

**DIALIGHT PLC**  
**AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026**

**Strong improvement in results; confident of future prospects**

Dialight plc (LSE: DIA.L), a global leader in sustainable LED lighting for industrial applications, announces its audited financial results for the year ended 31 March 2026.

<b>(\$m unless otherwise stated)</b>	<b>2026</b>	<b>2025</b>	<b>Change (\$m)</b>
Group revenue	<b>166.9</b>	183.5	(16.6)
<b>Underlying results<sup>1</sup></b>			
Gross margin	<b>39.0%</b>	35.6%	+340bps
EBITDA	<b>19.8</b>	12.9	+6.9
Operating profit	<b>10.3</b>	4.2	+6.1
Operating cash flow	<b>34.2</b>	19.7	+14.5
<b>Statutory results</b>			
Operating profit/(loss)	<b>6.2</b>	(11.6)	+17.8
Profit/(loss) before tax	<b>3.8</b>	(14.1)	+17.9
Profit/(loss) after tax	<b>0.5</b>	(13.6)	+14.1
Earnings/(loss) per share – diluted	<b>1.0 cent</b>	(34.7) cents	+35.7 cents
Net bank debt	<b>(1.9)</b>	(17.8)	+15.9

1. The Group uses certain alternative performance measures (“APMs”) to track and assess the underlying performance of the business. The definitions of the adjustments made and the reconciliation to the statutory results can be found in Note 16 to the condensed consolidated financial statements.

**Performance highlights**

- **Group revenue down 9.0% in the year (down 6.8% excluding Traffic in both years)** reflecting challenging market conditions for Lighting (down 11.5%) as capital projects were deferred, partially offset by Signals & Components segment (up 13.7% excluding Traffic revenue in both years).
- **Margin improvement** reflecting benefits from the Transformation Plan, notably SKU reduction, headcount realignment, procurement savings and increased productivity.
- **Underlying operating profit more than doubles** driven by higher gross margin and lower overheads.
- **Underlying operating cash flow significantly up** reflecting increased profitability and improved working capital management, particularly inventory (down \$16.6m).
- **Net bank debt significantly reduced** driven by increased profit and strong cash generation.
- **Sanmina liability fully settled**; \$7.7m paid in year, removing contingent financial risk.
- **New £15m revolving credit facility agreed** on attractive terms, to at least April 2029 and additional £10m accordion.
- **Increase in medium-term target for return on sales.**

**Commenting on these results, Steve Blair, Group Chief Executive Officer, said:**

“Despite the Group continuing to operate in a challenging geopolitical environment, I am delighted with our full-year performance which has been underpinned by the completion of the first round of our Transformation initiatives. Following a strategic review, we have reinvigorated our Signals & Components business with investments made in people, new products and partnerships with contract equipment manufacturers. Through delivery on a range of projects, we have successfully driven up Group margins, simplified our business and materially decreased our working capital.

“The outlook is promising as we execute three key production-related transformation projects and drive sales growth through new people, new markets and new products. I expect these to translate into good profit growth and cash generation in the current financial year and beyond”.

## Annual results information

### Annual results presentation

The annual results presentation can be found at: <https://www.dialight.com/ir/reports-news/>

### Contacts

#### Dialight plc

Tel: +44 (0)203 058 3525

**Neil Johnson**, Group Chair

**Steve Blair**, Group Chief Executive Officer

**Mark Fryer**, Group Chief Financial Officer

Legal Entity Identifier: 2138001AD31KKD29Z495

## About Dialight

Dialight (LSE: DIA.L) is a global leader in sustainable LED lighting for industrial applications. Dialight's LED products are providing the next generation of lighting solutions that deliver reduced energy consumption and create a safer working environment. Our products are specifically designed to provide superior operational performance, reliability, and durability, reducing energy consumption and ongoing maintenance, and achieving a rapid return on investment for our customers.

The Group has operations in the US, the UK, Mexico, Malaysia, Singapore, Australia and Dubai. To find out more about Dialight, visit [www.dialight.com](http://www.dialight.com).

## Notes

1. Underlying EBITDA is defined as operating profit or loss stated before non-underlying items, gain or loss on disposal of business, net finance expense, taxation, depreciation (including right-of-use assets) and amortisation (including impairment) of intangible assets.
2. Net bank debt is defined as total Group borrowings (excluding lease liabilities recognised under IFRS 16 *Leases* ("IFRS 16")) less cash and cash equivalents.
3. The commentary in both the Chief Executive Officer's and Chief Financial Officer's reviews uses APMs, which are described as "underlying". Definitions of these measures can be found in Note 16 to the condensed consolidated financial statements. These measures provide additional information for users on the underlying performance of the business, enabling consistent year-on-year comparisons.
4. The Group's Interim Results for the six months ending 30 September 2026 are due to be released in November 2026.

## Cautionary statement regarding forward-looking statements

This announcement contains certain statements, statistics and projections that are or may be forward-looking. The accuracy and completeness of all such statements, including, without limitation, statements regarding the future financial position, strategy, projected costs, plans and objectives for the management of future operations of Dialight plc and its subsidiaries is not warranted or guaranteed. These statements typically contain words such as "intends", "expects", "anticipated", "estimates" and other similar words. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Although Dialight plc believes that the expectations will prove to be correct, there are a number of factors, many of which are beyond the control of Dialight plc, which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. This announcement contains inside information on Dialight plc.

## CHIEF EXECUTIVE OFFICER'S REVIEW

The Group had an excellent year, with underlying operating profit of \$10.3m, more than double the \$4.2m for the previous year. This performance demonstrates the continuing and growing financial impact of the first four key pillars of the Transformation Plan (winning hearts and minds, sales transformation, operational transformation, and margin improvement and cash generation). This performance has been achieved despite depressed market conditions with tariff uncertainty and higher cost of other materials needed to complete installations (caused by tariff increases) necessitating customers to delay sales orders. Group revenue for the year ended 31 March 2026 was \$166.9m, down 9.0% from the prior year. A reduction of 11.5% was reported in the Lighting segment with business continuing to be impacted by challenging market conditions as capital projects were deferred. This was partly offset by increased revenues of 13.7% in Signals & Components (excluding Traffic in both years). The fifth pillar of the Transformation Plan, which is creating a platform for future growth, has made early encouraging progress with order performance much stronger in the fourth financial quarter and a backlog which has increased by over 25% on the previous year.

The geopolitical situation being experienced currently and across the year has been challenging. At the start of the financial year, tariffs were the main concern; by the end of the financial year this had moved to the conflict in the Middle East. All of the Group's products manufactured in Mexico are currently tariff-free under the United States-Mexico-Canada Agreement ("USMCA") free trade agreement and have been for almost all of the year. Although some of the Group's components are imported from outside the US and Mexico and have been subject to tariffs, the overall impact of this has been less than 1% of material cost and this has been offset by supplier price reductions. Towards the end of the financial year, concern moved to the risks of freight cost inflation and supply chain shortages (particularly with semiconductors and components). We continue to keep both under review and have developed alternative plans depending on which scenario plays out. We continue to plan for the worst and hope for the best, while rigorously controlling what we can control.

## LIGHTING SALES/SALES TRANSFORMATION

We have been focused on stabilising the business over the last two years, achieving considerable success in returning the business to profitability, generating cash and significantly reducing net bank debt, despite paying back Sanmina Corporation ("Sanmina") early. Over the last six months we have begun to turn more of our attention to future growth across the business looking at short, medium and long-term strategic opportunities. This will continue to be our focus moving forward, despite the prevailing macroeconomic climate, as the transformation of the operational side of the business transitions to business as usual.

The Group's sales transformation is still tracking slightly behind the business, financial and operational transformation but has rapidly accelerated its progress in the second half of the year. The Group has introduced a tollgate order tracking and margin approval system. This is working very well and Group CEO or Group CFO approval is required for all bids that are below our required gross margin targets. During the year, we have removed under-performing sales staff and have also implemented a project to optimise sales. We have also re-created the global Engineering, Procurement and Contracting ("EPC") team, including specifications development capability, employing key, new expertise in this area. We are seeking to return to the levels of sales that the Group used to generate from specified projects that EPCs control. We have also seen a good improvement in pricing discipline and an increased focus on selling the higher-margin products from a more focused number of stock keeping units ("SKUs").

## CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)

During the year, there was a re-organisation of the sales team in the US. The sales team is now focused on selling the most profitable products in the most profitable markets whilst continuing to meet our customers' needs. For the year ahead, we now have an upgraded and enhanced sales team selling the right products and at the right margins. To that end, sales commissions are now based on order profitability not just the sales value of the order. This will pay a higher commission to those individuals that beat their sales target and, more importantly, beat their gross margin target.

Finally, in the year, the Group opened new geographic markets (e.g. Lighting sales in Nigeria and Angola for oil and gas) and launched several new Lighting products. These have included self-developed products, for instance lights for use in hydrogen production and storage environments, as well as, for the first time, source and sell products. This latter group includes lower cost linear lights and high-output floodlights. These source and sell products are still expected to generate returns in line with our three-year gross margin ambitions.

## SIGNALS & COMPONENTS

The Group has made good progress during the year with Signals & Components. We have conducted a thorough strategic review of our opto-electronics ("OE") product line. This has, for a long time, been the "junior" product line that has been flat to marginally declining over the last decade. The OE product line generates good gross margins above the average Group return on sales. We have decided to reinvigorate and to invest in this product line. This will include recruiting new salespeople, investing in new product development and SKU reductions. We are reducing lead times, have a more aggressive sales outlook, increasing sales win rates and partnering with Asian contract equipment manufacturers. This should stimulate growth in this product line which has a direct correlation to the growth in data centres and artificial intelligence ("AI"), as our OE products are used on servers and equipment. The results of this have been that the overall segment excluding Traffic in both years has seen a 13.7% increase in revenue.

The Group's Traffic business, disposed of in the prior year but for which the Group had an assembly commitment through to the end of October 2025, has now ceased production. Sales to 31 March 2026 were \$8.2m compared to \$13.3m in the prior year. The Group's Traffic business has historically been loss making although a small exit profit of \$0.3m was made in the year. A substantial amount of the inventory associated with this business has been successfully sold (and collected) with a reduction of almost \$4.0m in the year.

With the exit from Traffic, overall Signals & Components revenue declined by 1.5% to \$44.8m (2025: \$45.5m).

## SALES GROWTH

The Group is confident that after several years of revenue decline, revenue should return to growth (excluding the impact of the disposal of the Traffic business) moving forward. The reasons for this confidence are multifaceted and include: a significantly larger opening backlog of won orders from the prior year; a significant strengthening in the quality of the Lighting sales team; investment in the new global EPC team; the introduction of a revised volume and margin-based commission scheme for the Lighting sales team tied to achieving profitable revenue growth; growth in Signals & Components sales from data centres and AI; and investment in new products to grow into a number of contract equipment manufacturers.

## CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)

### OPERATIONAL TRANSFORMATION

Our Operations function has delivered on a number of projects in the year. Following on from the success of the reduction in sub-assembly SKU numbers, finished goods SKUs have reduced by around one-third. Cost reductions and purchase price variances have not only offset tariff pressure but increased gross margin. Our factory in Ensenada has been right-sized and several new products have been introduced. This group has led (through cross-functional teams) the product portfolio optimisation, business simplification, inventory reduction (inventory has reduced by 36% to \$30.0m in the last year), right-sizing the manufacturing facilities and SKU reductions.

During the year, the Group successfully moved certain key lighting products from Ensenada, Mexico to our new facility in Penang, Malaysia. This move was conducted flawlessly by the respective teams and has reduced our lead times and tariffs into the Asian market. The continued delivery of efficiencies associated with the implementation of the Transformation Plan, as well as the move of Asian lighting to Malaysia, SKU reduction and discontinuing loss-making products, has resulted in the Group conducting four reductions in workforce in the year. The overall headcount reduction has been almost 300 direct, indirect and salaried staff.

The cost of redundancy of \$3.2m has been treated as non-underlying. The ongoing annual cost saving from these reductions is almost \$5m. Overall, the Group headcount in our main location (Mexico) has reduced by just under 30% in the year to just over 750 heads. Despite these right-sizing actions, the Group has maintained the flexibility in the workforce to materially step-up production when the Group Lighting sales return to growth.

Historically, the Group engineering function continued to work through the Covid-19 pandemic. The US Internal Revenue Service allowed an Employee Retention Credit ("ERC") to compensate such companies that continued investing in people and growth. The Group submitted two claims totalling \$2.9m and these were both paid in the first half of the financial year. These have been credited to other operating income but are not included in underlying operating profit as this income is a one off with no more claims to follow.

### PROFIT PERFORMANCE

Underlying operating profit before interest and tax has more than doubled to \$10.3m compared to the \$4.2m in the prior year. The primary factors for the increased underlying operating profit are increased gross margin and reduced overheads.

Gross margin overall has increased to 39.0% from 35.6% in the prior year. This increase has added over \$5m to operating profit. The increase has been driven by sales pricing, reduction in sub-assembly SKUs, reduction in finished goods SKUs, cost reduction, right-sizing direct labour, reduction in gross to net sales adjustments, reduced sales commission, procurement savings and freight optimisation.

The overall underlying Group overhead of \$54.8m has reduced by \$6.3m compared to the prior year. This has been achieved by reduced headcount, lower legal and professional fees and better overall control of costs. All businesses in the Group now have monthly cost centre cost report analyses with appropriate delegated authority levels to improve overall control of costs.

## CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)

### WINNING HEARTS AND MINDS

We have a people-first culture and strive to keep our employees safe at all times. We take health and safety extremely seriously with monthly reporting on health and safety performance across the Group to the Board, including individual site data on improving accident near-miss statistics.

We have a clear and coherent strategy. Our employees are invested in the Transformation Plan to improve Dialight and make it a better place to work with a more certain future. Through the year, we have had around a dozen cross-functional teams with representation from every department looking to simplify and improve our business. It is testament to our staff and these teams that the positive progress reported here has occurred. The result of this work is reflected in the increased profit and cash generation. From this, for the first time, in July we paid a bonus to all eligible employees not already participating in a bonus or commission scheme as a statement of gratitude and thanks. The management bonus also paid out for the first time in several years.

During the year, we conducted a Group-wide employee survey. The results of this showed that we are making good progress but also that there are plenty of improvements still to come. These recommendations are now being worked on by each department.

Lynn Brubaker, our Chair of the Remuneration Committee and Non-Executive Director ("NED"), has continued a wide-ranging series of employee engagements including at Ensenada, New Jersey and London in her role as our Workforce Engagement NED.

### CASH FROM OPERATIONS AND NET BANK DEBT

I am delighted by the success of the Group's cash performance. Overall cash generated by operations has increased to \$35.4m in the year (2025: \$12.4m). This has been achieved through underlying EBITDA for the year of \$19.8m and a \$17.4m reduction in working capital.

After capital expenditure of \$4.8m (2025: \$8.0m), of which more than half is internally capitalised development costs, interest paid of \$1.9m (2025: \$2.8m), tax paid of \$2.2m (2025: \$1.7m), Sanmina payments (see below) of \$7.7m (2025: \$4.0m) and other cash outflows of \$2.9m (2025: inflow of \$2.7m), the overall increase in cash (before bank debt cashflows) is \$15.9m (2025: \$1.4m decrease) which has seen net bank debt reduce from \$17.8m to \$1.9m. On 22 April 2026, HSBC UK Bank plc ("HSBC"), our Group bankers, signed up to a new up to three-year revolving credit facility ("RCF") of £15.0m on attractive terms with a further £10.0m accordion and an option to extend for up to a further two years at the lender's discretion.

### SANMINA SETTLEMENT

In December 2025, the Group paid Sanmina \$5.7m (a reduction of \$0.3m over what would otherwise have been paid) in full and final settlement of all legal claims. This brought the total paid in the year to \$7.7m and removes this strategic uncertainty from the Group. I would once again like to thank Jure Sola, chair, and Jon Faust, chief financial officer, of Sanmina for their patience and grace in agreeing this settlement. We are now working with Sanmina to see how we might grow our Components sales to them. This hopefully can deliver a true "win-win" for both organisations.

## CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)

### NEXT STEPS

Following our successful first stage Transformation initiatives (product simplification, supply chain, inventory, factory efficiency and labour optimisation, sales transformation, re-alignment of our Component business and divestment of Traffic), we have now commenced the next stage, where our focus is on consolidation and optimisation of our manufacturing footprints to increase profit, capacity and flexibility. The following three items are key initiatives in order of importance:

- 1) transfer of manufacturing from Roxboro, North Carolina to our factories in Mexico;
- 2) transfer of the remaining Component assembly from Ensenada, Mexico to Penang, Malaysia - most of our OE manufacturing is already done in Penang and was implemented in the first stage of re-organisation; and
- 3) hybrid manufacturing (internal manufacture and use of contract manufacturers) of power supplies and select commodity moulded parts – the hybrid model will bring cost saving, labour saving and flexibility to increase capacity in a quick and cost-effective manner.

We expect to complete these initiatives within 18 months. These initiatives and plans were agreed and communicated to the respective teams before the end of March 2026. The successful completion of project item 1) will result in the closure of our Roxboro factory which has been provided for at 31 March 2026 and will result in a cash outflow of approximately \$0.3m.

### OUTLOOK

For the current financial year, we continue to expect to deliver strong and tangible progress benefitting from annualisation of savings and improvements from the first stage of the Transformation Plan, and we will implement stage two as detailed above, which will bring further annualisation benefits to 2028 and beyond. We also expect to start growing both Lighting and Component sales which have a strong flow through to profitability. So, despite the difficult geopolitical headwinds, we are confident in our focus to continue to achieve steady sales growth, achieve strong profit growth and eliminate bank debt in the year, with further progress thereafter.

### Steve Blair

Group Chief Executive Officer

22 June 2026

## CHIEF FINANCIAL OFFICER'S REVIEW

When I rejoined the business 18 months ago, we set out targets for our stakeholders to steadily grow sales, achieve 45% gross margin, achieve 11% to 13% minimum return on sales, achieve a minimum 25% return on capital, halve working capital and become debt-free. We set a timescale to achieve these of three to five financial years; i.e. 2028 at the earliest to 2030 at the latest. Dialight is a business with high ambitions. We have therefore decided, given the strong progress made in the year, to increase these targets to 15% return on sales and we have an ambition to achieve in excess of 25% return on capital.

During the year, we have significantly enhanced both the financial controls in the business and the financial reporting of results as well as significantly improving our forecasting and project financial planning capability. We now have a clearer understanding of the drivers behind variability in our results, we have rebuilt key relationships with our banking partners and shareholders, and delivered performance ahead of our forecasts and expectations. The strong financial performance for the year was driven by the successful execution of our Transformation Plan, underpinned by a renewed financial focus. The financial impact of the transformation does not stop here. Not only are there the annualisation benefits of what has been fully implemented to date but we have a clear, well-planned and consulted set of additional actions that will benefit 2028 and beyond.

We are getting the business back to where it once was - in a healthy financial position. We now have a much clearer vision to achieving our financial goals.

## FINANCIAL REVIEW

### FINANCIAL PERFORMANCE

Group revenue of \$166.9m for the year ended 31 March 2026 (2025: \$183.5m) generated a gross profit of \$65.1m (2025: \$65.3m on an underlying basis), giving a gross margin of 39.0% (2025: 35.6% on an underlying basis). This represents a good increase driven by selling more profitable products, product cost down, purchase savings on components and better financial discipline on pricing/margin. If the now-exited Traffic business margin is excluded from the gross margin for the year, the overall increase is to 40.8%.

### Underlying performance

Total underlying overheads of \$54.3m (2025: \$61.1m) and net impairment losses on financial assets of \$0.5m (2025: \$2.1m) resulted in an underlying operating profit of \$10.3m for the year (2025: \$4.2m).

### Lighting before central costs

The Lighting segment represents approximately 75% of the Group's revenue and consists of two main revenue streams: large capital expenditure projects and ongoing maintenance, repair and operations ("MRO") spend.

(\$m unless otherwise stated)

Lighting	2026	2025	Variance
Revenue	122.1	138.0	(15.9)
Underlying gross profit	49.8	54.1	(4.3)
Underlying gross profit margin	40.8%	39.2%	160 bps
Underlying overheads	(38.7)	(41.2)	2.5
<b>Underlying operating profit before central costs</b>	<b>11.1</b>	12.9	(1.8)

For the year ended 31 March 2026, Lighting revenue was down 11.5% at \$122.1m compared to \$138.0m in 2025. Underlying gross margins significantly improved during the year, following the launch of cost-reduction projects and improvements in procurement costs. The Group has also concentrated on selling a reduced number of SKUs and focusing on the sale of a better mix of more profitable products.

## CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

### Signals & Components before central costs

Signals & Components is a high-volume business operating within highly competitive markets. There are three main elements: OE components, vehicle lights and traffic lights (now exited).

(\$m unless otherwise stated)				
Signals & Components	2026	2025	Variance	
Revenue	44.8	45.5	(0.7)	
Gross profit	15.3	11.2	4.1	
Gross profit margin	34.2%	24.6%	960 bps	
Underlying overheads	(6.9)	(7.9)	1.0	
<b>Underlying operating profit before central costs</b>	<b>8.4</b>	<b>3.3</b>	<b>5.1</b>	

Overall, Signals & Components revenue decreased from \$45.5m in 2025 to \$44.8m in the year ended 31 March 2026. The main impact has been the reduction in Traffic sales (exited in October 2025). Without this impact, Signals & Component revenue increased by 13.7%. The overall gross margin in Signals & Components has increased due to higher OE sales and the Traffic exit which was a low-margin activity.

### Central costs

Central overheads comprise costs not directly attributable to a segment and are shown separately. In the year ended 31 March 2026, unallocated costs were \$13.6m (2025: \$15.9m) representing \$9.2m of central costs (2025: \$12.0m) and \$4.4m (2025: \$3.9m) of net non-underlying cost. Underlying costs primarily relate to head office costs and professional fees with non-underlying costs relating to the costs of delivery of the Transformation Plan and the pension buy-in (see page 12 for more details). In the prior year these costs were primarily legal costs.

### NON-UNDERLYING ITEMS

	2026 \$m	2025 \$m
ERCs	2.9	-
Transformation Plan	(4.4)	(4.1)
Defined benefit pension scheme administrative costs	(1.3)	-
Sanmina litigation costs	(0.2)	(17.8)
Business disposal income	-	0.9
Other	(1.0)	(0.6)
<b>Total</b>	<b>(4.0)</b>	<b>(21.6)</b>

To give a full understanding of the Group's performance and aid comparability between years, the Group reports certain items as non-underlying to normal trading.

As explained above, in the year the Group received ERCs of \$2.9m which are one-off in nature and will not recur.

The Group has incurred \$6.9m of non-underlying costs during the year, \$4.4m of which relate to the Transformation Plan. This is a significant multi-year change programme for the Group which is designed to address legacy issues associated with excess cost and complexity within the organisation, while at the same time focusing more resources on the most attractive growth opportunities within its core industrial LED lighting market. Implementation of the expenditure element of the Transformation Plan is now complete. The multi-year Transformation Plan is a material, infrequent programme and is not considered to be part of the underlying performance of the business.

## CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

As explained in more detail on page 12, the Group completed its pension buy-in transactions of the Executive Scheme and the Main Scheme on 5 August 2025 and 4 July 2024, respectively. In the current year, the Group has incurred \$1.0m of non-underlying administrative costs representing legal and professional fees as the Trustees of the schemes and their advisers work on various completion steps and \$0.3m of other fees.

### INVENTORY

Inventory of \$30.0m decreased by \$16.6m from \$46.6m in March 2025, which itself had reduced from \$64.8m in December 2022. The Group may see an increase to the balance as the Component product range is enhanced and Lighting sales grow.

	2026 \$m	2025 \$m
Raw materials	11.8	20.0
Sub-assemblies	7.8	10.7
Finished goods	10.4	15.7
Spare parts	-	0.2
<b>Total</b>	<b>30.0</b>	<b>46.6</b>

The aged inventory provision has decreased to \$2.3m in March 2026 compared with \$5.9m in March 2025 as a significant volume of aged inventory has been disposed of.

### CASH AND BORROWINGS

The Group ended March 2026 with net bank debt of \$1.9m, a decrease of \$15.9m from the March 2025 balance of \$17.8m. Net bank debt excludes IFRS 16 lease liabilities of \$8.3m, which are excluded for covenant testing purposes. The roll-forward of net bank debt was as follows:

	2026	
	\$m	\$m
At 1 April 2025		(17.8)
Underlying EBITDA	19.8	
Share-based payments	1.0	
Net impairment losses on financial assets	0.5	
Decrease in inventories (after impact of \$0.4m non-underlying)	17.5	
Decrease in trade and other receivables	5.2	
Decrease in trade and other payables (after impact of \$0.5m non-underlying)	(5.4)	
Provisions and pensions (after impact of \$0.1m non-underlying)	(1.4)	
Repayment of lease liabilities (including \$0.5m interest)	(3.0)	
<b>Underlying operating cash flow</b>		<b>34.2</b>
<b>Cash outflows and other movements:</b>		
Sanmina payments		(7.7)
Non-underlying ERCs cash receipts (see Note 4)		2.9
Non-underlying cash costs (see Note 5)		(4.7)
Capital expenditure (including additions to intangible assets)		(4.8)
Interest and tax paid (excluding \$0.5m interest on leases)		(3.6)
Proceeds on disposal of business		0.5
Purchase of own shares		(0.1)
Effect of foreign exchange rates		(0.8)
<b>At 31 March 2026</b>		<b>(1.9)</b>

## CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)

Gross bank debt of \$9.0m was offset by cash on hand of \$7.1m. Refer to Note 13 of the condensed consolidated financial statements for further details on bank borrowings. The Group's net finance expense of \$2.4m is analysed in Note 6.

## BANKING AND COVENANTS

At 31 March 2026, the Group's bank facility comprised an RCF of \$28.8m from HSBC which was extended on 5 June 2025 to 21 July 2027 on the same terms as the original agreement. This facility was replaced on 22 April 2026 with a new £15.0m RCF and a £10.0m accordion facility. See Note 13 to the condensed consolidated financial statements for further details.

## GOING CONCERN

The Directors consider it remains appropriate to continue to adopt the going concern basis in the preparation of these condensed consolidated financial statements. Furthermore, the Directors have assessed whether there are any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern and, unlike in prior periods, have concluded that none are present. Further details are provided in Note 2b to the condensed consolidated financial statements on pages 23 to 25.

## TAX

Based on a profit before tax of \$3.8m for the year ended 31 March 2026, the Group had an effective tax rate ("ETR") of 86.8% (2025: 3.5%) resulting in a tax charge of \$3.3m (2025: credit of \$0.5m). The ETR is above the standard UK corporation tax rate of 25.0% due to the effect of unrecognised tax losses and adjustments in respect of prior years. During the year, the Group made a net cash tax payment of \$2.2m (2025: \$1.7m). See Note 7 to the condensed consolidated financial statements for further details.

## PENSION SCHEMES

The Group makes contributions to the cost of running two closed defined benefit schemes to provide benefits for employees and former employees upon retirement. These are the Roxboro UK Executive Pension Fund (the "Executive Scheme") and the Roxboro UK Pension Fund (the "Main Scheme"). On an IAS 19 *Employee Benefits* ("IAS 19") basis, at 31 March 2026 the schemes are in balance (2025: \$2.2m asset) on an aggregate basis with the condensed consolidated statement of financial position showing employee benefit assets of \$0.7m and employee benefit liabilities of \$0.7m. Both schemes have each purchased a bulk annuity policy covering the majority of their respective liabilities with an insurer (a "buy-in"). See Note 14 to the condensed consolidated financial statements for further details.

## CAPITAL MANAGEMENT AND DIVIDEND

The Board's policy is to have a strong capital base to maintain customer, investor and creditor confidence and to sustain future development of the business. The Board considers Group consolidated total equity as capital, which at 31 March 2026 was \$47.1m (2025: \$47.3m). The Board is not declaring a dividend payment for the year ended 31 March 2026 (2025: \$nil).

The Group has a clear capital allocation discipline and is committed to returning excess funds to shareholders via future dividends or share repurchases. The Board will continue to consult with shareholders on returns of capital as the Group moves into a debt-free position.

## **CHIEF FINANCIAL OFFICER'S REVIEW (CONTINUED)**

### **EVENTS AFTER THE REPORTING PERIOD**

The Group's multi-currency RCF of \$28.8m with HSBC was replaced by a £15.0m RCF and an uncommitted £10.0m accordion on 22 April 2026 on improved terms than the original RCF agreement.

#### **Mark Fryer**

Group Chief Financial Officer

22 June 2026

## PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

The Board has conducted a robust assessment of the Group's principal and emerging risks. The risks outlined in this section are the principal risks that we have identified as material to the Group. They represent a "point-in-time" assessment as the environment in which the Group operates is constantly changing and new risks may always arise.

Risks are considered in terms of probability and impact, and are based on a residual risk rating of: high, medium and low. Mapping risks in this way helps not only to prioritise the risks and required actions, but also to direct the required resource to maintain the effectiveness of controls already in place and mitigate further where required. The risks outlined in this section are not set out in any order of priority and do not include all risks associated with the Group's activities. Additional risks not presently known to management, or currently deemed less material, may also have an adverse effect on the business.

- **Regulatory and compliance:** Risk around gaps in knowledge with regard to local authority regulation in Mexico relating to the Group's primary manufacturing sites. In part, this is exacerbated by the Mexican Government's tax-raising power, as is also the case with the Inland Revenue Board of Malaysia. Emerging risks relate to compliance around new UK failure to prevent fraud legislation under the Economic Crime and Corporate Transparency Act 2023 and compliance with the revised provision 29 of the UK Corporate Governance Code.
- **Market – Sales and growth:** Risk of concentration on North American markets, risk around verticals and geographic growth due to impact of tariff imposition. Lighting market contraction, demonstrated by competitor reduction in force. The Group has experienced declining revenue over a number of years. Actions have been taken to more than offset the impact of this on profit and a number of key steps have been taken to put the foundations in place to grow Group revenue by 3% to 5% minimum moving forward.
- **Cyber and data integrity:** Insufficient security and utilisation of data. In addition, disruption to business systems would have an adverse impact on the Group if our systems suffered a cyber attack or loss of data/data integrity issues.
- **Manufacturing footprint and operations:** Impact of location of manufacturing sites on continuity of production, production capacity and workforce. Concentration of operations in Mexico due to impending Roxboro plant closure increases the potential for production interruption due to increased cartel tensions and Mexican Government's increasing regulation as a means of raising taxes to fund security improvements.
- **Geopolitical and macroeconomic impacts:** Risk attaching to macroeconomic uncertainty. Global economic/political uncertainty has sharply increased due to the imposition of US Government tariffs as well as by the impact of the US-Iran conflict in the Middle East and Mexican political instability attributable to cartel activity. This could impact the Group's business given its manufacturing presence in Mexico and Malaysia, and primary downstream market in the US.
- **Inbound/outbound supply chain and manufacturing:** Extended supply chain risk including China impact on raw materials. This risk is exacerbated due to potential supply chain shortages as a result of the Middle East conflict, for instance helium that is needed to manufacture semiconductors at a time of huge global demand. Logistics risk due to imposition of cross-border US Government tariffs which will impact the Group due to location of key manufacturing locations in Mexico and Malaysia.
- **Product – Competition and product development:** Risk attached to translating market requirements into: (a) product specifications; and (b) profitable products. Challenge to drive innovation of new competitive products. Managing post-sales risk.
- **Major incident and external hazards:** Internal controls gap regarding unforeseeable incidents (e.g. terrorism, cartel violence, natural disaster, cyber breach and war) that could lead to the loss of, or disruption to, the Group's operations and its people.

The identification of risks and opportunities, the development of action plans to manage the risks and maximise the opportunities, and the continual monitoring of progress against agreed key performance indicators are integral parts of the business process and core activities throughout the Group.

These will continue to be evaluated, monitored, and managed through the remainder of 2026 and beyond.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

We confirm that to the best of our knowledge:

- a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- b) the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The contents of this results announcement, including the responsibility statement above, have been extracted from the Annual Report and Accounts for the year ended 31 March 2026 which may be found at [www.dialight.com](http://www.dialight.com) and will be despatched to shareholders shortly. Accordingly, this Directors' Responsibility Statement makes reference to the financial statements of the Company and the Group and to the relevant narrative appearing in that Annual Report and Accounts rather than the contents of this results announcement.

On behalf of the Board,

**Steve Blair**  
Group Chief Executive Officer  
22 June 2026

**Mark Fryer**  
Group Chief Financial Officer  
22 June 2026

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 March 2026

	Note	2026 \$m	2025 \$m
<b>Revenue</b>	3	<b>166.9</b>	183.5
Cost of sales		<b>(101.8)</b>	(117.0)
<b>Gross profit</b>		<b>65.1</b>	66.5
Other operating income	4	<b>2.9</b>	-
Distribution costs		<b>(25.7)</b>	(29.0)
Administrative expenses		<b>(35.5)</b>	(52.8)
Impairment losses on financial assets		<b>(0.7)</b>	(2.1)
Reversal of impairment losses on financial assets		<b>0.2</b>	-
(Loss)/gain on disposal of business		<b>(0.1)</b>	5.8
<b>Operating profit/(loss)</b>	3	<b>6.2</b>	(11.6)
Underlying EBITDA <sup>1</sup> before net impairment losses on financial assets		<b>20.3</b>	15.0
Net impairment losses on financial assets		<b>(0.5)</b>	(2.1)
<b>Underlying EBITDA<sup>1</sup></b>		<b>19.8</b>	12.9
Depreciation and amortisation <sup>2</sup>		<b>(9.5)</b>	(8.7)
<b>Underlying operating profit</b>	3	<b>10.3</b>	4.2
Non-underlying items	5	<b>(4.0)</b>	(21.6)
(Loss)/gain on disposal of business		<b>(0.1)</b>	5.8
<b>Operating profit/(loss)</b>	3	<b>6.2</b>	(11.6)
Net finance expense	6	<b>(2.4)</b>	(2.5)
<b>Profit/(loss) before tax</b>		<b>3.8</b>	(14.1)
Taxation (expense)/credit	7	<b>(3.3)</b>	0.5
<b>Profit/(loss) for the year</b>		<b>0.5</b>	(13.6)
<b>Profit/(loss) for the year attributable to:</b>			
Equity owners of the Company		<b>0.4</b>	(13.8)
Non-controlling interests		<b>0.1</b>	0.2
<b>Profit/(loss) for the year</b>		<b>0.5</b>	(13.6)
<b>Earnings/(loss) per share</b>			
Basic (cents)	8	<b>1.0</b>	(34.7)
Diluted (cents)	8	<b>1.0</b>	(34.7)

1. Underlying EBITDA is defined as operating profit or loss stated before non-underlying items, gain or loss on disposal of business, net finance expense, taxation, depreciation (including right-of-use assets) and amortisation (including impairment) of intangible assets. See Note 16 to the condensed consolidated financial statements for further details.
2. Depreciation and amortisation for the year ended 31 March 2026 includes an underlying impairment charge of \$1.5m (2025: \$0.1m) in respect of intangible assets. The prior year amount also includes a loss on disposal of property, plant and equipment of \$0.3m.

All results arise from continuing operations.

The accompanying Notes on pages 23 to 41 form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2026

	Note	2026 \$m	2025 \$m
Profit/(loss) for the year		0.5	(13.6)
<b>Other comprehensive (loss)/income:</b>			
<b>Items that may be reclassified subsequently to profit and loss</b>			
Exchange differences on translation of foreign operations		(0.2)	(0.1)
		(0.2)	(0.1)
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Remeasurement of defined benefit pension schemes	14	(1.6)	(4.0)
Deferred tax on remeasurement of defined benefit pension schemes	7	0.2	1.0
		(1.4)	(3.0)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(1.6)</b>	<b>(3.1)</b>
<b>Total comprehensive loss for the year</b>		<b>(1.1)</b>	<b>(16.7)</b>
<b>Attributable to:</b>			
Equity owners of the Company		(1.2)	(16.9)
Non-controlling interests		0.1	0.2
<b>Total comprehensive loss for the year</b>		<b>(1.1)</b>	<b>(16.7)</b>

The accompanying Notes on pages 23 to 41 form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2026

	Note	2026 \$m	2025 \$m
<b>Assets</b>			
Property, plant and equipment		12.3	13.5
Right-of-use assets		7.3	9.0
Intangible assets	10	7.6	9.0
Deferred tax assets		7.7	8.5
Employee benefit assets	14	0.7	2.2
Other receivables		0.7	0.5
<b>Total non-current assets</b>		<b>36.3</b>	<b>42.7</b>
Inventories	11	30.0	46.6
Trade and other receivables		27.8	34.3
Current tax assets		0.1	0.4
Cash and cash equivalents		7.1	7.9
<b>Total current assets</b>		<b>65.0</b>	<b>89.2</b>
<b>Total assets</b>		<b>101.3</b>	<b>131.9</b>
<b>Liabilities</b>			
Trade and other payables		(32.3)	(40.1)
Provisions	12	(1.4)	(2.4)
Current tax liabilities		(0.2)	(0.5)
Lease liabilities		(2.7)	(2.5)
<b>Total current liabilities</b>		<b>(36.6)</b>	<b>(45.5)</b>
Trade and other payables		-	(3.8)
Provisions	12	(2.3)	(2.1)
Employee benefit liabilities	14	(0.7)	-
Borrowings	13	(9.0)	(25.7)
Lease liabilities		(5.6)	(7.5)
<b>Total non-current liabilities</b>		<b>(17.6)</b>	<b>(39.1)</b>
<b>Total liabilities</b>		<b>(54.2)</b>	<b>(84.6)</b>
<b>Net assets</b>		<b>47.1</b>	<b>47.3</b>
<b>Equity</b>			
Issued share capital		1.2	1.2
Share premium		13.0	13.0
Merger reserve		1.0	1.0
Other reserves		15.1	15.4
Retained earnings		16.3	16.3
<b>Equity attributable to equity owners of the Company</b>		<b>46.6</b>	<b>46.9</b>
Non-controlling interests		0.5	0.4
<b>Total equity</b>		<b>47.1</b>	<b>47.3</b>

The accompanying Notes on pages 23 to 41 form an integral part of these condensed consolidated financial statements.

Registered number: 02486024

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2026

	Issued share capital \$m	Share premium \$m	Merger reserve \$m	Other reserves			Retained earnings \$m	Total \$m	Non- controlling interests \$m	Total equity \$m
				Translation reserve \$m	Capital redemption reserve \$m	Own shares \$m				
At 1 April 2025	1.2	13.0	1.0	12.5	4.3	(1.4)	16.3	46.9	0.4	47.3
Profit for the year	-	-	-	-	-	-	0.4	0.4	0.1	0.5
<b>Other comprehensive loss:</b>										
Exchange differences on translation of foreign operations	-	-	-	(0.2)	-	-	-	(0.2)	-	(0.2)
Remeasurement of defined benefit pension schemes, net of taxes	-	-	-	-	-	-	(1.4)	(1.4)	-	(1.4)
<b>Total other comprehensive loss</b>	-	-	-	(0.2)	-	-	(1.4)	(1.6)	-	(1.6)
<b>Total comprehensive (loss)/income for the year</b>	-	-	-	(0.2)	-	-	(1.0)	(1.2)	0.1	(1.1)
<b>Transactions with owners:</b>										
Share-based payments	-	-	-	-	-	-	1.0	1.0	-	1.0
Purchase of own shares	-	-	-	-	-	(0.1)	-	(0.1)	-	(0.1)
<b>Total transactions with owners</b>	-	-	-	-	-	(0.1)	1.0	0.9	-	0.9
<b>At 31 March 2026</b>	<b>1.2</b>	<b>13.0</b>	<b>1.0</b>	<b>12.3</b>	<b>4.3</b>	<b>(1.5)</b>	<b>16.3</b>	<b>46.6</b>	<b>0.5</b>	<b>47.1</b>

The accompanying Notes on pages 23 to 41 form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2025

	Issued share capital \$m	Share premium \$m	Merger reserve \$m	Other reserves			Retained earnings \$m	Total \$m	Non- controlling interests \$m	Total equity \$m
				Translation reserve \$m	Capital redemption reserve \$m	Own shares \$m				
At 1 April 2024	1.2	13.0	1.0	12.6	4.3	(1.2)	32.8	63.7	0.2	63.9
Loss for the year	-	-	-	-	-	-	(13.8)	(13.8)	0.2	(13.6)
<b>Other comprehensive loss:</b>										
Exchange differences on translation of foreign operations	-	-	-	(0.1)	-	-	-	(0.1)	-	(0.1)
Remeasurement of defined benefit pension schemes, net of taxes	-	-	-	-	-	-	(3.0)	(3.0)	-	(3.0)
<b>Total other comprehensive loss</b>	-	-	-	(0.1)	-	-	(3.0)	(3.1)	-	(3.1)
<b>Total comprehensive (loss)/income for the year</b>	-	-	-	(0.1)	-	-	(16.8)	(16.9)	0.2	(16.7)
<b>Transactions with owners:</b>										
Share-based payments	-	-	-	-	-	-	0.3	0.3	-	0.3
Purchase of own shares	-	-	-	-	-	(0.2)	-	(0.2)	-	(0.2)
<b>Total transactions with owners</b>	-	-	-	-	-	(0.2)	0.3	0.1	-	0.1
<b>At 31 March 2025</b>	<b>1.2</b>	<b>13.0</b>	<b>1.0</b>	<b>12.5</b>	<b>4.3</b>	<b>(1.4)</b>	<b>16.3</b>	<b>46.9</b>	<b>0.4</b>	<b>47.3</b>

The accompanying Notes on pages 23 to 41 form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2026

	Note	2026 \$m	2025 \$m
<b>Operating activities</b>			
Profit/(loss) for the year		0.5	(13.6)
Adjustments for:			
Net finance expense	6	2.4	2.5
Taxation expense/(credit)	7	3.3	(0.5)
Sanmina expense	5	-	11.3
Loss/(gain) on disposal of business		0.1	(5.8)
Share-based payments		1.0	0.3
Defined benefit pension scheme administrative costs	14	1.2	0.2
Depreciation of property, plant and equipment		3.1	3.2
Loss on disposal of property, plant and equipment		-	0.3
Depreciation of right-of-use assets		2.6	2.5
Amortisation of intangible assets	10	2.3	2.6
Net impairment losses on financial assets		0.5	2.1
Impairment losses on property, plant and equipment		0.7	-
Impairment losses on intangible assets	10	1.6	0.2
<b>Operating cash flow before movements in working capital</b>		<b>19.3</b>	<b>5.3</b>
Decrease in inventories		17.1	2.6
Decrease in trade and other receivables		5.2	1.9
(Decrease)/increase in trade and other payables		(4.9)	2.2
(Decrease)/increase in provisions		(0.8)	1.1
Pension contributions paid	14	(0.5)	(0.7)
<b>Cash generated by operations</b>		<b>35.4</b>	<b>12.4</b>
Income taxes paid		(2.2)	(1.7)
Interest paid <sup>1</sup>		(1.9)	(2.8)
<b>Net cash generated from operating activities</b>		<b>31.3</b>	<b>7.9</b>
<b>Investing activities</b>			
Proceeds on disposal of business		0.5	5.2
Purchase of property, plant and equipment		(2.2)	(4.3)
Additions to intangible assets	10	(2.6)	(3.7)
<b>Net cash used in investing activities</b>		<b>(4.3)</b>	<b>(2.8)</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 31 March 2026

	Note	2026 \$m	2025 \$m
<b>Financing activities</b>			
Drawdown of bank facility	13	3.9	3.0
Repayment of bank facility	13	(20.8)	(5.2)
Repayment of Sanmina liability		(7.7)	(4.0)
Purchase of own shares		(0.1)	(0.2)
Repayment of lease liabilities <sup>2</sup>		(2.5)	(2.3)
<b>Net cash used in financing activities</b>		<b>(27.2)</b>	<b>(8.7)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(0.2)</b>	<b>(3.6)</b>
Cash and cash equivalents at the beginning of the year		7.9	11.5
Effect of foreign exchange rates		(0.6)	-
<b>Cash and cash equivalents at the end of the year</b>		<b>7.1</b>	<b>7.9</b>

1. Interest paid includes interest paid on lease liabilities.

2. Repayment of lease liabilities only relates to the principal portion paid on lease liabilities.

The accompanying Notes on pages 23 to 41 form an integral part of these condensed consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2026

### 1. Reporting entity

Dialight plc (the “Company”) and its subsidiaries (together referred to as the “Group”) provides sustainable, energy efficient and intelligent LED lighting technologies, helping our customers drive towards a net zero economy. Its primary market is North America, with smaller operations in Europe, the Middle East and Africa (“EMEA”), Australia and the rest of the world. The Company is listed on the London Stock Exchange and is incorporated in the United Kingdom, registered and domiciled in England and Wales under registration number 02486024. Its registered office is at 60 Petty France, London, SW1H 9EU, England.

### 2. Basis of preparation

#### (a) Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards. These condensed consolidated financial statements are presented in US dollars and all values are rounded to the nearest tenth of a million dollars, except where otherwise indicated.

The financial information set out in this results announcement does not constitute the Group's statutory accounts for the year ended 31 March 2026 or the year ended 31 March 2025 but is derived from those accounts. The financial information for the year ended 31 March 2025 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors have reported on those accounts. Their report was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The report drew attention by way of emphasis to a material uncertainty related to going concern. Statutory accounts for the year ended 31 March 2026 will be delivered to the Registrar of Companies in due course. The auditors have reported on those accounts. Their report was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The financial statements for the year ended 31 March 2026 (including the comparatives for the year ended 31 March 2025) were approved and authorised for issue by the Board of Directors on 22 June 2026. This results announcement and these condensed consolidated financial statements were approved by the Board of Directors for issue on 22 June 2026.

#### (b) Basis of preparation

##### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 8. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are discussed in the Chief Financial Officer's review on pages 9 to 13.

Net bank debt has decreased to \$1.9m at 31 March 2026 (2025: \$17.8m) comprising borrowings of \$9.0m (2025: \$25.7m) with cash and cash equivalents of \$7.1m (2025: \$7.9m). Further details of borrowings are included in Note 13.

At 31 March 2026, the Group's bank facility comprised an RCF of \$28.8m from HSBC. The facility was extended to 21 July 2027 on the same terms as the original agreement on 5 June 2025. As set out in Note 13, on 22 April 2026, the Group entered into a new £15.0m (equivalent to approximately \$20.0m) RCF agreement with HSBC with an initial maturity date of 22 April 2029. The new agreement with HSBC also includes an uncommitted accordion of £10.0m (equivalent to approximately \$13.5m). The decrease in the size of the Group's committed bank facility aligns with the Group's liquidity needs and has no adverse impact on the Group's viability.

## 2. Basis of preparation (continued)

Both the old and new RCF facilities were/are subject to quarterly covenants encompassing maximum leverage and minimum interest cover. The financial covenants of the new facility require a leverage ratio maximum target of less than 2.5 times adjusted EBITDA (the old facility was 3.0 times) and an interest cover minimum target of 4.0 times adjusted EBITDA (the same as the old facility). The covenants under the old facility were met for all four quarters of the year. At 31 March 2026, there was \$16.2m of headroom on the leverage covenant and \$11.1m on the interest cover covenant. See Note 13 to the condensed consolidated financial statements for further details on the Group's banking covenants. The following going concern assessment has been carried out based on the new facility.

In assessing the going concern assumptions, the Directors have prepared three main scenarios over the going concern period which the Directors have assessed as a period of at least 12 months from the date of authorisation of these condensed consolidated financial statements to 30 June 2027, being:

- the base case;
- a severe but plausible downside case in relation to revenue and margin (the "downside case"); and
- a reverse stress test (break-even assessment)

Various upside scenarios also exist, but those result in positive outcomes and have not been included here given the focus of the Directors and the Group's auditor is on the risk to the going concern basis of preparation to the condensed consolidated financial statements. Nonetheless, the Directors consider these upside scenarios as realistic outcomes and continue to drive the Group's performance and other activities to seek to achieve those positive results.

The downside scenarios reflect the risk of lower-than-expected organic revenue growth in core Lighting markets, lower gross margins than forecast and cost savings not being realised to the full extent forecasted.

### *Base case*

The base case is derived from the Board-approved Budget for the year to 31 March 2027 together with growth assumptions for the quarter to 30 June 2027, which assume that the margin will improve over the going concern period through various Group initiatives. The base case is driven by sales price increase, margin approval on sales, SKU reduction and workforce optimisation. In this scenario, the Directors consider that the Group will continue to operate within its available committed facilities of £15.0m (per the new bank facility) with sufficient headroom and covenant compliance throughout the forecast period.

The key assumptions in the base case include:

- net revenue for the year to 31 March 2027 is forecast to grow by 2.9% compared to the year ended 31 March 2026 (8.4% excluding Traffic and Rail). This is driven by a combination of factors including increasing benefits from strategic relationships, price increases and continued growth in Signals & Components;
- gross margin improvement due to the sales price increases, normalisation of freight costs and right-sizing of the workforce in the production sites. The various initiatives are expected to deliver a year-on-year gross profit margin improvement of 4.8% in the year to 31 March 2027 and a further marginal increase in the quarter to 30 June 2027; and
- operating costs are expected to be 34.0% of revenue in the year to 31 March 2027 and 32.7% in the quarter to 30 June 2027.

## 2. Basis of preparation (continued)

### *Severe but plausible downside case (“downside case”)*

The key assumptions in this case are:

- year to 31 March 2027: reduction of Budget revenue of 10.0% across Lighting, Obstruction, OE and Vehicle;
- quarter to 30 June 2027: no growth in revenue;
- year to 31 March 2027: further margin reduction of 2.0%/£3.0m across materials, labour and overheads with a similar reduction (pro rated) in the quarter to 30 June 2027; and
- no mitigating actions are assumed apart from the removal of a bonus provision for the year to 31 March 2027 and the quarter to 30 June 2027.

### *Reverse stress test (break-even assessment)*

The key assumptions in this case are:

- year to 31 March 2027: reduction of Budget revenue by 16.7% across Lighting, Obstruction, OE and Vehicle;
- quarter to 30 June 2027: no growth in revenue;
- year to 31 March 2027: further margin reduction of 2.0%/£3m across materials, labour and overheads with a similar reduction (pro rated) in the quarter to 30 June 2027; and
- no mitigating actions are assumed apart from the removal of a bonus provision for the year to 31 March 2027 and the quarter to 30 June 2027.

As indicated above, the downside and reverse stress testing scenarios do not consider any mitigating actions apart from the removal of a bonus provision. In all these scenarios, the Group has a series of controllable mitigating actions that can be taken swiftly, including various temporary and permanent cost and cash-saving measures.

In the base case and downside case scenarios, the Group is not forecast to breach any covenants in the going concern period. The Directors have considered the circumstances that would be needed to breach at least one covenant – a reverse stress test. This indicates that a 16.7% fall in revenue from 2027 without any controllable mitigating actions being taken (apart from the removal of a bonus provision) would trigger a breach of the leverage covenant in the fourth quarter of the year to 31 March 2027. The likelihood of this circumstance is considered remote and management could take substantial mitigating actions, such as taking various cost-cutting measures. Therefore, the Directors consider it remains appropriate to continue to adopt the going concern basis in the preparation of these condensed consolidated financial statements. Furthermore, the Directors have assessed whether there are any material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern and, unlike in prior periods, have concluded that none are present.

### *Uncertain tax treatments*

The Group operates in certain jurisdictions that are unstable or have changing political conditions, giving rise to occasional uncertainty over the tax treatment of items of income and expense. In addition, from time to time certain tax positions taken by the Group are challenged by the relevant tax authorities, which carry a financial risk as to the final outcome. The Directors have considered the potential impact arising from these uncertainties and risks on the Group’s tax assets and liabilities, both recognised and unrecognised, and believe that they are not material to these condensed consolidated financial statements.

## 2. Basis of preparation (continued)

### Use of judgements, estimates and assumptions

The preparation of these condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The areas that require the most use of management judgement and estimation are set out below.

### Significant judgements

#### Development and patent costs

The Group capitalises development costs and patent costs provided they meet all the recognition criteria as set out in IAS 38 *Intangible Assets*. Costs are only capitalised when management applies judgement that is satisfied as to the ultimate commercial viability of the projects based on a review of the relevant business case. The capitalised costs are amortised over the expected useful economic life, which is determined based on the reasonable commercial prospects of the product and a comparison to similar products being sold by the Group.

The Group has \$7.5m (2025: \$8.6m) of development and patent costs that relate to the current product portfolio and new products expected to launch over the next one to two years. A review of the carrying value of development and patent costs was carried out at 31 March 2026 resulting in an impairment charge of \$1.5m (2025: \$0.1m) recorded within underlying operating profit and \$0.1m (2025: \$0.1m) being recorded within non-underlying items.

All of the Group's development projects are within the Lighting cash-generating unit ("CGU") and are tested for impairment at the CGU level. However, management also performs a review of each individual project to see if there are any indications of specific impairment.

The Directors have considered the reversal of impairments recognised in prior periods and determined that there were no material indicators to support a reversal of prior impairments.

#### Deferred tax assets

The Group must determine the extent to which deferred tax assets can be recognised. This determination is based on an assessment of the probability that future taxable income will be available, against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

#### US

At 31 March 2026, the Group has recognised a net deferred tax asset of \$7.7m (2025: \$8.5m). Of this balance, \$6.3m (2025: \$6.4m) arises in the US. The Group considers it highly probable that sufficient future taxable profits will arise in the US based on both the earnings history and the future forecasted profits. In addition, the Group is satisfied that the losses will unwind in the same period as the forecasted taxable profits.

## 2. Basis of preparation (continued)

### *All other jurisdictions*

The remaining \$1.4m (2025: \$2.1m) of the recognised net deferred tax asset arises in the Group's non-US subsidiaries in various geographical locations. The Group considers it highly probable that sufficient future taxable profits will arise in these jurisdictions based on both the earnings history and the future forecasted profits. In addition, the Group is satisfied that the losses will unwind in the same period as the forecasted taxable profits.

### *Non-underlying items*

The Group incurs costs and earns income that is non-underlying in nature or that, in the Directors' judgement, needs to be disclosed separately by virtue of its size and incidence in order for users of the condensed consolidated financial statements to assess the underlying performance of the business. Judgement is required in determining whether an item should be classified as non-underlying or included within the underlying results. Refer to Note 5 to the condensed consolidated financial statements for further information.

### *Estimates*

#### *Inventory provision*

The total value of the inventory provision for all categories of inventory over which judgement has been exercised was \$2.3m (2025: \$5.9m) which represents 7.1% (2025: 11.2%) of the gross inventory value. Details of the inventory provision are set out in Note 11 to the condensed consolidated financial statements.

#### *Inventory provision: raw materials and sub-assemblies*

The Group's policy is that all raw material and sub-assembly inventory that is over two years old at the balance sheet date is provided for in full. This basis for estimate reduces estimation subjectivity, while allowing for the adverse impact from component shortages that have led to high inventory levels and some components being held for longer than expected. Two years has been assessed to be appropriate as the components have a long shelf life, continue to be used in production and reflects the product demand mix between project and MRO.

The value of the inventory provision for raw materials and sub-assemblies at 31 March 2026 was \$0.4m (2025: \$4.4m).

If all raw material and sub-assembly inventory over 18 months old at the balance sheet date was to be provided for, the inventory provision for these categories would be \$0.8m (an increase of \$0.4m). Alternatively, if all raw material and sub-assembly inventory over three years old at the balance sheet date was only to be provided for, the inventory provision for these categories would be \$0.2m (a decrease of \$0.2m).

#### *Inventory provision: finished goods*

The review of finished goods inventory was based on all finished goods over one year old. Inventory on hand was compared to historical sales data, current sales orders (also referred to as backlog), sales order pipeline and whether the product had been recently launched. Management judgement was then applied to determine whether there was a reasonable probability that the inventory would be sold, with a provision being required for any inventory that failed this assessment.

Management believes that any reasonably possible change in the assumption would not cause any significant change in the provision estimate for finished goods. The value of the inventory provision for finished goods at 31 March 2026 was \$1.9m (2025: \$1.5m).

## 2. Basis of preparation (continued)

### Impairment losses and reversal of impairment losses on financial assets

Expected credit losses on financial assets contain a number of measurement uncertainties relating to management's view of the expected future cash flows receivable from financial assets due from customers and the inherent creditworthiness of those customers. Judgement is based on the Group's past experience as well as taking into consideration current market and economic conditions, and any factors relating to a specific customer or sale. Changes in judgements and assumptions could result in a material adjustment to those estimates in future reporting periods. The value of the expected credit loss provision at 31 March 2026 was \$2.4m (2025: \$2.1m).

### Changes in significant accounting policies

The Group has adopted the following amendments during the year with no significant impact:

- Lack of Exchangeability (Amendments to IAS 21).

The following standards, amendments and interpretations have been issued but are not yet effective. Where already endorsed by the UK Endorsement Board ("UKEB"), these changes will be adopted on the effective dates noted. Where not yet endorsed by the UKEB, the adoption date is less certain:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective 2027 financial year;
- Annual Improvements to IFRS Accounting Standards – Volume 11, effective 2027 financial year;
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7), effective 2027 financial year;
- IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"), effective 2028 financial year;
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, effective 2028 financial year;
- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21), effective 2028 financial year (not yet endorsed by UKEB); and
- Disclosures about Uncertainties in the Financial Statements – Illustrative Examples 38 (IAS 36, IFRS 18, IAS 1, IAS 37, IAS 8, IFRS 7), no effective date.

Except for IFRS 18, the adoption of these standards, amendments and improvements is not expected to have a material impact on the Group's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and also applies to comparative information. IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and will have a pervasive impact on the presentation and disclosure of the condensed consolidated financial statements, particularly in the condensed consolidated statement of profit or loss and disclosure requirements for management-defined performance measures ("MPMs") within the condensed consolidated financial statements.

### 3. Operating segments

The Group has two reportable operating segments.

These segments have been identified based on the internal information that is supplied regularly to the Group's chief operating decision maker for the purposes of assessing performance and allocating resources. The chief operating decision maker is considered to be the Group Chief Executive Officer.

The two reportable operating segments are:

- **Lighting:** develops, manufactures and supplies highly-efficient LED lighting solutions for hazardous and industrial applications in which lighting performance is critical and includes anti-collision obstruction lighting; and
- **Signals & Components:** develops, manufactures and supplies status indication components for electronics OEMs, together with niche industrial and automotive electronic components and highly efficient LED signalling solutions for the traffic and signals markets. The Group's Traffic business activity ceased on 31 October 2025.

There is no inter-segment revenue and there are no individual customers that represent more than 10% of revenue.

All revenue relates to the sale of goods. Segment gross profit is revenue less the costs of materials, labour, production and freight that are directly attributable to a segment. Central & Unallocated overheads comprise operations management plus corporate costs, which include share-based payments.

Segmental assets and liabilities are not reported internally and are, therefore, not presented below.

2026		Lighting	Signals & Components	Central & Unallocated	Total
	Note	\$m	\$m	\$m	\$m
Revenue		122.1	44.8	-	166.9
<b>Gross profit</b>		49.8	15.3	-	65.1
Underlying overheads		(38.7)	(6.9)	(9.2)	(54.8)
<b>Underlying operating profit/(loss)</b>		11.1	8.4	(9.2)	10.3
Non-underlying items	5	-	0.4	(4.4)	(4.0)
Loss on disposal of business		-	(0.1)	-	(0.1)
<b>Operating profit/(loss)</b>		11.1	8.7	(13.6)	6.2
Net finance expense	6	-	-	(2.4)	(2.4)
<b>Profit/(loss) before tax</b>		11.1	8.7	(16.0)	3.8
Taxation expense	7	-	-	(3.3)	(3.3)
<b>Profit/(loss) after tax</b>		11.1	8.7	(19.3)	0.5

## 3. Operating segments (continued)

2025		Lighting	Signals & Components	Central & Unallocated	Total
	Note	\$m	\$m	\$m	\$m
Revenue		138.0	45.5	-	183.5
<b>Underlying gross profit</b>		54.1	11.2	-	65.3
Underlying overheads		(41.2)	(7.9)	(12.0)	(61.1)
<b>Underlying operating profit/(loss)</b>		12.9	3.3	(12.0)	4.2
Non-underlying items	5	(18.6)	0.9	(3.9)	(21.6)
Gain on disposal of business		-	5.8	-	5.8
<b>Operating (loss)/profit</b>		(5.7)	10.0	(15.9)	(11.6)
Net finance expense	6	-	-	(2.5)	(2.5)
<b>(Loss)/profit before tax</b>		(5.7)	10.0	(18.4)	(14.1)
Taxation credit	7	-	-	0.5	0.5
<b>(Loss)/profit after tax</b>		(5.7)	10.0	(17.9)	(13.6)

### Other segmental data

2026	Lighting	Signal & Components	Central & Unallocated	Total
	\$m	\$m	\$m	\$m
Cost of inventories recognised as an expense	(37.3)	(16.9)	-	(54.2)
Personnel expenses	(29.1)	(8.0)	(4.0)	(41.1)
Depreciation of property, plant and equipment	(2.3)	(0.8)	-	(3.1)
Depreciation of right-of-use assets	(1.9)	(0.7)	-	(2.6)
Amortisation of intangible assets	(2.3)	-	-	(2.3)
Impairment of property, plant and equipment	(0.6)	(0.1)	-	(0.7)
Impairment of intangible assets	(1.2)	(0.4)	-	(1.6)

2025	Lighting	Signal & Components	Central & Unallocated	Total
	\$m	\$m	\$m	\$m
Cost of inventories recognised as expense	(47.9)	(19.3)	-	(67.2)
Personnel expenses (restated)	(36.4)	(11.0)	(3.3)	(50.7)
Depreciation of property, plant and equipment	(2.4)	(0.8)	-	(3.2)
Depreciation of right-of-use assets	(1.9)	(0.6)	-	(2.5)
Amortisation of intangible assets	(2.6)	-	-	(2.6)
Impairment of intangible assets	(0.1)	(0.1)	-	(0.2)

Personnel expenses for the current year include \$3.2m (2025: \$1.0m) of severance costs. Consequently, the prior year comparatives have been restated so as to match the current year's presentation.

## 3. Operating segments (continued)

### Geographical segments

Lighting and Signals & Components segments are managed on a worldwide basis but operate in three principal geographic areas: North America, EMEA and the rest of the world. The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods. All revenue relates to the sale of goods.

	2026 \$m	2025 \$m
<b>Geographical market:</b>		
North America	139.9	155.3
EMEA	10.1	10.7
Rest of the world <sup>1</sup>	16.9	17.5
<b>Total</b>	<b>166.9</b>	<b>183.5</b>

1. Includes \$10.9m in respect of Australia for the year ended 31 March 2026 (2025: \$11.5m).

## 4. Other operating income

In May and September 2025, the Group received two ERCs totalling \$2.9m in respect of claims filed in 2023. An ERC is a US refundable tax credit for certain eligible businesses that had employees and were affected during the Covid-19 pandemic. Accordingly, in the year ended 31 March 2026, the Group has recorded \$2.9m as other operating income in the condensed consolidated statement of profit or loss. As set out in Note 5, given the size and one-off nature of this item it has been treated as non-underlying.

## 5. Non-underlying items

The Group incurs cost and earns income that is non-recurring in nature or that, in the Directors' judgement, needs to be separately disclosed by virtue of its size and incidence in order for users of the condensed consolidated financial statements to assess the underlying performance of the Group.

The table below presents the components of non-underlying items recognised in the condensed consolidated statement of profit or loss. All costs are recognised within administrative expenses unless otherwise stated.

	2026 \$m	2025 <sup>2</sup> \$m
ERCs <sup>1</sup>	2.9	-
Transformation Plan	(4.4)	(4.1)
Defined benefit pension scheme administrative costs	(1.3)	-
Sanmina litigation costs	(0.2)	(17.8)
Other non-underlying costs	(1.0)	(0.6)
Business disposal income	-	0.9
<b>Total non-underlying items</b>	<b>(4.0)</b>	<b>(21.6)</b>

1. ERCs have been recorded within other operating income for the year ended 31 March 2026.

2. For the year ended 31 March 2025, a credit of \$1.2m was recognised within cost of sales (see Note 16) and a \$22.8m charge was recognised within administrative expenses.

### ERCs

As explained in Note 4, in the year ended 31 March 2026, the Group received ERCs which are one-off in nature as no more claims will follow.

## 5. Non-underlying items (continued)

### Transformation Plan

During the year ended 31 March 2026, costs of \$4.4m (2025: \$4.1m) have been incurred relating to the Transformation Plan. Implementation of the plan was completed in the current year. The multi-year Transformation Plan is a material, infrequent programme and is not considered to be part of the underlying performance of the business. The costs incurred in both the current and prior year relate to resetting and realigning the Group's cost base, including severance costs of \$3.2m (2025: \$1.0m), consulting costs and related legal and professional fees. The current year amount includes an impairment charge of \$0.7m in respect of property, plant and equipment relating to the forthcoming closure of the Roxboro, North Carolina facility.

### Defined benefit pension scheme administrative costs

During the year, legal and professional fees have been incurred by the Main Scheme as part of the completion steps of the buy-out process. These IAS 19 administrative costs of \$1.0m plus other non-IAS 19 costs of \$0.3m related to the Executive Scheme's buy-out have been treated as non-underlying costs in the condensed consolidated statement of profit or loss. See Note 14 for further buy-out details. On 22 May 2026, the Directors served winding-up notices to the respective Trustees of both schemes with effect from 23 June 2026.

### Sanmina litigation costs

On 31 March 2025, the Group settled its long-standing litigation with Sanmina for \$12.0m to be paid by instalments. This required payment of \$4.0m on 31 March 2025 and eight quarterly payments of \$1.0m per quarter with the final payment due on 27 March 2027. On 9 October 2025, the Group agreed an accelerated payment plan with Sanmina whereby a final payment of \$5.7m was made on 19 December 2025, representing a \$0.3m saving versus the \$6.0m that would otherwise have been paid over the six remaining quarters to 31 March 2027. With the final payment of \$5.7m, the Stipulation agreement between the parties was satisfied and both parties have taken steps to legally set aside the US and English court judgments, meaning any potential financial liabilities have been fully extinguished.

During the year, final legal expenses of \$0.2m have been incurred relating to case. The charge of \$17.8m for 2025 comprises an \$11.3m discounted expense for the settlement together with \$5.6m of legal expenses and \$0.9m of other irrecoverable amounts.

### Other non-underlying costs

Other non-underlying costs of \$1.0m (2025: \$0.6m) are one-off costs associated with writing-off aged inventory which falls outside the Group's inventory provision accounting policy and, as such, have been recognised through non-underlying to enable full comparability of the Group's financial performance with previous periods.

### Business disposal income

The current year amount includes an impairment charge of \$0.1m in respect of intangible assets (see Note 10) offset by a net credit of \$0.1m. Business disposal income of \$0.9m in the prior year related to the disposal of the Traffic business in July 2024 and comprised a credit of \$2.1m in respect of a release of inventory excess and obsolescence provision offset by an onerous contract provision of \$0.9m in relation to the Leotek contract and other charges of \$0.3m.

### Cashflow related to non-underlying items

The ERCs of \$2.9m were received in cash in the year ended 31 March 2026. Offsetting this, the Group has paid \$4.7m in relation to non-underlying costs in the year ended 31 March 2026 (2025: \$10.2m) including the settlement of legal costs relating to Sanmina and severances which were unpaid at 31 March 2025. Therefore, net non-underlying cash paid in the current year is \$1.8m which excludes the two quarterly Sanmina payments and the final settlement payment which total \$7.7m.

## 6. Net finance expense

	Note	2026 \$m	2025 \$m
Net interest income on defined benefit pension schemes	14	0.1	0.3
Interest expense on borrowings		(1.6)	(2.2)
Interest expense on lease liabilities		(0.5)	(0.6)
Unwinding of Sanmina settlement		(0.4)	-
<b>Net finance expense</b>		<b>(2.4)</b>	<b>(2.5)</b>

## 7. Taxation

### Tax recognised in the condensed consolidated statement of profit or loss

	2026 \$m	2025 \$m
<b>Current tax expense</b>		
Current year	(1.4)	(1.2)
Adjustment in respect of prior years	(0.8)	-
<b>Total current tax expense</b>	<b>(2.2)</b>	<b>(1.2)</b>
<b>Deferred tax (expense)/credit</b>		
Origination and reversal of temporary differences	(1.2)	1.1
Adjustment in respect of prior years	-	0.3
Impact of change in tax laws and rates	0.1	0.3
<b>Total deferred tax (expense)/credit</b>	<b>(1.1)</b>	<b>1.7</b>
<b>Total tax (expense)/credit</b>	<b>(3.3)</b>	<b>0.5</b>

### Reconciliation of the effective tax rate

	2026		2025	
	%	\$m	%	\$m
Profit/(loss) for the year after tax		0.5		(13.6)
Total tax expense/(credit)		3.3		(0.5)
<b>Profit/(loss) before tax</b>		<b>3.8</b>		<b>(14.1)</b>
Income tax using the UK corporation tax rate of 25.0% (2025: 25.0%)	25.0	(1.0)	25.0	3.5
Effect of higher taxes on overseas earnings	2.7	(0.1)	(7.8)	(1.1)
Change in tax laws and rates	(2.0)	0.1	2.1	0.3
Expenses not deductible for tax purposes	5.9	(0.2)	-	-
Current year losses for which no deferred tax is recognised	34.0	(1.3)	(17.7)	(2.5)
Adjustment in respect of prior years	21.1	(0.8)	2.1	0.3
Research and development credits	(2.6)	0.1	0.7	0.1
Foreign taxes incurred	(2.6)	0.1	-	-
Other	5.3	(0.2)	(0.7)	(0.1)
<b>Total</b>	<b>86.8</b>	<b>(3.3)</b>	<b>3.5</b>	<b>0.5</b>

The Group's effective tax rate for the year is 86.8% (2025: 3.5%) which is significantly higher than the standard tax rate as a result of the following major adjustments:

- unrecognised losses in the European Lighting business and the Company resulting in \$1.3m (2025: \$2.5m) of tax losses not being recognised in the year; and
- adjustments in respect of prior year taxes of \$1.3m in Malaysia and \$0.5m in the US, offset by \$1.0m in Mexico.

## 7. Taxation (continued)

### Current tax

Current tax is calculated with reference to the profit or loss of the Company and its subsidiaries in their respective countries of operation. Set out below are details in respect of the significant jurisdictions where the Group operates and the factors that influenced the current and deferred taxation in those jurisdictions.

### UK and US corporate tax rates

As set out above, the Group's UK companies are subject to a corporate tax rate of 25.0% (2025: 25.0%). The majority of the Group's profits arise in the US where the corporation tax rate is 23.0% (2025: 23.0%), including 21.0% federal tax and 2.0% state tax (2025: 21.0% federal tax and 2.0% state tax).

### Deferred tax recognised directly in equity

	2026 \$m	2025 \$m
Deferred tax credit on remeasurement of defined benefit pension schemes	0.2	1.0

## 8. Earnings per share

### Basic earnings per share

	2026	2025
Profit/(loss) for the year attributable to equity owners (\$m)	0.4	(13.8)
Weighted average number of shares (000s)	39,961	39,786
<b>Basic earnings/(loss) per share (cents)</b>	<b>1.0</b>	<b>(34.7)</b>

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to equity owners by the weighted average number of ordinary shares in issue during the year. The calculation of the weighted average number of ordinary shares excludes the shares held by the Employee Benefit Trust ("EBT") which are treated as cancelled. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these condensed consolidated financial statements.

### Diluted earnings per share

Diluted earnings per share is calculated after adjusting the weighted average number of ordinary shares in issue during the year to assume conversion of all potentially dilutive shares. The calculation of the weighted average number of ordinary shares excludes the shares held by the EBT.

Where a loss has been recognised the same number of shares are used in both the basic and diluted loss per share calculation as there is no dilutive effect when the Group is in a loss-making position. This was the case for the prior year, meaning that the number of shares that would have been used in the diluted earnings per share calculation for the year ended 31 March 2025 was 40,845,498.

	2026	2025
Profit/(loss) for the period attributable to equity owners (\$m)	0.4	(13.8)
Weighted average number of shares for basic earnings per share (000s)	39,961	39,786
Effect of dilution:		
Employee share awards (000s)	668	-
Weighted average number of shares for diluted earnings per share (000s)	40,629	39,786
<b>Diluted earnings/(loss) per share (cents)</b>	<b>1.0</b>	<b>(34.7)</b>

## 9. Dividends

No dividends were declared or paid in the current or prior year. No dividends were proposed by the Directors after the balance sheet date and there are no income tax consequences for the Company.

## 10. Intangible assets

	Development costs \$m	Patents \$m	Software \$m	Total \$m
<b>Net book value:</b>				
At 1 April 2025	7.2	1.4	0.4	9.0
Additions	2.1	0.5	-	2.6
Amortisation	(1.4)	(0.6)	(0.3)	(2.3)
Impairment	(1.3)	(0.3)	-	(1.6)
Foreign exchange	(0.1)	-	-	(0.1)
<b>At 31 March 2026</b>	<b>6.5</b>	<b>1.0</b>	<b>0.1</b>	<b>7.6</b>

Included within the impairment losses on patents of \$0.3m for the year ended 31 March 2026 is \$0.1m which has been treated as non-underlying (see Note 5).

## 11. Inventories

	2026 \$m	2025 \$m
Raw materials and consumables	11.8	20.0
Work in progress	7.8	10.7
Finished goods	10.4	15.7
Spare parts	-	0.2
<b>Total</b>	<b>30.0</b>	<b>46.6</b>

In the year ended 31 March 2026, inventories to the value of \$54.2m (2025: \$67.2m) were recognised as an expense. The inventory provision at 31 March 2026 was \$2.3m (2025: \$5.9m), which represents 7.1% of gross inventory (2025: 11.2%). The provision has decreased from 31 March 2025 by \$3.6m due to the utilisation of the provision of \$4.7m offset by additions of \$1.1m. See Note 13 for details of fixed and floating charges which includes the value of inventory in material Group companies.

## 12. Provisions

	Warranty \$m	Lease dilapidations \$m	Onerous contract \$m	Total \$m
At 1 April 2025	2.9	0.7	0.9	4.5
Recognised	1.5	0.1	-	1.6
Utilised	(1.2)	-	(0.9)	(2.1)
Released	(0.3)	-	-	(0.3)
<b>At 31 March 2026</b>	<b>2.9</b>	<b>0.8</b>	<b>-</b>	<b>3.7</b>
Presented in the condensed consolidated statement of financial position as:				
Current	1.4	-	-	1.4
Non-current	1.5	0.8	-	2.3

## 12. Provisions (continued)

The warranty provision relates to sales made over the past nine years. The warranty provision has been estimated based on historical warranty data with similar products. The Group expects to settle the majority of the liability over the next two to three years.

The lease dilapidations provision represents the Group's estimated liability to restore various leased properties to their original condition upon lease expiry, as mandated by the respective lease contracts. The expected outflow is expected to occur over the next two to five years. The onerous contract provision related to the Leotek contract as part of the sale of the Traffic business.

## 13. Borrowings

### Bank facility at 31 March 2026 and 2025

At 31 March 2026 and 2025, the Group's bank facility with HSBC comprised a multi-currency RCF of \$28.8m. At 31 March 2026, \$9.0m was drawn (2025: \$25.7m). The facility was extended on 5 June 2025 to 21 July 2027 on the same terms as the original agreement. As set out below, the Group entered into a new RCF agreement with HSBC after the reporting period.

	2026	2025
	\$m	\$m
At 1 April	25.7	27.9
Drawdown	3.9	3.0
Repayment	(20.8)	(5.2)
Foreign exchange	0.2	-
<b>At 31 March</b>	<b>9.0</b>	<b>25.7</b>

Interest was based on the sterling overnight index average ("SONIA") rate or the secured overnight financing rate ("SOFR"), depending on the tranche of debt, plus a margin which varies depending on the Group's leverage ratio. The indicative interest rate for the year ended 31 March 2026 was 7.23% (2025: 7.33%).

The Group's bank facility included security for HSBC by way of fixed and floating charges over all the material companies in the Group that generate greater than 5% of the turnover, operating profit or net assets of the Group. This was registered at Companies House on 21 July 2022.

The RCF was subject to quarterly covenants encompassing maximum leverage and minimum interest cover. In the year ended 31 March 2026, the covenants have been complied with and the outstanding borrowings of \$9.0m have been classified as a non-current liability at 31 March 2026 in line with the facility expiring in July 2027 (as at the reporting date).

The banking covenants were as follows:

Ratio	Calculation	Covenant
Leverage ratio	Net bank debt/Adjusted EBITDA	<3.0x
Interest cover	Adjusted EBITDA/Net interest expense	>4.0x

## 13. Borrowings (continued)

### New RCF agreement with HSBC

On 22 April 2026, the Group entered into a new RCF agreement with HSBC with the following key features:

- £15.0m (equivalent to approximately \$20.0m) multi-currency RCF with an uncommitted accordion of £10.0m (equivalent to approximately \$13.5m);
- initial maturity date of 22 April 2029 with two one-year extension options exercised at the lender's discretion;
- subject to quarterly covenants encompassing maximum leverage of 2.5 times and minimum interest cover of 4.0 times;
- interest is based on SONIA, SOFR or euro interbank offered rate ("EURIBOR"), depending on the tranche of debt; and
- security for HSBC by way of fixed and floating charges over all the material companies in the Group. In respect of the UK entities, this charge was registered at Companies House on 27 April 2026.

## 14. Employee benefits

The Group makes contributions to the cost of running two closed defined benefit schemes to provide benefits for employees and former employees upon retirement. These are the Executive Scheme and the Main Scheme. The plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and investment risk. Both plans are administered by discrete funds (the "Funds") that are legally separate from the Group and managed by Trustees that are independent individuals. The Trustees of the plans are required by law to act in the best interests of the plan participants and are responsible for setting certain policies (e.g. investment) of the Funds.

On an IAS 19 basis, at 31 March 2026, the schemes are in balance (2025: \$2.2m asset) on an aggregate basis with the condensed consolidated statement of financial position showing employee benefit assets of \$0.7m and employee benefit liabilities of \$0.7m. In the current year, the Group incurred administrative costs of \$1.2m (2025: \$0.2m), of which \$1.0m has been treated as a non-underlying charge, and an IAS 19 loss of \$1.6m (2025: \$4.0m) which has been recognised through OCI. Net interest income on defined benefit pension schemes for the current year was \$0.1m (2025: \$0.3m) with other movements of \$0.5m in the current year (2025: \$0.7m).

The Group is required to agree a schedule of contributions with the Trustees of the Funds following a valuation, which must be carried out at least once every three years. The last actuarial valuations were completed as at 5 April 2022. The next valuations (which are as at 5 April 2025) must be completed within the 15-month statutory deadline of 5 July 2026 unless a wind-up is triggered prior to the deadline. On 22 May 2026, the Directors served winding-up notices to the respective Trustees of both schemes with effect from 23 June 2026. There is no effect on recognition of the net defined benefit surplus as a result of the asset ceiling.

### Executive Scheme

The Executive Scheme purchased a bulk annuity policy covering the majority of its liabilities on 5 August 2025 with an insurer (a buy-in). The premium paid was £1.8m with the calculated value of the scheme's liabilities also being £1.8m, resulting in no buy-in gain or loss. The Trustee of the scheme and its advisers are working on various data cleanse steps which are not expected to be completed until early 2027 with wind-up work expected to be completed by early 2028. These stages are standard for all buy-out/wind-up processes and are necessary to ensure members receive the correct benefits and that both the Company and Trustee are properly discharged of their obligations. Until this work has been completed, the Trustee of the scheme will not be in a position to move from a buy-in to a buy-out (where the bulk annuity policy is converted into a series of individual policies which are then assigned to members). In light of this, the buy-in has been viewed as an investment transaction, with the impact recognised through OCI. The weighted average duration of this scheme's defined benefit liabilities is six years (2025: seven years).

## 14. Employee benefits (continued)

### Main Scheme

The Main Scheme completed its buy-in transaction with an insurer on 4 July 2024. At this date, the calculated value of the Main Scheme's liabilities was £13.2m (using assumptions appropriate for IAS 19). The premium paid was £16.1m, resulting in an IAS 19 loss due to the buy-in in the prior year of £2.9m or \$3.7m. The Trustees of the scheme and their advisers are working on various steps to cleanse the scheme membership data and complete calculations in respect of the impact of the GMP equalisation. These steps are not expected to be completed for current and former members until early 2027 with wind-up work expected to be completed by early 2028. These stages are standard for all buy-out/wind-up processes and are necessary to ensure members receive the correct benefits and that both the Company and Trustees are properly discharged of their obligations. Until this work has been completed, the Trustees of the scheme will not be in a position to move from a buy-in to a buy-out (where the bulk annuity policy is converted into a series of individual policies which are then assigned to members). In light of this, at the outset the 2024 buy-in was viewed as an investment transaction, with the impact recognised through OCI in 2025. The weighted average duration of this scheme's defined benefit liabilities is eight years (2025: nine years).

During the current year, legal and professional fees have been incurred by the scheme as part of the completion steps outlined above. Under IAS 19, these administrative costs of \$1.2m have been recorded in the condensed consolidated statement of profit or loss, with \$1.0m being presented by the Directors as a non-underlying item (see Note 5 to the condensed consolidated financial statements).

### Reconciliation of opening to closing balances

The following table shows a reconciliation from the opening balances to the closing balances for the Group's defined benefit pension schemes.

	Fair value of plan assets		Defined benefit liabilities		Net balance	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m	2026 \$m	2025 \$m
At 1 April	20.9	25.6	(18.7)	(20.2)	2.2	5.4
<b>Recognised in profit or loss</b>						
Administrative costs	(1.2)	(0.2)	-	-	(1.2)	(0.2)
Interest income/(cost)	1.1	1.2	(1.0)	(0.9)	0.1	0.3
<b>Total profit or loss</b>	<b>(0.1)</b>	1.0	<b>(1.0)</b>	(0.9)	<b>(1.1)</b>	0.1
<b>Recognised in OCI</b>						
IAS 19 (loss)/gain arising from:						
- changes in financial assumptions	-	-	(0.8)	1.2	(0.8)	1.2
- other experience items	-	-	(0.6)	0.2	(0.6)	0.2
- return on plan assets excluding interest income	(0.2)	(5.4)	-	-	(0.2)	(5.4)
<b>Total OCI</b>	<b>(0.2)</b>	(5.4)	<b>(1.4)</b>	1.4	<b>(1.6)</b>	(4.0)
<b>Other</b>						
Contributions paid by the employer	0.5	0.7	-	-	0.5	0.7
Benefits paid	(2.4)	(1.5)	2.4	1.5	-	-
<b>Total other</b>	<b>(1.9)</b>	(0.8)	<b>2.4</b>	1.5	<b>0.5</b>	0.7
Foreign exchange	0.5	0.5	(0.5)	(0.5)	-	-
<b>At 31 March</b>	<b>19.2</b>	20.9	<b>(19.2)</b>	(18.7)	-	2.2

Presented in the condensed consolidated statement of financial position as:

Employee benefit assets	0.7	2.2
Employee benefit liabilities	(0.7)	-

## 14. Employee benefits (continued)

The closing net assets/(liabilities) of each plan are analysed as follows:

	2026	2025
	\$m	\$m
Executive Scheme	0.7	0.9
Main Scheme	(0.7)	1.3
<b>Total</b>	-	2.2

The Group's plan assets consist of the following:

	2026	2025
	\$m	\$m
Bonds and gilts (class 2)	0.1	3.5
Insured annuities	18.3	16.0
Cash	0.8	1.4
<b>Total</b>	19.2	20.9

All equity securities and government bonds have quoted prices in active markets.

### IAS 19 assumptions

The principal assumptions at the balance sheet date are:

	2026	2025
	%	%
Discount rate	4.9	5.3
Future pension increases	2.7	3.2
Inflation: retail price index	2.8	3.3
Inflation: consumer price index	2.3	2.7

Assumptions regarding future mortality have been based on published statistics and mortality tables.

## 15. Principal exchange rates

The following significant exchange rates (versus the US dollar) applied during the year:

	2026	2025
<b>Average for the year:</b>		
Australian dollar	1.5136	1.5336
Canadian dollar	1.3815	1.3911
Euro	0.8626	0.9318
Malaysian ringgit	4.1619	4.5053
Mexican peso	18.5041	19.1539
Pound sterling	0.7461	0.7840
<b>At balance sheet date:</b>		
Australian dollar	1.4545	1.5857
Canadian dollar	1.3892	1.4293
Euro	0.8686	0.9273
Malaysian ringgit	3.9672	4.4297
Mexican peso	18.1052	20.2480
Pound sterling	0.7543	0.7733

## 16. APMs

The Group uses APMs which are not defined or specified under IFRS and may not be comparable with similarly titled measures used by other companies. These APMs represent additional measures in assessing performance and for reporting both internally and to shareholders and other external users. The Group believes that the presentation of these APMs provides useful supplemental information which, when viewed in conjunction with IFRS financial information, provides readers with a more meaningful understanding of the underlying financial and operating performance of the Group. None of these APMs should be considered as an alternative to financial measures drawn up in accordance with IFRS.

	Note	2026 \$m	2025 \$m
Gross profit		65.1	66.5
Non-underlying items	5	-	(1.2)
<b>Underlying gross profit</b>	3	<b>65.1</b>	<b>65.3</b>
Operating profit/(loss)	3	6.2	(11.6)
Non-underlying items	5	4.0	21.6
Loss/(gain) on disposal of business		0.1	(5.8)
Depreciation of property, plant and equipment		3.1	3.2
Loss on disposal of property, plant and equipment		-	0.3
Depreciation of right-of-use assets		2.6	2.5
Amortisation of intangible assets	10	2.3	2.6
Impairment of intangible assets		1.5	0.1
<b>Underlying EBITDA</b>		<b>19.8</b>	<b>12.9</b>
Operating profit/(loss)	3	6.2	(11.6)
Non-underlying items	5	4.0	21.6
Loss/(gain) on disposal of business		0.1	(5.8)
<b>Underlying operating profit</b>	3	<b>10.3</b>	<b>4.2</b>
Cash generated by operations		35.4	12.4
Cash impact of non-underlying items	5	1.8	10.2
Lease payments (including interest paid)		(3.0)	(2.9)
<b>Underlying operating cash flow</b>		<b>34.2</b>	<b>19.7</b>

As explained in Note 5, the Group incurs costs and earns income that is not considered to be reflective of the underlying performance of the business. In the assessment of performance of the business units of the Group, management examines underlying performance, which removes the impact of non-underlying costs and income.

Non-underlying items for the year ended 31 March 2026 of \$4.0m (2025: \$21.6m) are analysed and explained in Note 5 to the condensed consolidated financial statements. The prior year amount of \$21.6m is stated net of a credit of \$1.2m which was excluded from underlying gross profit of \$65.3m. This credit related to the release of an inventory excess and obsolescence provision of \$2.1m less an onerous contract provision of \$0.9m in relation to the Leotek contract. All other non-underlying costs of \$22.8m are analysed in Note 5 to the condensed consolidated financial statements.

### Net bank debt

Net bank debt is defined as total Group borrowings (excluding lease liabilities recognised under IFRS 16 and, in the prior year, the Sanmina liability) less cash and cash equivalents. At 31 March 2026, the Group's net bank debt of \$1.9m (2025: \$17.8m) consisted of borrowings of \$9.0m (2025: \$25.7m) less cash and cash equivalents of \$7.1m (2025: \$7.9m).

## 17. Events after the reporting period

### New RCF agreement with HSBC

On 22 April 2026, the Group entered into a new RCF agreement with HSBC with the following key features:

- £15.0m (equivalent to approximately \$20.0m) multi-currency RCF with an uncommitted accordion of £10.0m (equivalent to approximately \$13.5m);
- initial maturity date of 22 April 2029 with two one-year extension options exercised at the lender's discretion;
- subject to quarterly covenants encompassing maximum leverage of 2.5 times and minimum interest cover of 4.0 times;
- interest is based on SONIA, SOFR or EURIBOR, depending on the tranche of debt; and
- security for HSBC by way of fixed and floating charges over all the material companies in the Group. In respect of the UK entities, this charge was registered at Companies House on 27 April 2026.