong order book, global reach and passionate staff. We will deliver shareholder value in line with our vision and mission and our continuing commitment to our reputation. We are planning to restore our dividend in the near future.

Pension fund

The government are recognising that some schemes have overfunded their pension liabilities and there are surpluses which could be more usefully used in the business to support growth and opportunity. We have such a fund and as soon as the pathway is clear we shall recoup some of our surplus funding to reduce our borrowings.

Board and Management, Employees

We are a small business and striving to get the balance right by basing our reward mechanisms on more moderate salaries and increasing the performance related elements in our remuneration packages. We have held back salary increases for our managers and senior staff over the last 2 to 3 years. We need to encourage, promote and train our staff to be better managers and we have a programme of recruitment focused on apprentices and young engineers which we need to expand and develop. The substantial impact of inflation over the last 18 months is evident and the Remuneration Committee have instigated a more reward-based mechanism based on performance and results. This will be reflected in 2026.

I express my thanks to all our employees, past and present, for their hard work and diligence during 2025 and for their commitment to our future.

Board

Board members' biographies and relevant experience are set out within Company Information on Page 34 of the Annual Report and are published on the Group's website www.lpa-group.com.

Philo Daniel-Tran (CEO) heads up the Executive Team and together with the Group CFO Stuart Stanyard are the Group Board Executive Directors. Andrew Jenner, as Senior Independent Director, and Chair of the Audit Committee has been in post throughout the year under review as has Gordon Wakeford who is Chairman of our Remuneration Committee.

Outlook

We still have major projects to bid for particularly in the rail industry and specifically for the roll out of new underground train sets; but these will always be dictated by our customer's scheduling needs. Our belief is that these project wins should be on top of creating sustainable products that can be sold month in month out. The aftercare market in rail is an important one to us and the bedrock of the current business product lines.

The great work done in 2025 to build up our order book has created a platform for us to be confident that our sales targets for 2026 are realistic and we have started the new year well on budget and for the first time in 4 years the first quarter has shown good profitability. We will continue to drive our order books, create opportunities with new products and work hard to keep our factories efficient.

Robert B Horvath

Chairman

Chief Executive Officer's Review

Introduction

It has been a privilege to take on the role of CEO at LPA Group plc in Q2 of FY25, continuing our 160-year legacy. In FY25, LPA Group focused on reshaping the business for efficiency and growth through a group-wide reorganisation under the "One-LPA" vision. This transition eliminated the divisional structure and established a unified company led by a new executive team overseeing functional departments.

The "One-LPA" vision merges the existing divisions - LPA Connection Systems, LPA Lighting Systems, and LPA Channel Electric, along with the Martek Power acquisition, creating a cohesive identity that showcases the Group's expertise.

Throughout 2025, LPA Group strategically repositioned itself to emphasise the importance of Aviation, Aerospace, and Defence, which now comprise 28% of the business alongside the Rail market.

Our improved performance and delivery in the second half of FY25 highlights the resilience of our multisite operations and the trust we've built with our customers. Our team's passion and dedication will continue to drive growth and deliver value in FY26.

LPA has a strong heritage defined by agility and innovation over the decades. Our focus for the second to fourth quarter of FY25 has been to return the business to that core ethos and innovative spirit, which forms the foundation of the strategy and vision I have shared with my executive team. Our diversification strategy, focusing on market adjacencies and innovation, will allow us to confidently navigate market dynamics, even in the face of the uncertain global political landscape.

We have concentrated on continuous improvement, technical and engineering rigour, and utilising our ERP (Enterprise Resource Planning) system's capabilities to enhance supply chain integrity, product quality, and reliability throughout FY25.

FY25 strategic priorities also included improved intergroup and customer communication, harmonisation of our IT infrastructure and systems, and a rebrand to align with our revised vision, mission and values.

Our target for profitable growth has started to deliver favourable results from the fourth quarter of FY25 into the first quarter of FY26. Ongoing product rationalisation of acquired and existing products, together with innovation for product enhancement, is opening doors to new opportunities across all our market sectors with new and existing customers.

Markets

Aerospace and Defence was below our expectation in FY25, with main manufacturers' building rates such as Spirit paused because of the Boeing/Airbus takeover of the Belfast based business. With the Airbus takeover of the Spirit A220 wings programme that relates to LPA now finalised we expect a ramp up of builds in 2026, from 118 aircraft per year to 140 aircraft per year.

LPA is working closely with the emerging eVTOL (electric vertical takeoff and landing) and new airline manufacturers, and we are supporting the delivery of new engineered solutions, focusing on driving down weight as well as increasing power delivery from source to propulsion. Supporting and being 'designed in' to these prototypes will support growth for LPA products in the coming years as they get formally certified and go into production.

FY25 has been a successful year for Defence land vehicle solutioning, and we see significant opportunities in both new and refurbishment projects in this sub-sector.

Aviation products include the Plane Power connector range for Ground Support Units, the cable carrier systems (crocodiles) and the Red Box power supply range. In 2025 we aimed to improve our supplier quality for the aviation Plane Power connectors, which has now been restored to the superior world-class product that it is with OTD (on time delivery), and we will benefit further in 2026. The Red Box acquisition

has enabled us to open new market channels and have ongoing conversations with our distributors and customers. We are systematically enhancing the Red Box product range based on customer demand and releasing a newly enhanced range to the market. Building on this success, our engineering team will continue the development of the aviation range with new product features to be released in 2026.

Rail aftercare projects in the UK have slowed as we await new funding decisions and subsequent investment, especially with uncertainty around GBR (Great British Railways) and the renationalisation of the railways in the UK. It is pleasing, however, to see some of the existing project wins finally moving into production and output into 2026 and beyond. Delivery to Siemens for the Deep Tube Upgrade programme (DTUP) for the Piccadilly Line is now reliably ramping up. DTUP is an important infrastructure programme for London that should extend into new fleets for the Bakerloo and Central lines over the next few years. Rail exports represent 50% of the Group's rail revenue, and we continue to secure opportunities across international markets.

Our business development presence in the DACH region has successfully driven growth and captured opportunities across German-speaking and Eastern European markets, working directly with customers like Stadler and Newag with support from our regional distributors. We will further enhance our business development capabilities in global growth markets in 2026.

Our LED lighting and electronics business, together with our newly acquired power converter business, are developing new electronics and software technology products for customers for train doors, sleeping cabins and seat manufacturers.

Industrial and Infrastructure market progression was mostly achieved through our niche range of specialist electrical 'Niphan' connectors, which continues to broaden its applicability to new engineering projects and has gained approvals in infrastructure that over the coming years are expected to lead to modest increases in volume. This is coupled with costing in engineering work in supply chain to support margins & capacity as volumes increase.

Strategic Innovation Outlook

We continue to make significant progress as we invest in long-term success. Increasing investments in core technologies of connectivity, digital and power electronics (via our acquisition of Martek Power converter solutions from Eaton) to support customer requirements for reliability, longevity and economic value. Our commitment to supporting customers goes beyond the initial sale with lifetime service options via refurbishment contracts and new enhancements via innovative solutions such as digital.

By leveraging these core technologies, we're helping our customers navigate the evolving landscape with solutions that together with industry and academic partnerships, can deliver flexibility and improve efficiency and productivity. Our diversified portfolio of increasingly solution focused products helps customers achieve their requirements for increasing availability and reliability objectives.

We have commenced enhancing our software engineering capabilities to establish and execute our digital product strategy, especially in equipment management and control applications. In FY26 we continue to cultivate a digital ecosystem together with industry and academic partnerships. Our focus will be to provide connectivity to assets to help customers improve uptime and seamlessly manage our products and solutions.

Our robust, strong balance sheet will allow us to execute the strategy for the Group over the FY26-FY28 strategic period.

Our Global Partnerships

In FY25, we reengaged our distribution network to identify longer-term strategic partners and opportunities to expand our global sales operation. We continue to offer our network of partners and suppliers support in their marketing plans for our products and solutions so that they can scale up their activity and align their performance with market demands.

Partnership is also the backbone of our Supply Chain Transformation Plan, launched during FY25 with further savings expected in FY26. We are leveraging that plan to support and advise our suppliers so that they can meet our increasingly stringent requirements. We are also focusing on supply chain resilience, supplier quality, groupwide harmonisation of suppliers, and harnessing greater buying power.

Developing our People

Supporting the career development of all team members has been a top priority for me to underpin our teams' commitment, dedication and passion for learning and innovating. Together with my leadership team, we drilled down into the existing capabilities across all functions, developing a plan to strengthen them, to ensure clear career progression and pathways, and to build effective succession planning. This initiative began in FY25 and will continue in FY26, with ongoing efforts to create individual training plans that promote personal growth and development within LPA and the industry.

LPA have been committed to a manufacturing apprenticeship programme over the past few years, with several apprentices completing and starting the programme in FY25. We are excited to launch the LPA STEM (Science, Technology, Engineering and Maths) Ambassadors Outreach Programme in January 2026, which together with strategic partnerships with local secondary schools, will attract and retain the next generation of talent in STEM fields.

Committed to our Communities

In FY25, we continued to have a positive impact on our communities beyond our product and solution offerings. The legacy of the LPA charity golf day was well attended, raising funds for our charities, St Claire Hospice and Dig It (Saffron Walden). This annual event is an opportunity for the LPA team to host our customers and partners across all our sectors to raise awareness and funds for these charities. In the fourth quarter of FY25 we identified additional charities aligned with each of our sites, with the Group now supporting a total of 5 local UK charities. The 3 new charities are Lifecraft (Cambridge), Newbury Cancer Care and Prince of Wales Hospice (Normanton). The LPA Charity Committee are focused on raising funds and awareness via various initiatives to support the causes the LPA community are most affected by and feel passionate about.

Our Vision for the Future

Our mission is to collaborate to help solve our customers and partners' challenges with pride and passion for our future. I am honoured and energised to lead our talented team as we build upon that tradition, to achieve our Vision to become a Global leader in the design and manufacturing of engineered solutions in our chosen market sectors.

With rising global demand for Aviation, Aerospace and Defence technologies alongside expanded opportunities to meet the world's rail new build market needs, we are well-positioned and ready to unlock opportunities in 2026 and the years ahead.

Thank you for your trust and partnership as I shape the new LPA Group. We are committed to innovating with purpose and shaping solutions that drive customer success and create lasting value for our customers and shareholders.

Philo Daniel-Tran
Chief Executive Officer

Business Model and Strategy

The LPA Group plc is a quoted Small and Medium-sized Enterprise (SME), admitted to trading on the AIM Market of the London Stock Exchange, and industry classified in the Electronic and Electrical Equipment FTSE sector.

The Group is an innovation-led engineering and manufacturing specialist in electronic and electro-mechanical systems and solutions, operating within mission and safety critical environments in rail, aviation, aerospace and defence, infrastructure and industrial markets. Significant growth markets are seen primarily in aviation, aerospace and defence, with rail providing nominal growth and baseline stability in the UK and globally. Since the reorganisation there is an increase in resources working across sites and encouraged insourcing of manufacturing for projects.

The Group has built a strong reputation for its innovation, offering cost effective solutions to customers' challenges. The group prides itself on being a global leader in specific markets with its products and solutions, which are known for their reliability and reducing maintenance and life cycle costs, with aspirations of being the technology partner for the digital transformation of our customers. Four distinct sites are operated across the UK, namely:

LPA operations	Market segment	Products, solutions, and technologies
Light & Power House Shire Hill Saffron Walden CB11 3AQ, UK Tel: +44 (0)1799 512800 connectionsistemas@lpa-group.com redbox@lpa-group.com	Electro-mechanical systems A designer and manufacturer of electro-mechanical systems and solutions to the rail, aviation, infrastructure and industrial markets. Bespoke agile manufacturing facility with high investment in machining, welding & fabrication.	Rail rolling stock and infrastructure <ul style="list-style-type: none"> • Inter-car jumpers & connection boxes • Metal plugs, sockets & harnesses • Auxiliary power systems Industrial applications <ul style="list-style-type: none"> • Metal plugs & sockets (Niphan range) • Fire-resistant connection boxes Aircraft support <ul style="list-style-type: none"> • Ground power plugs & harnesses (Plane Power) • Cable carrying systems (Crocodiles) Ground Power Units (Red Box)
Unit 22 Kingfisher Court Newbury Berkshire RG14 3SJ, UK Tel: +44 (0)1635 864886 distribution@lpa-group.com	Value Add Distribution Specialist value-add distributor of high-performance electro-mechanical products for harsh environment applications. Serving aerospace, defence and rail markets. Delivering seamless integration of distribution and engineering, design partner to our customers, from prototype to production.	Rail Depots and Rolling stock <ul style="list-style-type: none"> • Circuit breakers • Connectors • Fans & motors • Relays & contactors • Switches • USB charging units Aerospace and Defence <ul style="list-style-type: none"> • Connectors • Backshells • Cable accessories • Relays • Circuit breakers • Fans
LPA House Ripley Drive Normanton West Yorkshire WF6 1QT, UK Tel: +44 (0)1924 224100 lighting@lpa-group.com Glebe Farm Campus Knapwell Cambridge CB23 4GG, UK	Lighting and electronic systems High performance on-board electronics solutions for railway rolling stock and hazardous environment. End to end solutions from concept design through to manufacture in LPA's purpose-built facility. Power Converters Design, manufacture & support of high performance, high reliability	Rail rolling stock <ul style="list-style-type: none"> • End to end rolling stock interior lighting • Electronic control systems • Electronic monitoring systems • Light Control Unit (LCU) – dimming, ambient light control, remote condition monitoring • Seat control electronics solutions • Driver cabin audible system • Door locking systems Hazardous environment (i.e. oil & gas) <ul style="list-style-type: none"> • LED light engine

LPA Group Plc

Tel: +44 (0)1799 512800 powersystems@lpa-group.com	power supplies, DC/DC converters designed for rail applications. Supplier to all major European train builders & their tier 1 OEMs	<ul style="list-style-type: none">• Power supply integrated into explosion proof enclosures Power Converters <ul style="list-style-type: none">• Power range 10W – 500W• Applications for any electronic equipment on rail vehicles including passenger information displays, Wi-Fi, USB charging, train management system, CBTC
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Group revenues are derived from both large value medium to long term projects and smaller value shorter timescale recurring product sales, with the route to market a combination of direct and indirect. The Group partners with distributors particularly in overseas markets, although larger projects continue to require direct contact.

A wide range of leading organisations form our customer base, including Airbus, Alstom, Avanti, BAA, BAE Systems, Boeing Distribution, CompinFainsa, Downer EDI, Grammer, Heathrow Airport, Hitachi, Hubbell, ITW GSE, Kinki Sharyo, Knorr Bremse, Leonardo, Siemens, SNCF, Stadler, Spirit Aerospace, Taiwan Rolling Stock Company, Transport for London, Vertical and Zeroavia.

We aim to strengthen the Group's position globally by expanding our customer base, introducing new products and pursuing strategic acquisitions. This strategy is underpinned by our Vision, Mission, Purpose and Values as detailed below along with the strategic business planning and objectives that we set out each year.

Vision, Mission & Purpose

Vision

- To be a global leader in design and manufacturing of engineered solutions.

Mission

- Collaborating to help solve your challenges with pride and passion for our future.

Purpose

- LPA has been innovating with agility for more than 160 years. This ability to reinvent and innovate continues to drive us today, underpinned by our steadfast values and culture.

Values and Culture

Investment in our people is paramount to our success and we have created clear communication and development strategies to enhance skills and ensure that we all understand and align to Group values, culture and best practice. This is supported by the Board and Executive teams and demonstrated by their visibility and accessibility across the Group.

Our core values are promoted throughout the Group. These are set out below and published on our website www.lpa-group.com.

Core Values

- **Accountability** - whatever you do, own it and do it well.
- **Integrity** - honesty and respect are key to who we are.
- **Teamwork** - work with your colleagues not against them.
- **Courage** - believe in your ability and back yourself.
- **Respect** - treat colleagues as you would be expected to be treated yourself.

Environmental, Social and Governance

Environment. The board is committed to minimising its impact on the environment and ensuring that each of our sites provide a positive impact on their local environment. The product ranges of the Group have long been focused on long life reliability, which reduce waste and recycling for our customers. Our manufacturing sites are modern with efficient heating and ventilation systems installed that assist to minimise the carbon footprint, whilst our machinery and processes do not require overly high energy inputs, thus our CO outputs are minimised. Our manufacturing sites are certified under ISO 14001 and are carbon neutral.

Social activities and engagement with community is encouraged throughout the Group. Our annual charity golf day is a key event within the calendar and one much appreciated by attendees. Donations received are matched by the Group and used in the support of several charities. We continue to review our marketing activities to combine, where practical, business promotion with support for our local communities. In the fourth quarter of FY25 we set out to work with additional local charities chosen by the teams at each of our 4 sites, and LPA Group plc now support 5 local charities across the UK and raise funds via various initiatives to support the causes the LPA community are most affected by and feel passionate about.

Governance is outlined across our Annual Report and remains a core value of the Group, both as an AIM listed entity, but as part of the DNA of our activities. These areas have long been core to the Company. Additional areas of focus in recent years have included risks posed through digital and cyber channels. The Group maintains Cyber best practice and contracts external IT support to ensure current and constant IT support, with monitoring and prevention paramount to the continuance of our business and safeguarding of our data, assets and those of our customers and employees.

Our Corporate and Social Responsibility (CSR) policy sets out the basis on which the Group seeks to be a responsible business that meets the highest standards of ethics and professionalism. Our Group's social responsibility falls under two categories: compliance and proactiveness. Compliance refers to our Group's commitment to legality and willingness to observe community values. Proactiveness is every initiative to promote human rights, help communities, protect our natural environment and resources.

The full CSR policy is set out on the Group's website – www.lpa-group.com/investor-information/company-information/ with other key governance policies including the Group's approach to ethical trading, code of conduct, Criminal Finances Act 2017 and Whistle Blowing.

Health, Safety & Wellbeing

It is Group policy to provide and maintain healthy and safe working conditions and to consider its employees wellbeing, whilst operating in a responsible manner to the environment. The Group operates Health & Safety Committees to encourage and facilitate participation by all its employees in improvement, awareness and development of a safe working environment. Reporting of opportunities for improvement and near misses, including suggestions, observations, concerns, or potential improvements are encouraged and requested from all staff and visitors to our sites. Monthly reporting outlining all accidents or matters reported are KPIs, published through use of health & safety notice boards, together with site committee meeting activities. Each site has volunteer fire marshals and first aiders who are provided with the requisite training and a qualified health and safety representative, supported by external expertise.

The wellbeing of our staff is paramount to the Group. Provisions are in place that provide all employees and their families direct access to wellbeing, medical and advisory services, linked to our Group Life Assurance provisions.

The Group encourages employees to plan for their future and provides a defined contribution pension provision which meets or exceeds the UK's Auto Enrolment requirements. The Group also funds advisory sessions, arranges onsite access to its advisors, and facilitates induction sessions for all employees so they can discuss their retirement provisions and fully understand the benefits and options available to them within the Group's pension scheme.

Employment Policies

The importance of promoting and maintaining good communications with the Group's employees is recognised and its policy is to keep employees regularly informed on matters relating to their employment through circulars and team briefings.

Applications for employment from all, regardless of disability, ethnicity, gender or beliefs are considered without prejudice. In the event of members of staff becoming disabled or where individuals require reasonable adjustment, every effort is made to ensure that their employment with the Group continues, and that appropriate adaptation and training is provided. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Chief Financial Officer's Review

2025 Summary

- **Order entry** led sales at £28.8m (2024: £17.3m) resulting in the order book increasing to £32.5m (2024: £25.3m), an increase of 28.4%
- **Revenue** of £21.5m down 8.5% (2024: £23.5m) with Electro-mechanical revenues down £0.5m, Value add distribution revenues down £0.5m, Lighting and electronics revenues down £1.0m
- **Added Value** reduced by 0.8% at 48.7% (2024: 49.5%) as a result of product mix
- **Gross margins** 22.1% (2024: 23.3%), was slightly down due to increased labour costs
- **Adjusted EBITDA** loss of £0.1m (2024: profit of £0.8m)
- **Loss before tax** at £0.6m (2024: £0.6m)
- **Net cash outflow from operating activities** £0.7m (2024: inflow £1.3m).

Trading Results

The second half of the year showed significant improvement, providing strong momentum in both our value-add distribution and our electro-mechanical businesses. This turnaround enabled us to curb the losses experienced in the first half. However, our lighting and electronics business continues to face challenges due to delays, from both refurbishment and new build projects in the UK and internationally (i.e. Central line for London Underground, and TGV contracts via Grammer).

Order entry improved significantly in the period to £28.8m (2024: £17.3m) with strong contributions from rail projects across both our lighting and electronics and our electro-mechanical businesses, offsetting a lower intake from our value-add distribution business which was primarily caused by the delay in contracts from Spirit with their change of ownership to Airbus. It is envisaged that these will materialise during the coming 2 years and we remain well placed to deliver on these.

Revenues reduced to £21.5m (2024: £23.5m) with the rail inter-car jumper business along with the lighting and electronics business for new rail builds and refurbishment both picking up in the second half of the year but overall slightly underperforming and not achieving target. Lower aviation product sales were due to supplier quality issues and slower integration of the Red Box product range, therefore missing the year-end target considerably.

By comparison to 2024, H1 2025 revenues reduced by 18.1% to £9.5m (2024: £11.6m), as predicted due to new project delays, delivering an underlying operating loss of £1.1m (2024: loss of £0.3m). H2 revenues were less impacted by project delays and delivered revenues of £12.0m (2024: £11.9m), representing an increase of 0.3% against H2 2024 sales. This resulted in an H2 underlying loss of £0.1m (2024: profit of £0.1m).

Stronger trading in the second half of the year resulted in a small operating loss of £0.1m and delivered a full year operating loss of £0.6m (2024: loss £0.6m). At an adjusted EBITDA level there was a full year loss of £0.1m (2024: £0.8m profit), with the main differences being the negative goodwill and the profit on sale of the Thatcham property in the current year, with a small reduction in similar non-recurring expenses being offset by an increase in depreciation and amortisation in the current year. Within the period, we successfully integrated the acquisition of Eaton's Powertron business, leading to negative goodwill of £0.6m, resulting in a final loss before tax for the year of £0.6m (2024: £0.6m).

Excluding non-recurring costs, distribution costs and administrative expenses increased by 5.6% to £6.1m (2024: £5.7m). The main contributors to this were economic cost pressures seen across the industry. Group employment costs remained stable at £7.3m (2024: £7.3m), with increasing national insurance contributions partly offset by reduced headcount.

The key drivers related to the business performance in the year and position at 30 September 2025, together with the explanation of the financial Key Performance Indicators as summarised on page 19.

During the year, 197,500 share options at an exercise price of 50p subject to three increasingly targeted performance hurdles which are related to earnings per share and market capitalisation were awarded to a Director. In addition, the performance hurdles in relation to 125,000 share options issued in 2023 were adjusted for them to remain attractive. No cost was allocated to these awards based on the latest forward projections. (2024: no awards).

Macro-economic factors

During 2025, whilst the overall economy remained tight post the Autumn Budget tax rises, we saw a significant increase in activity in rail, our main market and evidenced by an increase in our order intake of 28.4%. Despite this three major rail projects across our two main businesses moved to the right, which resulted in two trading updates during the year, with H1 significantly affected as previously advised and H2 less so. We continue to seek to optimise our Red Box acquisition and in March completed the acquisition of the trading assets for Martek Power.

Inflation continues to become less of an issue and efforts to mitigate any increases have been ongoing and where possible fed through to the market. Our Added Value business reduced slightly during the year and is broadly expected to remain at this level as we move forward.

Overall both the supply chain and employment markets remains tight.

Non-recurring Items

Non-recurring items in the year totalled a profit of £0.7m (2024: loss of £0.4m). Key items comprised:

- (i) Profit on the sale of a property £0.3m (2024: £Nil)
- (ii) Non-recurring costs relating to acquisitions of £0.1m (2024: £0.2m)
- (iii) Reorganisation costs / staff changes of £0.1m (2024: £0.2m)

Negative Goodwill

Negative goodwill of £0.6m (2024: £Nil) arose following a fair value adjustment on acquisition of the UK power supply business from Eaton Electrical Products Ltd in March 2025 (see note 24).

Finance Costs

Within finance costs, the interest on borrowings increased to £0.24m (2024: £0.16m). The weighted average interest rate increased by 0.2% from 7.3% to 7.5%. The Group's overdraft facility was utilised throughout the year with an average balance of £600k. The UK base rate eased during the year, reducing on four occasions from 5.0% to 4.0%.

Profit Before Tax, Taxation and Earnings Per Share

After net finance costs of £0.01m (2024: net income £0.03m) a loss before tax of £0.6m was recorded (2024: £0.6m). A tax credit of £0.3m (2024: £0.3m) is recognised, reporting a loss after tax of £0.3m (2024: loss after tax £0.3m). This resulted in a basic loss per share of 2.64p (2024: loss per share 2.46p).

The average UK corporation tax rate for the year was 25% (2024: 25%). The main differences to the standard rate of corporation tax are due to losses and R&D tax credits.

Treasury

The Group's treasury policy remained unchanged in the year. Further details on the Group's borrowings, financial instruments, and its approach to financial risk management are given in notes 15 and 17 to the Annual Report.

Balance Sheet

- Gearing (net debt as a % of total equity) increased to 21.5% (2024: 13.1%) due to the recent acquisition and trading losses;
- Net debt increased by £1.3m to £3.4m (2024: £2.1m) due to trading losses and an increase in trade receivables;
- Working capital, as defined as inventory, trade & other receivables less trade & other payables, increased 21% to £6.4m (2024: £5.3m) due to the timing of sales and receipts; and
- Pension asset surplus recognised increased by 7% to £4.1m (2024: £3.8m).

Shareholders' funds include Investment in Own Shares (Treasury Shares), unchanged at £0.32m, representing ordinary shares held in the Company by the LPA Group Plc Employee Benefit Trust ("EBT").

Intangible assets, which comprise goodwill related to the Group's investment in Excil Electronics Ltd, the fair value of the intellectual property, capitalised development costs and software purchases were £4.0m (2024: £4.3m). Additions in the year reduced to £0.1m (2024: £0.7m), being the residual investment in the ERP systems across the two sites. After assessment for impairment the goodwill on the Group's investment in Excil Electronics remains unchanged at £1.1m. Development costs capitalised in the year, representing the continued development of the Group's technologies and new product development ("NPD"), were £Nil (2024: £0.1m).

The net book value of property, plant and equipment as at 30 September 2025, including right of use assets, totalled £5.2m (2024: £5.5m), of which property represented £3.7m (2024: £3.7m), plant, equipment and motor vehicles £1.4m (2024: £1.8m). Additions in the year were slightly up at £0.5m – including the £0.4m on acquisition of the trading assets of Martek (2024: £0.4m). Disposals in the year totalled £0.4m with a net book value of £0.1m including right of use lease terminations (2024: £0.2m with a net book value of £0.1m including right of use lease terminations). The depreciation charge was slightly higher at £0.8m (2024: £0.7m).

Net Debt and Financing

The Group's main bank finance is a bank loan drawn down in 2025 at £2.5m and repayable over 5 years. Repayments are quarterly over the term with a bullet repayment in March 2029 of £2.0m (quarterly repayments calculated at draw down on a 15-year repayment term). As at 30 September 2025 the amount outstanding was £2.4m (2024: £2.5m). Interest is payable at base rate plus 2.25%.

We refinanced the company's debt facilities in January 2026. This was through a 3 year revolving credit and a CID (customer invoice discounting) facility with Arbutnot. This facility will create circa £2m of headroom for us to expand more quickly and to manage growth while we generate cash profits in the future to repay the debt.

Cash Flow

Net cash outflow from operating activities was £(0.7)m (2024: cash inflow of £1.3m) made up of a trading cash outflow of £(0.2)m (2024: £0.5m) and an increase in working capital of £(0.4)m (2024: decrease of £0.7m). Overall, there was a net reduction in the Group's cash position of £1.5m (2024: £0.5m).

During the year £0.1m (2024: £nil) was spent on the acquisition of the UK trade and assets of a power supply provider, £0.28m (2024: £0.55m) was spent on the acquisition of Red Box International with £0.27m deferred consideration payable next year. There was no change in capital expenditure outflows on property, plant and equipment £0.2m (2024: £0.2m), excluding the ERP system and assets financed through lease arrangements. Capitalised development expenditure amounted to £Nil (2024: £0.1m), we are aiming to increase this in the next financial year.

In the year new leasing arrangements led to right of use additions of £0.1m (2024: £0.2m). Interest at 5.2% was charged on fixed rate borrowings (2024: 5.3%). Interest on the Group's overdraft facility is payable at

base rate plus 2.0%. The facility was utilised £0.8m as at 30 September 2025 (unutilised at 30 September 2024). The composite interest rate across both borrowings and lease liabilities was 5.9% (2024: 6.4%).

Capital loan repayments of £0.1m were made in the year (2024: £0.2m). Outflows repaying the principal elements of lease liabilities were £0.3m (2024: £0.2m). Interest payments on borrowings amounted to £0.3m (2024: £0.2m).

Defined Benefit Pension Asset

The LPA Industries Limited Defined Benefit Scheme was part of the ISIO (previously Deloitte) Pensions Master Plan throughout the entire year under review. The costs of running the scheme have been shared between the Company and the scheme. Costs borne by the Group this year amounted to £0.1m (2024: £0.1m).

A full Actuarial valuation of the Scheme was carried out in March 2024 which indicated the Scheme was at a healthy 133% funding level. The benefit of the change in investment strategy in January 2022, when the Trustees having undertaken a review in 2021 agreed to lock in the gains and de risk the scheme, has been beneficial. The key driver for the then improved funding position has been the higher than assumed returns on the Scheme's assets and the changes in financial conditions which have reduced the liabilities. It is natural for the Scheme's funding level to fluctuate over time reflecting changes in the financial markets.

The Trustees, under advice, did not seek any voluntary employer contributions during the year from the Group (2024: £Nil). The IAS 19 position shown in the note 21 to these accounts reflects the impact of rising interest rates on the present value of the liability to pay pensions in the future.

Going Concern

In assessing going concern, the main considerations have been trading, significant project delays and to a lesser extent inflationary pressures. The Group continues to witness some price pressures from commodities, utilities and wage inflation. These all pose risks to UK manufacturing businesses.

In assessing the Group's going concern the directors also note that (i) despite reporting a small adjusted EBITDA loss in the current year, the Group is expected to return to profitability in 2026; (ii) has in place adequate working capital facilities for its forecast needs with its recent refinancing and strong cash management; (iii) has a strong order book with significant further opportunities in its market place; and (iv) has proven adaptable in past periods of adversity, as again proven through the 2025 challenges. Therefore, the directors believe that it is well placed to manage its business risks successfully.

The directors believe the recent £8.75m refinancing completed on 16 January 2026 will create circa £2m of headroom of facilities for the group to expand more quickly and to manage growth whilst also mitigating any additional project delays, while we generate cash profits in the future to repay the debt. The new facilities comprise of a Revolving Credit Facility secured over property and receivables.

After making enquiries including but not limited to compiling updated forecasts; sensitivities; and expectations, reviewing liabilities and risks and following confirmation of ongoing support from the Group's bank, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Stuart Stanyard
Chief Financial Officer

Key Performance Indicators

The Group uses the following key performance indicators to assess the progression in its business: factors affecting them are discussed in the Chairman's Statement, the Chief Executive Officer's Review and the Financial Review on pages 3 to 17 with an Alternative Performance Measures glossary on page 101.

KPI	Basis of measurement	2025	2024
Health & Safety			
Riddors	<ul style="list-style-type: none"> reportable incidents of disease or danger occurrences 	None	None
Accidents	<ul style="list-style-type: none"> events that cause impact, damage or injury involving a person or infrastructure, which are not a Riddor 	6	10
Near misses	<ul style="list-style-type: none"> events that occurred which have not caused an Accident (1) 	31	156
Financial			
Orders to revenue	<ul style="list-style-type: none"> orders for the year expressed as a multiple of revenue as a measure of prospective growth 	1.31	0.73
Order entry	<ul style="list-style-type: none"> order intake confirmed 	£28.3m	£17.3m
Order book	<ul style="list-style-type: none"> the measure of opening order book, plus order entry, less revenue 	£32.0m	£25.3m
Revenue growth	<ul style="list-style-type: none"> increase year-on-year as a percentage of prior year 	(8.5%)	8.4%
Added value	<ul style="list-style-type: none"> the margin generated on revenue after deduction of material costs but before other costs of sale and conversion 	48.7%	49.5%
Gross margin	<ul style="list-style-type: none"> as a percentage of revenue 	22.1%	23.3%
Profitability	<ul style="list-style-type: none"> underlying operating (loss) as a return on trading activities to revenue 	(6.0%)	(1.0%)
Cash generation	<ul style="list-style-type: none"> net decrease in cash and cash equivalents before financing activities 	(£0.2m)	(£0.4m)
Gearing	<ul style="list-style-type: none"> the measure of net debt being borrowings and lease liabilities less cash balances, to net assets 	21.5%	13.1%

(1) Following team structural changes, HSE data capture and reporting processes were strengthened, with increased focus on data quality and employee engagement which is expected to improve visibility in HSE trends.

Consolidated Income Statement

For the year ended 30 September 2025

	Note	2025 £000	2024 £000
Revenue – Continuing operations	2	21,546	23,546
Cost of Sales		(16,788)	(18,068)
Gross Profit		4,758	5,478
Distribution Costs		(2,104)	(2,424)
Administrative Expenses		(3,948)	(3,304)
Administrative Expenses-Exceptional Items	3	62	(376)
Negative Goodwill	7	640	-
Operating Loss		(592)	(626)
Share Based Payments		-	4
Negative Goodwill	7	(640)	-
Non-recurring Items	3	(62)	376
Depreciation and Amortisation		1,244	1,086
Adjusted EBITDA		(50)	840
Finance Income		248	225
Finance Costs		(258)	(192)
Loss Before Tax		(602)	(593)
Taxation	4	253	268
Loss for the Year		(349)	(325)
Attributable to:			
- Equity Holders of the Parent		(349)	(325)
Loss per Share	5		
Basic		(2.64)p	(2.46)p
Diluted		(2.64)p	(2.46)p

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2025

	2025	2024
Note	£000	£000
Loss for the Year	<u>(349)</u>	<u>(325)</u>
Other Comprehensive Income		
<i>Items that will not be reclassified to profit or loss:</i>		
Actuarial Gain on Pension Scheme	200	767
(Increase)/Decrease of Restriction of Pension Assets	(93)	183
Other Comprehensive Income	<u>107</u>	<u>950</u>
Total Comprehensive (Expense) / Income for the Year	<u>(242)</u>	<u>625</u>
Attributable to:		
- Equity Holders of the Parent	<u>(242)</u>	<u>625</u>

Consolidated Balance Sheet

At 30 September 2025

Company Registered Number: 00686429

	2025 £000	2024 £000
Non-Current Assets		
Intangible Assets	3,989	4,317
Plant, property and equipment	4,597	5,018
Right of Use Assets	573	518
Retirement Benefits	4,061	3,782
Deferred Tax Asset	109	-
	13,329	13,635
Current Assets		
Inventories	6,362	5,749
Trade and Other Receivables	6,474	5,389
Current Tax Receivable	23	34
Derivative Asset	-	80
Cash and Cash Equivalents	-	715
	12,859	11,967
Total Assets	26,188	25,602
Current Liabilities		
Bank Loan	(109)	(96)
Bank Overdraft	(806)	-
Lease Liabilities	(222)	(203)
Derivative Liability	(70)	-
Trade and Other Payables	(6,696)	(6,110)
	(7,903)	(6,409)
Non-Current Liabilities		
Bank Loan	(2,243)	(2,359)
Trade and Other Payables	-	(275)
Deferred Tax Liabilities	-	(155)
Lease Liabilities	(55)	(175)
	(2,298)	(2,964)
Total Liabilities	(10,201)	(9,373)
Net Assets	15,987	16,229
Equity		
Share Capital	1,351	1,351
Investment in Own Shares	(324)	(324)
Share Premium Account	959	959
Share Based Payment Reserve	62	62
Merger Reserve	230	230
Retained Earnings	13,709	13,951
	13,709	13,951
Equity Attributable to Shareholders of The Parent	15,987	16,229

Consolidated Statement of Changes in Equity

For the year ended 30 September 2025

	Share Capital £000	Investment in Own Shares £000	Share Premium Account £000	Share Based Payment Reserve £000	Merger Reserve £000	Retained Earnings £000	Total £000
2025							
At 1 October 2024	1,351	(324)	959	62	230	13,951	16,229
Loss for the Year	-	-	-	-	-	(349)	(349)
Other Comprehensive Income	-	-	-	-	-	107	107
Total Comprehensive Income	-	-	-	-	-	(242)	(242)
At 30 September 2025	1,351	(324)	959	62	230	13,709	15,987
	Share Capital £000	Investment in Own Shares £000	Share Premium Account £000	Share Based Payment Reserve £000	Merger Reserve £000	Retained Earnings £000	Total £000
2024							
At 1 October 2023	1,348	(324)	943	62	230	13,454	15,713
Loss for the Year	-	-	-	-	-	(325)	(325)
Other Comprehensive Income	-	-	-	-	-	950	950
Total Comprehensive Income	-	-	-	-	-	625	625
Share Based Payments	-	-	-	4	-	-	4
Dividends (Note 19)	-	-	-	-	-	(132)	(132)
Transfer on Exercise of Share Options	-	-	-	(4)	-	4	-
Proceeds from Issue of Shares	3	-	16	-	-	-	19
Transactions with Owners	3	-	16	-	-	(128)	(109)
At 30 September 2024	1,351	(324)	959	62	230	13,951	16,229

Consolidated Cash Flow Statement

For the year ended 30 September 2025

	2025 £000	2024 £000
Loss Before Tax	(602)	(593)
Finance Costs	258	192
Finance Income	(248)	(225)
Operating Loss	(592)	(626)
<i>Adjustments for:</i>		
Amortisation of Intangible Assets	450	346
Depreciation of Plant, property and equipment	447	547
Depreciation of Right of Use Assets	347	193
Profit on Sale of Property	(262)	-
Loss on Sale of Plant and Equipment	25	80
Negative Goodwill	(640)	-
Equity Settled Share Based Payments	-	4
Operating cash (outflow) /inflow before movements in working capital	(225)	544
<i>Movements in Working Capital:</i>		
(Increase) in Inventories	(181)	(986)
(Increase)/Decrease in Trade and Other Receivables	(746)	511
Increase in Trade and Other Payables	424	1,138
Cash (loss)/generated from operations	(728)	1,207
Income Taxes Received	-	47
Net cash (outflow)/inflow from operating activities	(728)	1,254
Investing activities		
Purchase of Product Line	-	(250)
Purchase of Business Net of Cash Acquired (Note 7)	(351)	(503)
Purchase of Property, Plant & Equipment	(74)	(218)
Sale Proceeds from Sale of Assets	375	-
Expenditure on Intangible Assets	(122)	(615)
Expenditure on Capitalised Development Costs	-	(63)
Net cash outflow from investing activities	(172)	(1,649)
Financing activities		
Repayment of Bank Loan	(103)	(2,046)
New Bank Loan	-	2,500
Principal Elements of Lease Liabilities	(260)	(241)
Interest Paid	(258)	(192)
Dividend Paid	-	(132)
Proceeds from Issue of Share Capital	-	19
Net cash outflow from financing activities	(621)	(92)
Net Decrease in Cash and Cash Equivalents	(1,521)	(487)
Cash and Cash Equivalents at Start of the Year	715	1,202
Cash and Cash Equivalents at End of the Year	(806)	715

Consolidated Cash Flow Statement (continued)

For the year ended 30 September 2025

Net Debt

An analysis of the change in net debt is shown below:

	Bank Loan £000	Lease Liabilities £000	Cash and Cash Equivalents £000	Net Debt £000
At 1 October 2024	2,455	378	(715)	2,118
New Bank loan / Lease Obligations	-	55	-	55
Acquired leases	-	104	-	104
Interest Costs	241	17	-	258
Repayment of Borrowings/Lease Liabilities	(344)	(277)	621	-
Other Cash Used	-	-	900	900
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2025	2,352	277	806	3,435

	Bank Loan £000	Lease Liabilities £000	Cash and Cash Equivalents £000	Net Debt £000
At 1 October 2023	1,949	457	(1,202)	1,204
New Bank loan / Lease Obligations	2,500	162	-	2,662
Acquired borrowings / (cash)	52	-	(47)	5
Interest Costs	162	30	-	192
Repayment of Borrowings/Lease Liabilities	(2,208)	(271)	2,479	-
Other Cash Generated	-	-	(1,945)	(1,945)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2024	2,455	378	(715)	2,118

Notes

1. Information

In accordance with Section 435 of the Companies Act 2006, the Group confirms that the financial information for the years ended 30 September 2025 and 2024 are derived from the Group's financial statements and that these are not statutory accounts and, as such, do not contain all information required to be disclosed in the financial statements in accordance with UK adopted International Accounting Standards. The statutory accounts for the year ended 30 September 2024 have been delivered to the Register of Companies. The statutory accounts for the year ended 30 September 2025 have been audited and approved but have not been filed. The Group's audited financial statements for the year ended 30 September 2025 received an unqualified audit opinion and the auditor's report contained no statement under section 498(2) or 498(3) of the Companies Act 2006. The financial information contained within this full year results statement was approved and authorised for issue by the Board on 29 January 2025. The 2025 accounts, together with notice of the Annual General Meeting, are expected to be posted to shareholders on 3 March 2026 and will be available from the LPA website (www.lpa-group.com) from 4 March 2026. They will be available from the Company Secretary, LPA Group Plc, Light & Power House, Shire Hill, Saffron Walden, CB11 3AQ. The Group financial statements have been prepared under the historical cost convention and under the basis of going concern. The principal accounting policies adopted are consistent with those disclosed in the financial statements for the year ended 30 September 2024.

2. Operating Segments

All of the Group's operations and activities are based in, and its assets located in, the United Kingdom. The CODM does not review segmental assets and liabilities by segment and therefore no reconciliations are disclosed. For management purposes the Group comprises three divisions / product groups (in accordance with IFRS 8) - Electro-mechanical, Value add distribution and Lighting & electronics, which collectively design, manufacture and market industrial electrical and electronic products. They operate across three market segments – Rail; Aerospace & Defence and Other. It is on this basis that the board of directors assess Group performance.

All revenue originates in the UK. An analysis by geographical markets and market segments is given below:

	2025	2024
	£000	£000
Electro- mechanical	8,141	8,620
Value add distribution	5,293	5,800
Lighting and electronics	8,112	9,126
	<u>21,546</u>	<u>23,546</u>

	2025	2024
	£000	£000
Revenue Recognised Over Time	403	86
Revenue Recognised at a Point in Time	21,143	23,460

21,546	23,546
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All revenue originates in the UK. An analysis by geographical markets and market segments is given below:

	2025	2024
Rail	66%	69%
Aviation, Aerospace and Defence	28%	25%
Other	6%	6%
	<u>100%</u>	<u>100%</u>

	2025	2024
	£000	£000
United Kingdom	11,342	13,843
Rest of Europe	7,581	6,390
Rest of World	2,623	3,313
	<u>21,546</u>	<u>23,546</u>

One customer (2024: one) represented more than 10% of Group revenue, at 15% (2024: 17%) of revenue.

3. Operating Loss

	2025	2024
Non-recurring Items	£000	£000
Profit on sale of property	262	-
Acquisition Costs	(65)	(190)
Reorganisation Costs/Staff Changes	(135)	(186)
	<u>62</u>	<u>(376)</u>

The profit on sale of property relates to the sale of the Thatcham freehold premises.

Acquisition costs of £65,000 primarily relate to the non-recurring costs of the Martek Power acquisition in March 2025 (as note 7), and cover legal, severance and move costs. In 2024, £190,000 primarily relate to the non-recurring costs of the Red Box Int Holdings Limited acquisition in January 2024.

In both years there has been reorganisation costs including severance costs relating to staff changes.

4. Taxation

	2025	2024
	£000	£000
A. Recognised in The Income Statement		
Current Tax Expense		
UK Corporation Tax	-	(34)
Adjustment in Respect of Prior Years	11	(17)
	<u>11</u>	<u>(51)</u>
Deferred Taxation		
Origination and Reversal of Temporary Differences	(181)	(33)
Adjustment in Respect of Prior Years	(83)	(184)
	<u>(264)</u>	<u>(217)</u>
Total Corporation Tax Credit	<u>(253)</u>	<u>(268)</u>
B. Reconciliation of Effective Tax Rate	2025	2024
	£000	£000
Loss Before Tax	<u>(602)</u>	<u>(593)</u>
Tax at The Average UK Corporation Tax Rate of 25% (2024: 22%)	(151)	(148)
Effects of:		
- Enhanced Deduction for Qualifying R&D Expenditure	-	(39)
- Losses Surrendered	-	85
- Prior Period Adjustments	(72)	(201)
- Non-Taxable Negative Goodwill	(160)	-
- Losses Not Recognised	160	9
- Other Differences	(30)	26
Total Income Tax Credit	<u>(253)</u>	<u>(268)</u>

5. Loss Per Share

The calculation of loss per share is based upon the loss for the year of £602,000 (2024: £325,000) and the weighted average number of ordinary shares in issue during the year of 13.503m (2024: 13.503m) less investment in own shares of 0.3m (2024: 0.3m), of 13.203m (2024: 13.203m).

	2025			2024		
	Loss £000	Weighted Average No of Shares '000	Loss Per Share Pence	Loss £000	Weighted Average No of Shares '000	Loss Per Share Pence
Basic Loss Per Share	(349)	13,213	(2.64)	(325)	13,203	(2.46)
Effect of Share Options		-	-		-	-
Diluted Loss Per Share	(349)	13,213	(2.64)	(325)	13,203	(2.46)

Basic and diluted loss per share are equal for the year ended to 30 September 2025, since where a loss is incurred the effect of outstanding share options is considered anti-dilutive and is excluded for the purpose of the diluted loss per share calculation.

6. Going Concern

In assessing going concern, the main considerations have been trading, significant project delays and to a lesser extent inflationary pressures. The Group continues to witness some price pressures from commodities, utilities and wage inflation. These all pose risks to UK manufacturing businesses.

In assessing the Group's going concern the directors also note that (i) despite reporting a small adjusted EBITDA loss in the current year, the Group is expected to return to profitability in 2026; (ii) has in place adequate working capital facilities for its forecast needs with its recent refinancing and strong cash management; (iii) has a strong order book with significant further opportunities in its market place; and (iv) has proven adaptable in past periods of adversity, as again proven through the 2025 challenges. Therefore, the directors believe that it is well placed to manage its business risks successfully.

The directors believe the recent £8.75m refinancing completed on 16th January will create circa £2m of headroom of facilities for the group to expand more quickly and to manage growth whilst also mitigating any additional project delays, while we generate cash profits in the future to repay the debt.

After making enquiries including but not limited to compiling updated forecasts; sensitivities; and expectations, reviewing liabilities and risks and following confirmation of ongoing support from the Group's bank, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

7. Purchase of Business

On 17 March 2025, the Group acquired from Eaton Electrical Products Limited its UK trading Powertron business and asset, including its small manufacturing capability. This resulted in the group acquiring fixed assets, current assets and liabilities, the employment of approximately 20 members of staff, and the business including worldwide rights to brands and product designs.

The acquisition is complementary to a number of power supply products the Group currently manufactures for the rail industry and will provide a strong addition to LPA Channel Electric, the Group's Newbury -based division, that distributes engineered components. This acquisition supports our long-term growth strategy of buying core products.

	17 March 2025 Book Value £000	Adjustments £000	17 March 2025 Fair Value £000
Assets and Liabilities Acquired			
Right of Use Lease and dilapidations	-	346	346
Tangible Assets	69	-	69
Inventories	432	-	432
Trade and Other Receivables	339	-	339
Trade and Other Payables	(124)	-	(124)
Right of Use Lease and dilapidations	-	(346)	(346)
Net Assets Acquired	716	-	716
Consideration			
Cash			(76)
Negative Goodwill			(640)

In addition to the cash consideration, LPA agreed to settle lease dilapidation obligations expected to be due in 2026, estimated at £200,000.

The gain (negative goodwill), has arisen primarily due a recent lack of investment in the business and we will have to invest to support the long-term viability of the product.

Acquisition- related costs have been expensed as non-recurring items in note 3.

LPA Martek contributed £780,000 revenue and a £300,000 loss to the Group's loss for the period between the date of acquisition and 30 September 2025. If LPA Martek had been part of the Group for the full financial year, there would have been an additional £804,000 revenue and a £100,000 loss.

8. Purchase of Business

On 4 January 2024, the Group acquired 100% of the issued share capital of Red Box Int Holdings Limited.

Red Box is a leading UK manufacturer of aviation ground power equipment with global reach and an established presence in the USA market. The acquisition will provide a strong addition to LPA Connection Systems, the Group's Saffron Walden-based division, that designs, manufactures and supplies high quality specialist products for the aviation, rail, and infrastructure markets. This acquisition supports our long-term growth strategy whilst also lessening the Group's dependence on rail projects.

	4 January 2024 Book Value £000	Adjustments £000	4 January 2024 Fair Value £000
Assets and Liabilities Acquired			
Intangible Assets	-	829	829
Tangible Assets	221	(64)	157
Inventories	657	(197)	460
Trade and Other Receivables	58	(28)	30
Cash	47	-	47
Trade and Other Payables	(164)	-	(164)
Bank Loan	(52)	-	(52)
Deferred Tax on Intangible Assets	-	(207)	(207)
Net Assets Acquired	767	333	1,100
Consideration			
Cash			550
Deferred Consideration < 1 year			275
Deferred Consideration > 1 year			275
			1,100

The value of intangible assets has been derived from the new technology that the acquisition brings to the group and that this will open up new markets. The intellectual property rights have been recognised since it is both probable that there will be future economic benefits and the cost of the assets can be measured reliably.

The book value of tangible assets was adjusted to take account of depreciation in 2023 not in the book value on acquisition.

The fair value of acquired trade receivables and other receivables was adjusted for proforma invoices. No provision was required for gross contractable trade receivables.

The book value of inventory was adjusted for missing inventory £98,000 and alignment with the Group's inventory stock provisioning policy £99,000.

Acquisition- related costs have been expensed as exceptional items in note 3.

Red Box contributed £800,000 revenue and a small loss to the Group's loss for the period between the date of acquisition and 30 September 2024. If Red Box had been part of the Group for the full financial year, there would have been an additional £400,000 revenue and a small loss.

9. Post Balance Sheet Event

The group refinanced the company's debt facilities in January 2026. This was through a 3 year revolving credit and a CID (customer invoice discounting) facility with Arbuthnot Latham for a total of £8.75m. This facility will create circa £2m of headroom of facilities for us to expand quicker and to manage growth while we generate cash profits in the future to repay the debt.

10. Annual General Meeting

The annual general meeting is to be held at 12:00 noon on Thursday 26 March 2026 at the offices of LPA Group Plc (the "Company"), Light and Power House, Shire Hill, Saffron Walden, CB11 3AQ. The following resolutions are proposed:

Routine Business

- 1) To receive the accounts for the year ended 30 September 2025, together with the reports of the directors and the auditors thereon.
- 2) To re-elect as a director Gordon Wakeford who retires by rotation, in accordance with the Company's Articles of Association.
- 3) To re-elect as a director Stuart Stanyard in accordance with the Company's Articles of Association.
- 4) To re-appoint RSM UK Audit LLP as auditors to the Company, to hold office until the end of the next general meeting at which accounts are laid before the Company, and to authorise the directors to fix the auditors' remuneration.

Special Business

- 5) To authorise the directors to allot shares (as defined in section 551 of the Companies Act 2006) in the Company.
- 6) To authorise the Company to make market purchases (as defined in section 693(4) of Companies Act) of its own shares