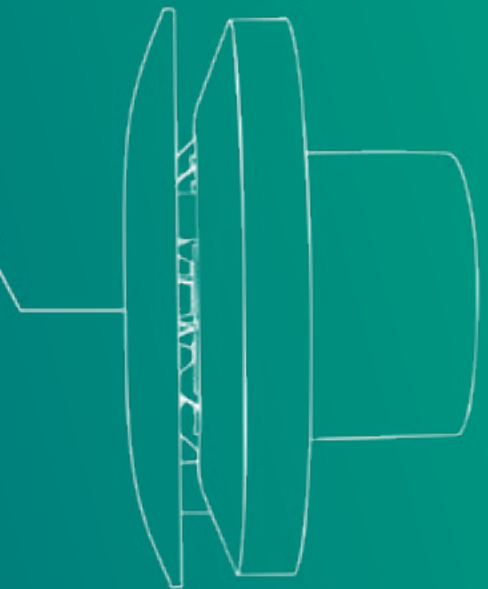
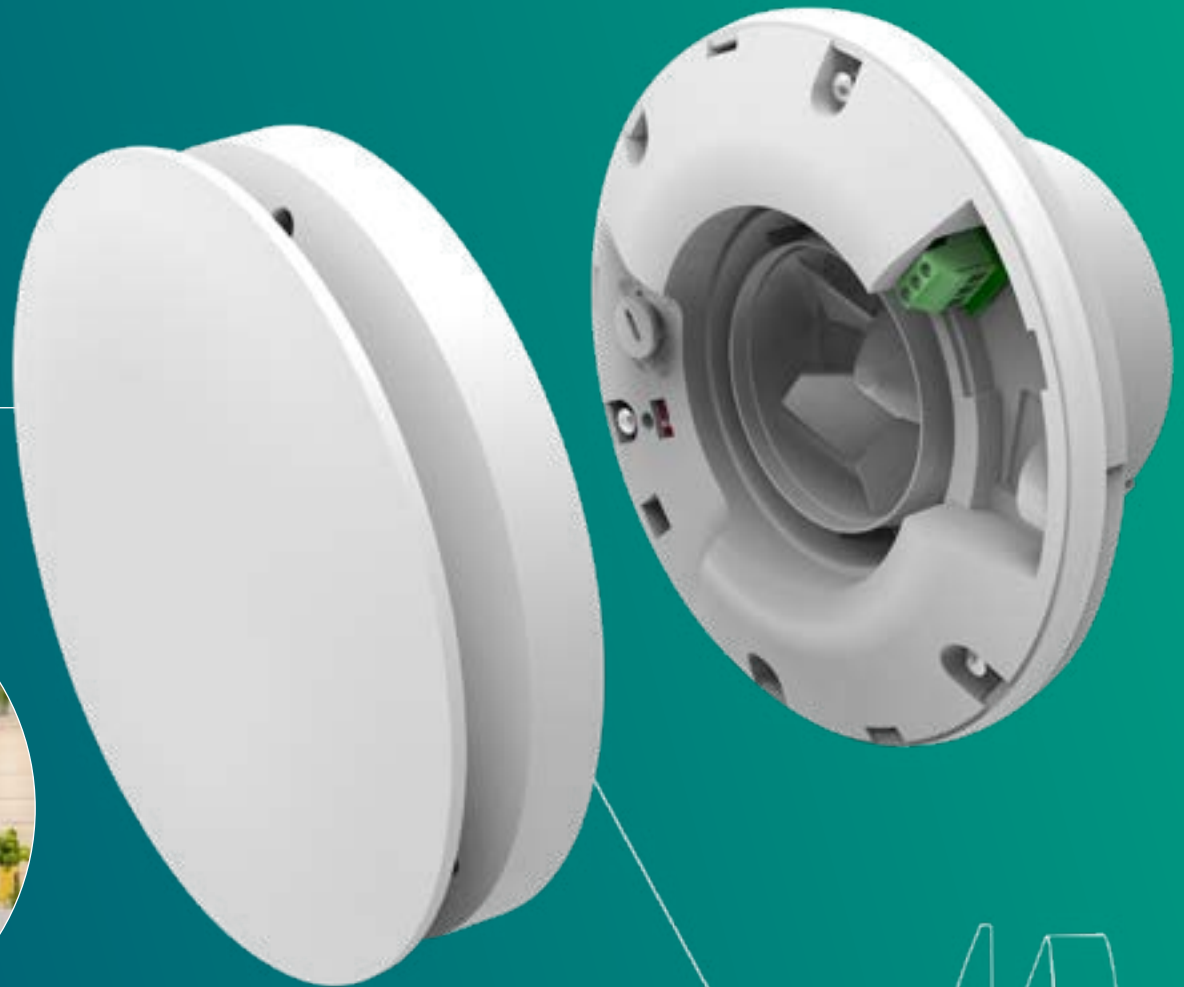


# volution

Volusion Group plc  
Annual Report 2025



# Healthy air, sustainably



# Healthy air, sustainably.

We see purpose and performance as inseparable. 'Healthy air, sustainably' is not only our ambition – it is how we create value for customers, communities, the environment and shareholders.

We are closely aligned with environmental, health, regulatory and consumer developments that are reshaping the world's expectation of how we live life indoors.

## Strategic report

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Note:

<sup>1</sup> The Group uses some alternative performance measures (APMs) to track and assess the underlying performance of the business; see more details on page 40.

<sup>2</sup> Constant currency is abbreviated to 'cc'.

# Highlights

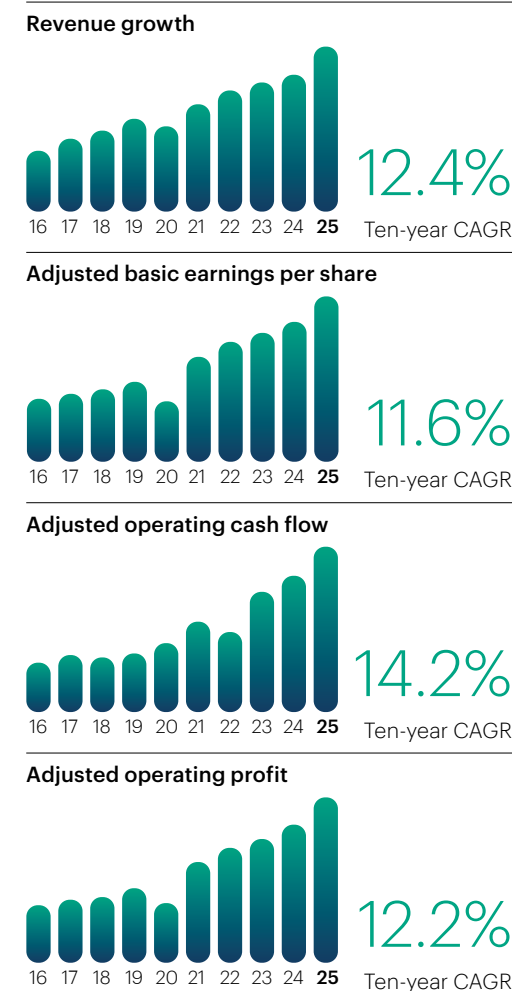
## Financial Highlights

Revenue £m	Organic revenue growth
£419.1m (+21.9% at cc <sup>2</sup> )	+4.4% (+5.7% at cc <sup>2</sup> )
Adjusted operating profit <sup>1</sup> £m	Adjusted operating profit margin <sup>1</sup> %
£93.4m (+19.7%)	22.3% (-20bps)
Adjusted profit before tax <sup>1</sup> £m	Reported profit before tax £m
£83.9m (+18.7%)	£54.5m (-3.7%)
Adjusted basic earnings per share <sup>1</sup> pence	Reported basic earnings per share pence
33.1p (+18.2%)	21.0p (-2.8%)
Adjusted operating cash flow <sup>1</sup> £m	Dividend pence
£104.5m (+21.8%)	10.8p (+20.0%)

## Non-Financial Highlights

Employee engagement score
75 (FY24: 74)
Accident frequency rate
0.17 per 100,000 hours worked (FY24: 0.20)
Sales revenue from low-carbon products
71.2% (77.3% excluding Fantech) (FY24: 74.6%)
Scope 1 & 2 carbon intensity (location)
12.0 tCO <sub>2</sub> e/£m revenue (FY24: 12.8)
Recycled plastic used in our products
83.9% (FY24: 78.1%)

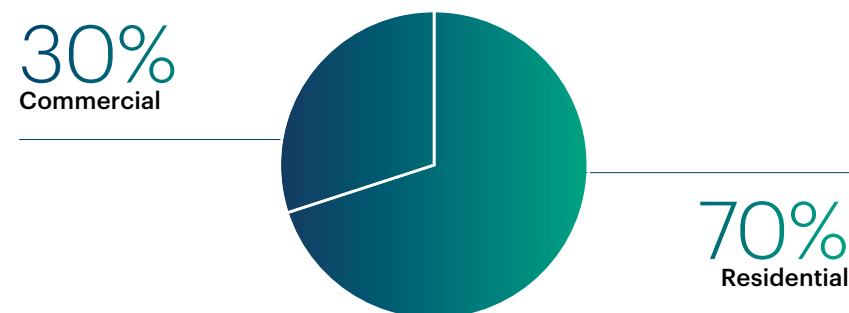
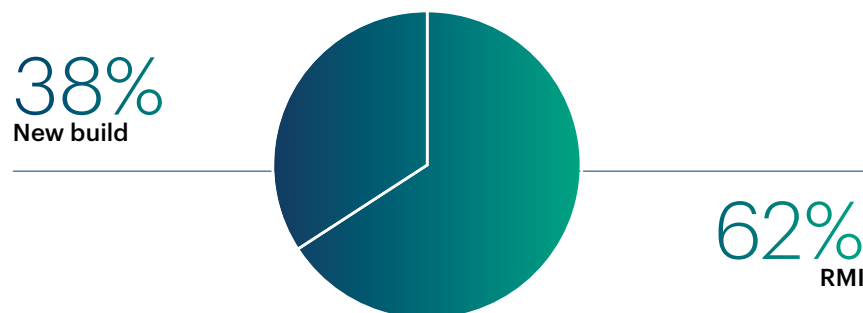
## Sustained Compounding Growth



## Our Business at a Glance

### What we do & why we do it

Volution is a leading supplier of air movement products, catering to primary markets in the UK, Continental Europe and Australasia. We aim to enhance our customers' experience of ventilation by reducing energy consumption and improving indoor air quality and comfort. Our purpose is to provide healthy air, sustainably.



#### Our solutions

### Residential air movement

The Volution Group's residential products encompass a broad range of product solutions including unitary and central extractor fans, positive input systems, mechanical heat recovery units with and without active cooling, localised cooling fans and a wide range of ancillaries. These cover the full scope of residential applications across both new build and refurbishment in houses, apartments, care applications, hotels and more.

### Commercial air movement

The Volution Group's commercial products encompass a variety of air movement solutions including extract and supply fans and systems, mechanical heat recovery units, air handling units, fan coils, hybrid ventilation solutions, acoustic solutions and heat recovery cells. These cover a wide range of applications including healthcare, education, offices, car parks, data centres, airports, tunnel ventilation, mining and many more.



## Our Business at a Glance continued

### UK



#### Revenue

£176.1 million

#### Adjusted operating profit

£45.9 million

#### Adjusted operating profit margin

26.0%



Read more on pages 20–21

### Continental Europe



#### Revenue

£136.6 million

#### Adjusted operating profit

£32.9 million

#### Adjusted operating profit margin

24.1%



Read more on pages 24–25

### Australasia



#### Revenue

£106.4 million

#### Adjusted operating profit

£21.9 million

#### Adjusted operating profit margin

20.6%



Read more on pages 28–29

#### Colleague numbers

UK	1,091
Continental Europe	751
Australasia	496
<b>Total</b>	<b>2,338</b>

#### Locations

UK	6
Continental Europe	15
Australasia	18
<b>Total</b>	<b>39</b>

## Investment Case

### Our clear compounding growth model

## Market overview – Structural growth drivers underpin long-term growth




## Our differentiated business case



## Investment Case continued

### Through our strategic pillars

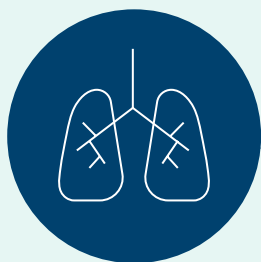
### Delivering attractive financial returns

Organic growth 	Revenue growth  +10% p.a	Organic revenue growth  +3-5% p.a.	Adjusted operating profit margin (%)  >20%
Value-adding acquisitions 			
Operational excellence 	Adjusted earnings per share  +10% p.a.	Adjusted operating cash conversion  >90%	Return on Invested Capital (ROIC)  >20%
Sustainability at our core			

## Our Business Model

### What drives us

We are driven by our purpose to provide 'Healthy air, sustainably' and are committed to supporting the legislative transition as we decarbonise.



### Health

Making our buildings air tight and insulated leads to poor air quality if we don't ventilate them correctly. Regulations continue to drive the demand for our products.



### Energy efficiency

Volution continues to drive the demand for low-carbon products, and our technology provides an important pathway to avoid carbon emissions from buildings.



### Comfort

Modern buildings run the risk of overheating during the summer periods. Our products provide energy efficient solutions to reduce that risk and create comfortable living environments.

## Our capabilities

### People

We rely on our dedicated workforce to deliver on our purpose.

2,338  
employees

### Brands

Our trusted brands across the UK, Continental Europe and Australasia provide us with a strong customer base and unique market selling opportunities.

29  
brands operating across  
three main markets

### Product portfolio

A broad and deep product portfolio of innovative air quality solutions.

c.30,000  
SKUs

### Financial capital

Our strong balance sheet allows continued investments in the Group, facilitating the acquisition of value-adding companies further strengthening our proposition.

£104.5m  
adjusted operating cash flow

### Natural capital

We keep sustainability at the heart of everything we do, utilising wherever possible the use of recycled materials in our designs.

83.9%  
recycled plastic processed  
in our own factories



## Our Business Model continued

### Our value chain

#### Innovate

We design and create innovative products across our business utilising the wealth of expertise from our employees, feedback from partners and our years of experience to deliver bespoke air quality solutions for our customers.

#### Manufacture

With continued product innovation we manufacture products with sustainability at their heart. We aim to use high-quality, sustainable products, eliminating waste in our value chain.

We aspire to close the loop on our circular economy by recycling end-of-life products.

#### Grow

Our acquisition strategy allows us to continually integrate value-adding businesses that provide new expertise, additional routes to market, and product development opportunities.

#### Distribute

Our 29 brands operate across three key geographies. Our scale allows us to maximise cross-selling opportunities, maximising our market reach, setting us apart from our peers. We aim to collaborate with distribution partners who prioritise sustainable practices.

### Our value chain

#### Underpinned by our strategic pillars and commitment to sustainability

##### Strategic pillars



Organic growth



Value-adding acquisitions



Operational excellence

##### Sustainability commitments



Product



Planet



People

[+ Read more on pages 10 to 11](#)

[+ Read more on pages 54 to 79](#)

#### Shareholders

Delivering attractive returns

**+11.6%**

adjusted basic EPS  
Ten-year CAGR

#### Suppliers

Develop long-term relationships with suppliers to grow together while meeting social commitments

**c.2,000**  
suppliers

#### Customers

Solutions to support our customer needs

**>20,000**  
customers

#### Environment

Continue to reduce our environmental impact within our value chain

**71.2%**  
low-carbon sales

#### Employees

Create a working environment within which our employees can develop their skills

**75**  
overall employee  
engagement score

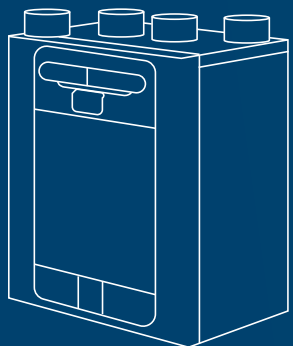
#### Government

Support regulatory change through the continued development of clean air ventilation systems



Read more on  
pages 22 to 23

## Our Products Residential



70%

of revenue from  
Residential products.

### Apartments

Volution offers a range of solutions for apartments which have unique design challenges for ventilation and overheating.



28.5%

of revenue from the  
Heat recovery category.

### Housing Refurbishment

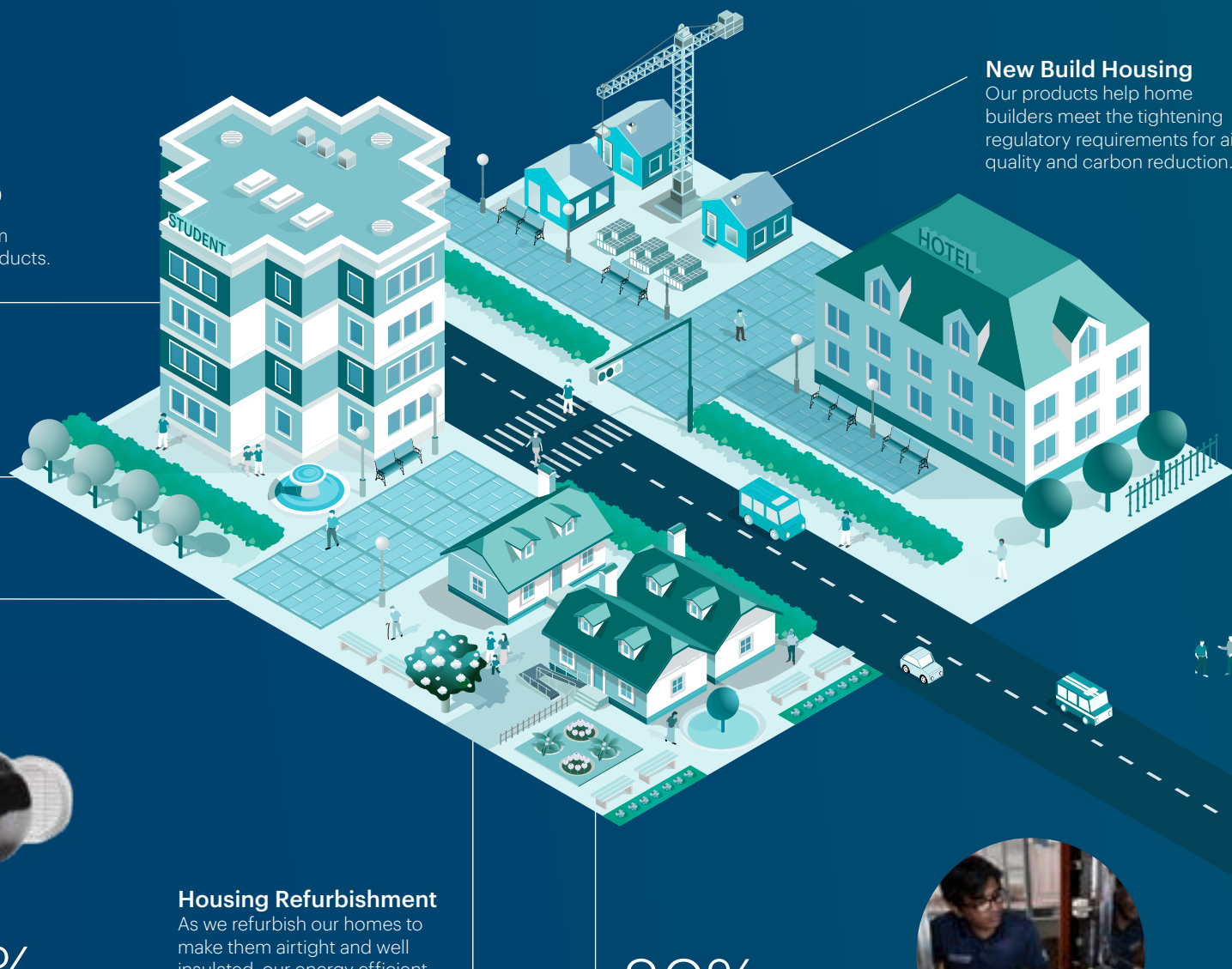
As we refurbish our homes to make them airtight and well insulated, our energy efficient ventilation systems keep them healthy in both social housing and private refurbishment markets.

80%

of the housing that will exist in  
2050 has already been built.

### New Build Housing

Our products help home builders meet the tightening regulatory requirements for air quality and carbon reduction.



## Our Products continued Commercial and industrial

### Industrial applications

Our products cover a range of industrial applications from infrastructure, marine and tunnels to many more.

# 30%

of revenue from  
Commercial products.



### Commercial applications

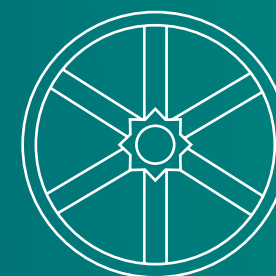
Our equipment can be found in shopping centres, airports, sports facilities, offices and any buildings requiring fresh air for people.

### Education

With often tight regulatory requirements we provide specialist advice for designs in schools, colleges and universities.

# >30%

of the classrooms across  
our geographies are  
under-ventilated.



# 71.2%

of revenue from low-carbon  
products. (Organic 77.3%)

## Our Strategy

Delivering impact with clear strategy and rigorous execution

# Organic growth



### What this means & how we do it

We grow through a focused sales strategy for each of our market sectors. We promote the benefits to health of higher-value ventilation solutions to grow our markets and increase margins. We invest in innovative new products and drive cross-selling initiatives.

### Progress in year

# +5.7%

Organic revenue growth on a constant currency (cc) basis

Building Regulations driving adoption of higher-value, low-carbon ventilation in the UK.

### Priorities for FY26

- Continue the focus on cross-selling across our organisation.
- Roll out of Mechanical Ventilation with Heat Recovery (MVHR) ranges in Australia.



Read more about organic growth on pages 22 to 23

# Value-adding acquisitions



### What this means & how we do it

We continue to acquire and integrate complementary businesses in the residential and commercial ventilation market. We look for businesses with clear synergistic benefits available.

### Progress in year

# +16.2%

Inorganic revenue growth on a constant currency basis

Completed the acquisition of Fantech in Australia.

### Priorities for FY26

- Focus on acquisitions which open new channels or product categories helping to diversify and reduce risk.



Read more about value-adding acquisitions on pages 30 to 31



## Our Strategy continued

# Operational excellence



### What this means & how we do it

Our dedication to operational excellence continues. We focus on improving the efficiency of all our operations and processes, reducing waste and optimising packaging and logistics.

### Progress in year

# 22.3%

adjusted operating profit margin (-20bps)

Invested in the Nordics and ERI to increase capacity and improve customer service.

### Priorities for FY26

- Optimise and expand extrusion capability in Reading
- Leverage Group procurement to optimise supply chains and maximise synergistic benefits available with particular focus on Fantech.



Read more about operational excellence on pages 26 to 27

# Sustainability across our business

At Volution we are committed to ensuring a low-carbon future with the health and wellbeing of people and the planet at its core. Our commitment to sustainability is deeply embedded in both our purpose and strategy. We are focused on improving our operations, our product proposition and how we fit into the circular economy.



Read more about our sustainability efforts on pages 54 to 79

## Chair's Statement

### A year of significant strategic progress



## Delivering strong and consistent performance

**Nigel Lingwood**  
Chair

#### Dear shareholder,

I am pleased to report another year of strong performance, demonstrating the strength and resilience of Volution's business model and strategy. We are proud of the progress made over that period, which is testament to our strong corporate culture, differentiated business model, compounding growth strategy and consistent delivery.

#### Acquisition of Fantech

The acquisition of the Fantech group of companies in Australasia on 29 November 2024 was our largest transaction to date. This significant transaction has not only expanded our presence in this important geographic area, but it has also marked a significant step up in the commercial sector, advanced our operational capabilities, and further enhances our product range across the Group. The successful integration work so far has reaffirmed the effectiveness of the Group's acquisition strategy. I would like to warmly welcome the Fantech teams into the Volution group.

#### Performance and results

Group revenue increased to £419.1 million (2024: £347.6 million), and adjusted operating profit was up 19.7% at £93.4 million (2024: £78.0 million), giving an adjusted operating margin of 22.3% (2024: 22.5%). The Group's adjusted earnings per share was 33.1 pence, representing an increase over the prior year of 5.1 pence, up 18.2%. Since our IPO in 2014, the compound annual growth rate of adjusted basic earnings per share is 12.8%, demonstrating strong and consistent performance over that period. Reported profit before tax decreased to £54.5 million (2024: £56.6 million) and reported basic earnings per share for the year was 21.0 pence (2024: 21.6 pence). Adjusted operating cash flow was £104.5 million (2024: £85.8 million), and £107.4 million, net of cash acquired, was spent on the acquisition of Fantech during the year.

Net debt (excluding lease liabilities) at the year-end was £126.0 million (2024: £31.6 million) representing leverage of 1.2 times.

## Chair's Statement continued

### Dividends

Recognising our strong performance in the year and our continued confidence in the business, the Board has recommended a final dividend of 7.4 pence per share, giving a total dividend for the financial year of 10.8 pence per share (2024: 9.0 pence per share), an increase of 20.0% on the previous year. This is in line with our ambition to progressively grow dividends each year. The adjusted earnings dividend cover for the year was 3.1x (2024: 3.1x). Subject to approval by shareholders at the Annual General Meeting on 10 December 2025, the final dividend will be paid on 16 December 2025 to shareholders on the register at 21 November 2025.

### Purpose and strategy

Volusion's purpose, to provide 'healthy air, sustainably', is at the heart of its strategy and it guides the Group's ambition to deliver value for all stakeholders. The strategy continues to be anchored in three core strategic pillars: organic growth, value-enhancing acquisitions and operational excellence, all underpinned by our commitment to sustainability. Industry regulations which are aimed at improving indoor air quality and driving the decarbonisation of buildings continue to evolve and serve as a key driver for our growth.

### Environmental, social and governance objectives

The Group remains committed to sustainability, responsible business conduct and active engagement with our global workforce. The approval of Volusion's near-term targets by the Science Based Targets initiative (SBTi) in March 2025 marked a significant step forward in the work to align operational activity with global climate aims. I am pleased to report that Volusion has reduced its Scope 1 and 2 carbon intensity by a further 6.25% compared with last year, which is a result of targeted investments in energy efficiency and the transition to renewable electricity across principal sites. In addition to this, several new low-carbon ventilation solutions, contributing to the decarbonisation of the built environment, have been launched in the year.

### Our people and culture

Cultivating a positive and inclusive work culture at Volusion remains a firm focus of the Board. We have continued to monitor key indicators of culture at the Board level, and Celia Baxter, the designated Non-Executive Director for employee engagement, has worked closely with our Group HR Director in respect of employee engagement activities.

We were proud of the results of our most recent Group-wide employee engagement survey, which indicated an overall engagement score of 75 (FY24: 74), representing a slight increase on the prior year's outcome. The survey also took into account the views of our new workforce at Fantech. We recognise that listening to the feedback within the survey results and taking positive actions as a result is fundamental to building on this momentum and further cultivating a positive and healthy culture. Our employees are the foundation and driving force behind the successful execution of our strategy, and their contributions are core to the continued progress of the Group. On behalf of the Board, I would like to express my sincere appreciation to all our employees for their hard work and commitment, which is fundamental to our achievements as a business and the creation of long-term value.

### Health and safety

Health and safety has remained a key priority for the Group, aligned with our zero-harm ambition. In FY25, we have an improved accident frequency rate of 0.17 per 100,000 hours worked (FY24: 0.20), reflecting our ongoing commitment to continuous improvement in this area.

### Board changes

On 5 March 2025, Celia Baxter and Emmanuelle Dubu were appointed as Non-Executive Directors. Celia has also taken on the role of Chair of the Remuneration Committee and is the designated Non-Executive Director for employee engagement. Both Celia and Emmanuelle bring a wealth of expertise and fresh perspectives to the Board, and their appointments reinforce our commitment to maintaining a Board with the right balance of skills, experience and diversity. Claire Tiney retired from the Board on 2 August 2025 following nine years of outstanding service and much-appreciated contribution. I would also like to thank Margaret Amos who stepped down from the Board at the Annual General Meeting in December 2024.

### Governance

We are committed to embedding robust governance principles throughout the organisation and keeping pace with evolving regulatory expectations.

We strive to maintain a clear and strategic focus, ensuring we deliver long-term, sustainable value for our shareholders through sound oversight and responsible management. Open, rigorous and transparent discussions on key strategic issues, potential risks and emerging opportunities are fundamental to our Board's decision-making process, always considering the interests of all stakeholders.

### Nigel Lingwood

Chair  
8 October 2025

## Our values

### Professionalism

With customers, suppliers, colleagues and shareholders and in all relationships.

### Innovation

Our products, services and solutions.

### Integrity

Environmentally, socially and in our governance.

### Commitment

100% every day, everywhere.

### Customer Service

Strive for quality and excellence in everything we do.

### Growth

Our sales and profit, our people, our capability, our capacity and our ambition. Grow our values and invest for the future.

### Fun

Enjoy what we do and respect those around us.

## Chief Executive Officer's Review

### Growing responsibly, delivering meaningfully



## We are delivering sustainable, compounding growth

**Ronnie George**  
Chief Executive Officer

### Overview

We are proud of the significant progress achieved this year, delivering strong organic revenue growth against a challenging market backdrop and completing our largest acquisition to date – Fantech in Australasia – which cements our position as market leader in both Australia and New Zealand. Once again, our broad geographic exposure, leading market positions and structural growth drivers enabled us to outperform the wider market.

Organic revenue growth of 5.7% at constant currency (cc) exceeded our target range of 3–5%. This was further enhanced by substantial inorganic growth following the successful integration of Fantech, resulting in overall revenue growth of 21.9% at cc.

Adjusted operating profit increased by £15.4 million, up 19.7% to £93.4 million (2024: £78.0 million). Adjusted operating margins were broadly maintained at 22.3%, despite the dilutive impact of the Fantech acquisition. Underlying operating profit margins, excluding the Fantech acquisition, increased in the year, reflecting our pricing discipline and the breadth of value engineering and procurement initiatives delivered across the business. With inflationary pressures moderating relative to recent years, price increases have been lower, and the organic margin improvement achieved has come from internal business improvement measures.

Organic revenue growth strengthened through the year, with the second half delivering 7.4% cc growth. Key drivers included sustained out performance in the UK residential market, a strong turnaround in UK commercial with over 20% organic growth in H2 FY25, and a return to organic growth in Australasia, supported by a much-improved fourth-quarter performance in New Zealand.



## Chief Executive Officer's Review continued

Cash generation is an essential enabler of our M&A-led compounding growth strategy and organic capex investment. An excellent adjusted operating cash conversion of 109% enabled us to bring net debt leverage levels down to 1.2x from a peak of 1.6x.

Our ambition is to become one of the leading ventilation providers for residential and commercial applications across our three core geographies: the UK, Continental Europe and Australasia. To support this goal, we strengthened our senior management structure during the year.

Continental Europe – leadership responsibilities have been expanded, with Andreas Löfstrand, previously our Nordics leader, and Koen Groenewold, based in the Netherlands, appointed as Regional Managing Directors for Europe.

Australasia – following the successful acquisition of Fantech, Anthony Lamaro, previously leader of the Fantech business, was promoted to Regional Managing Director for Australasia.

I am particularly pleased that these three senior regional leadership roles have been filled through internal promotion, which underlines the depth of talent within the Group and further strengthens our platform for growth.

The strengthening of our regional leadership, together with our central teams in technical, procurement and business development, has assisted us in broadening and maintaining a high-quality pipeline of acquisition opportunities. The acquisition of Fantech, a long-term strategic target for the Group, is a strong example of this approach, representing both an exciting extension of our capabilities and a significant expansion of our market reach.

Since our listing in 2014, Volusion has delivered consistent, compounding revenue growth of over 10% per annum. This success is only possible through the commitment and strength of our local management teams and our people.

During the year, we completed our second Group-wide employee engagement survey, this time including our new colleagues from Fantech. The results were very encouraging and built positively on the strong outcomes of the 2024 survey. We also ran our fourth Management Development Programme, with preparations already underway to launch an enhanced programme for senior leaders in early FY26.

As Chief Executive, I have always been clear that Volusion is, above all, a people business. While our purpose is to provide market leading solutions that improve indoor air quality, it is the passion and dedication of our people, and their commitment to delivering the best possible customer service, that drives our success. Continued investment in employee engagement and development remains critical to ensuring the strong and consistent execution of our business model.

### Our markets and regulatory drivers

Volusion's end market exposure evolved during the year, with the acquisition of Fantech in Australasia increasing our weighting in the region but also in commercial ventilation. While the Group remains predominantly focused on residential applications (c.70% of revenues) – with a stronger weighting towards refurbishment – the addition of Fantech has broadened our end-market mix across applications, construction cycles and geographies. Today, revenues are reasonably equally split across our three core regions.

We have seen tightening regulation play an increasingly significant role in shaping demand for our products. By design, regulatory measures aimed at decarbonisation have the greatest impact on new-build applications. In the UK, the introduction of building regulations Parts F, L and O has driven increased focus on airtightness, low-carbon ventilation, and over-heating risk in new homes, significantly supporting demand for more energy efficient, better-controlled products.

Refurbishment markets remain relatively resilient and less cyclical. With rising awareness among homeowners, landlords and tenants of the importance of good indoor air quality, demand in refurbishment has proven stable overall despite weaker construction activity. As in new build, customers are seeking more energy efficient and sophisticated solutions, driving higher product values across most markets.

Awaab's Law, introduced through the Social Housing (Regulation) Act 2023 and coming into force in October 2025, requires landlords to fix hazards such as damp and mould within strict legal timeframes. This is a vital step in protecting residents' health and improving living conditions. With our market leading solutions, we are well positioned to support landlords in meeting these obligations while benefiting from stronger, long-term demand.

Volusion actively contributes to local market consultations and discussions on ventilation requirements. Our international experience and product breadth allow us to play a leading role in shaping these debates and delivering practical, effective outcomes. Where new demands emerge, our scale, agility and innovation capabilities enable us to lead the way in developing solutions. Examples include our leading role in continuous system ventilation in UK residential new build, and our market leadership in decentralised heat recovery retrofit solutions in the Netherlands.

### Results

The Group delivered revenue of £419.1 million (2024: £347.6 million), an increase of 20.6% (21.9% at cc), with organic growth of 4.4% (5.7% at cc) and inorganic growth from the acquisition of Fantech in the year, of 16.2%. Adjusted operating margins decreased slightly from 22.5% in the prior year to 22.3%, due to the margin-dilutive impact of Fantech with underlying like-for-like organic margins increasing again in the year. Reported profit before tax was £54.5 million (2024: £56.6 million), a decrease of 3.7%.

# Chief Executive Officer's Review continued

## Sustainability

Our Sustainability Committee, comprising senior management and non-executive oversight, met twice during the year to review progress against published targets.

We made strong progress against our key Sustainability KPIs in the year. Recycled plastics content in our own production rose to 83.9% (2024: 78.1%). To assist adoption further we have increased our investment at our Reading facility (see page 23), which continues to lead the Group in sourcing and validating new materials. In addition, this year greater participation from the Nordics has positioned us for further improvement in FY26.

Low-carbon products accounted for 71.2% (2024: 74.6%) of Group revenue, reflecting the regulatory drivers for energy-efficient solutions, albeit diluted by Fantech. Although the regulatory drivers for energy efficient ventilation in Australia are currently not as advanced as Europe and the UK, proposed future changes to the National Construction Code will encourage the adoption of higher-efficiency, lower-carbon products in the medium term.

In addition, this year we have published our first Environmental Product Declarations (EPDs) for a range of central heat recovery devices. This provides a deeper lifecycle analysis for our new build customers looking for tighter control of embodied carbon.

Following a rigorous evaluation process, we are delighted the SBTi confirmed that our science-based targets meet the SBTi's Net-Zero Standard Criteria and Near-Term Target Criteria and Recommendations.

This approval demonstrates our commitment to reducing greenhouse gas (GHG) emissions in line with the latest climate science. Research published in 2024 revealed that only 14% of FTSE250 companies have this SBTi accreditation,

making us one of a few select companies to have achieved this milestone.

## Strategy

### Organic growth

Volusion has a financial target to consistently deliver organic growth in the range of at least 3–5%. This year, we achieved Group organic growth of 5.7% cc, ahead of our target range. The performance varied by region, with strong out performance in the UK (+9.5% cc) offset by more modest growth in Continental Europe (+3.1% cc) and Australasia (+0.6% cc).

### Value-adding acquisitions

On 29 November 2024, we completed the acquisition of Fantech in Australasia for an initial consideration of AUD\$221 million (£112.7 million) on a debt-free, cash-free basis, with a further non-contingent payment of AUD\$60 million (£29.6 million) due 12 months post-completion. With leverage (ex-leases) at 1.2x, our balance sheet remains strong and provides significant headroom to pursue further acquisition opportunities. Return on Invested Capital (ROIC) was robust at 25.2%, despite the dilutive impact of acquisitions. The Fantech business was successfully integrated in the second half of the financial year.

### Operational excellence

Maintaining an adjusted operating margin of 20% or above is a key financial objective for Volusion. In FY25, we delivered an adjusted operating margin of 22.3%, compared with 22.5% in the prior year, the 20bps reduction being due to the impact of Fantech. On a like-for-like basis excluding Fantech, Group operating margins increased by 50bps to 23.0%, reflecting Group-wide self-help initiatives across procurement, efficiency and value engineering.

In light of our strong UK organic growth and following the rationalisation of two OEM facilities into one Swindon site, we have also reviewed our wider operational footprint. To support future expansion, we have secured new leasehold

manufacturing capacity in Dudley, the West Midlands, from early FY26. Investments are already underway in new tooling, injection moulding and extrusion capacity, alongside enhancements we have made and continue to make to senior leadership, to future-proof our operational platform.

Customer service excellence remains central to our success and our planned capacity expansion, and operational investments will strengthen resilience and ensure service levels match our growth ambitions.

In the Nordics we are making additional investments in our metal working capabilities to support our revenue growth for new build projects. In Australasia we have identified optimisation opportunities by tooling new fan blade castings which will improve costs and enhance our capabilities for commercial ventilation products for both the Australian and New Zealand markets.

## People

People are at the heart of Volusion's long-term success. In FY25 we conducted our second, Group-wide employee engagement survey, incorporating colleagues from Fantech for the first time. With participation from over 2,250 employees, results were very positive and reinforced our shared purpose of delivering 'Healthy air, sustainably'.

Safety is our first priority, and this year we are pleased that our reported accident frequency rate is down 15% on last year. Our ambition however remains zero-harm, and we continue to work at a local level to reduce the risk of accidents further.



## Chief Executive Officer's Review continued

Integration of the Fantech Group of companies has progressed exceptionally well. I personally visited Australia and New Zealand five times during the year, meeting colleagues across both countries. The survey results highlighted the strong cultural alignment of Fantech with Volusion, confirming the high quality of both the business and its people.

In the UK, we strengthened our commitment to diversity and inclusion, becoming a strategic partner of the Construction Inclusion Coalition forum (having formerly been a Coalition Member). Across our Group, our diverse and international culture is a clear competitive advantage in delivering our purpose.

We also advanced leadership development through our 'Global Leaders' communication programme, chaired by Group HR Director, Michelle Dettman. Meeting twice a year, this forum brings together the senior team and around 90 colleagues for open dialogue, updates and questions. This transparent approach, alongside everyday engagement in our local businesses, continues to embed strong leadership and collaboration across the Group.

Alongside our regular engagement initiatives, we continued to develop our bi-annual employee engagement forum, now attended by our new Non-Executive Director and Board–employee liaison, Celia Baxter. Celia succeeds Claire Tiney, who retired from the Board in August 2025 after a distinguished nine-year tenure. I would like to thank Claire for her open and engaging approach to employee dialogue, and I am confident that Celia's skills and style will ensure these forums continue to deliver maximum value.

Strengthening and supporting our senior and wider management teams remains a top priority. Our new regional structure has embedded well in the second half of the year, complemented by the strength of our central functions in technical, procurement, business development, finance and people & culture.

I firmly believe high-performing teams are built on a culture of collaboration, transparency and trust. In 2025 we made excellent progress in enhancing our senior leadership team, and we are committed to building on this momentum in the years ahead.

### Outlook

I would like to thank all of my Volusion colleagues, who collectively have delivered an outstanding performance this year. Organic growth at 5.7% cc was ahead of our target range, whilst the completion of our largest acquisition to date with the Fantech Group in Australasia provided a significant boost to revenues and earnings.

The integration of Fantech is progressing well, with our teams already benefiting from greater scale and collaboration across the region. Excellent revenue growth, expanding organic margins, and record operating cash generation has culminated in a very strong financial result.

The new year has started well, with continuing organic revenue growth complemented by the inorganic revenue benefit from the Fantech acquisition. Notwithstanding the still difficult economic backdrop in many of our end markets, we remain confident of continuing to deliver compounding growth and another year of good progress.

### Ronnie George

Chief Executive Officer  
8 October 2025





## In conversation with the CEO and CFO



**Ronnie George**  
Chief Executive Office

# Q&A

with **Ronnie George**, Chief Executive Officer, and **Andy O'Brien**, Chief Financial Officer

### Q What were the highlights for Volution in the last year?

**RG** I was delighted with the Group's performance in FY25, and our adjusted earnings per share growth of over 18% was the strongest in Volution's history. Compounding growth and consistency of delivery is key to our model and investment case, and FY25's performance brings our adjusted EPS CAGR since listing in 2014 to 12.8%.

The Fantech acquisition was a particular highlight and represents a significant milestone for the Group and you can read more about it on pages 30–31. Organic growth was very strong at 5.7% cc and it was great to see this accelerating in the second half of the year.

**AOB** Other highlights I would add are margin performance (organic adjusted operating margin up 50bps) and continued very strong cash generation. As such even with an outflow of £137.8 million on acquisitions of Fantech and 24.35% of ClimaRad, we ended FY25 with the balance sheet in robust shape and leverage of 1.2x.

### Q And what would you say are potential areas for improvement?

**RG** Our organic revenue growth in FY25 was strong, however there were areas that were disappointing, such as UK OEM, Nordics, Germany and New Zealand. Where markets are difficult, we need to be laser focused and innovative in our pursuit of revenue opportunities and underpin this with excellent customer service.

**AOB** We look to drive margins by optimising existing operations as well as introducing new initiatives. Operationally there are always things we could do better, and we see opportunities to improve efficiency in several of our facilities. In terms of initiatives, we have a pipeline of procurement and value engineering programmes driven by our Group Procurement and Technical teams to optimise product costs, which are expected to yield ongoing results in the near future.

### Q Organic growth was particularly strong this year at 5.7% cc, despite a mixed market backdrop. What has been key to this?

**RG** Residential and commercial markets continue to be relatively subdued with low volumes of new construction and fragile consumer confidence. We do, however, benefit from structural tailwinds in ventilation markets through regulations, which have been particularly supportive in our UK new build activities, relating to both energy efficiency and to the risk of over-heating as properties

become more airtight. There is an ever-increasing awareness of the importance of good indoor air quality, and the risk mouldy homes and buildings present to health. As a Group we seek to lobby, shape and anticipate regulations, and to offer the widest range of product solutions for our customers.

### Q What role does innovation and new product development play and how has the Group's approach to R&D developed over time?

**RG** Our innovation and new product development activities, coupled with the addition of new products added through acquisition, means that Volution now has a very rich and broad product portfolio most notably for residential applications. We focus our innovation on both performance aspects of products (linked to regulations and energy performance) and on the user experience of the product, such as sound, aesthetics and ease of installation. In terms of approach, as the Group has become increasingly international it is essential to manage our resources and priorities in a co-ordinated, Group-wide manner, and our recently strengthened Group technical leadership is very much focused on this.



## In conversation with the CEO and CFO continued

**Q** Fantech was the Group's largest acquisition to date. How has the integration gone so far?

**RG** Fantech was a hugely attractive acquisition for the Group, which combined with our existing brands gives Volution a leading position in both commercial and residential ventilation in Australasia. The local team is high quality, and I am delighted with how well the existing Group and local teams have begun working together to further enhance the business. Despite a tough market especially in New Zealand, the performance in the first eight months since acquisition has been very encouraging.

**Q** M&A is a key element of the Group strategy. How does the process operate in Volution, what do you look for in targets and what metrics do you judge M&A by?

**AOB** With 26 acquisitions completed since 2012, the Group has a well-established process for sourcing, managing and integrating acquisitions. We have a good flow of ideas for targets, coupled with a broad network of adviser relationships.

We look for targets that increase our access to attractive markets, with strong brands, and appropriate capability. It is vital that we see opportunity to improve businesses we acquire, whether through sharing of Group products, or via procurement and innovation led cost opportunities. It is this track record of improvement, coupled with a disciplined approach to valuation, that ensures we preserve our strong returns and maintain Group ROIC above our 20% target.

**Q** Cash generation was particularly strong this year with a cash conversion of 109%. What are the key drivers of this?

**AOB** Volution has an asset light operating model, with a low proportion of fixed costs and a relatively modest capital investment requirement. With our strong margins and good discipline managing working capital, our cash generation track record is very reliable. We have a target of delivering over 90% cash conversion, and have achieved this in all bar one year since listing. FY25's cash conversion of 109% was especially strong, reflecting a working capital inflow of £4.5 million, primarily as a result of inventory optimisation. Whilst we would expect this to revert to closer to the 90% target going forward, we will continue to generate cash reliably which is key to our M&A strategy and capex for organic growth.

**Q** How has the Group performed in FY25 against its sustainability goals?

**RG** We set ourselves challenging targets when it comes to sustainability, and as such it is really pleasing to see that we have continued to move forward. On an organic basis our low-carbon revenue % now stands at 77.3% up 2.7pp on FY24, whilst I am delighted with the improvements we have made on introducing recycled plastics in the Nordics, which combined with our close to 90% levels in the UK means that the Group recycled plastics usage was 83.9%, up 5.8pp versus prior year.

**Q** The Group's geographic footprint continues to expand. How is the organisation changing to adapt to this?

**RG** With Volution now present in 17 countries, and in three broadly similar revenue-sized geographic regions, we must continue to evolve and develop our leadership and capability. I was excited to announce and progress our Regional Leadership model during FY25 and look forward to continuing to support the Managing Directors and their teams in growing their respective businesses (read more about this on pages 76 to 77). We have also continued to strengthen management in key Group-level functions, notably Technical and Procurement, both of which are critical to driving our product offering and initiatives across the Group.

**Q** What are your top priorities for FY26?

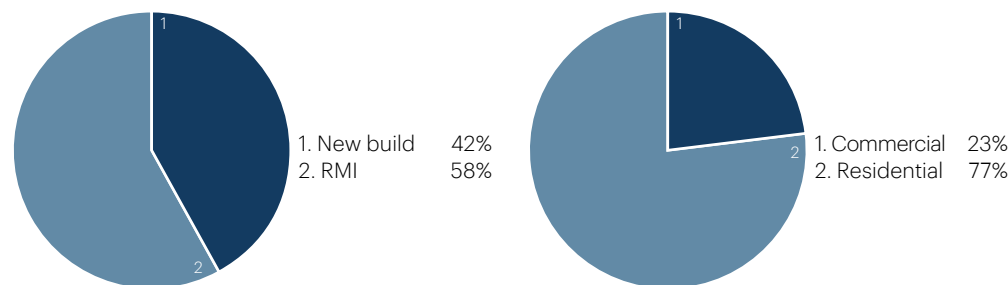
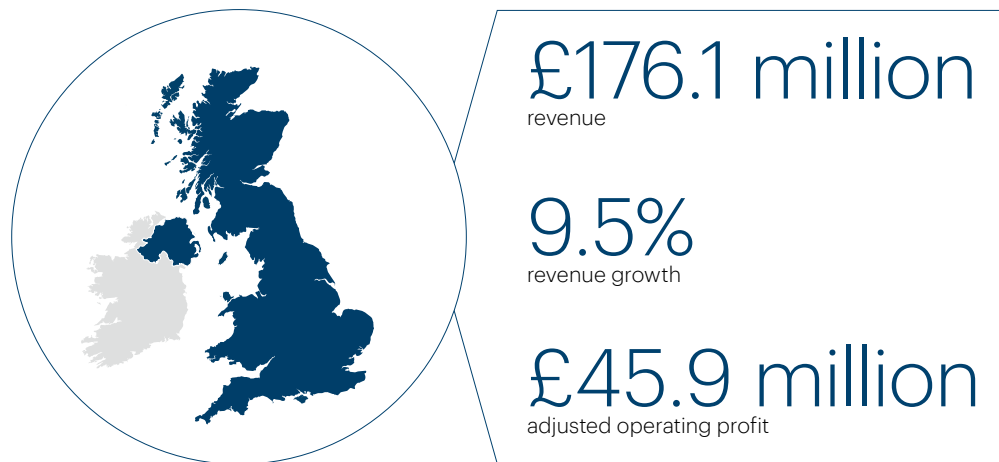
**RG** Our strategic pillars, namely organic growth, value-adding acquisitions and operational excellence, all underpinned by our commitment to sustainability, remain unchanged. Our priorities, resourcing decisions and capital allocation are all judged against this strategy which we believe can continue to deliver clear compounding growth for the long term.



**Andy O'Brien**  
Chief Financial Officer

## Business Review

### UK



	2025 £m	2024 £m	Change %
Residential	115.2	105.0	9.7
Commercial	30.1	28.2	6.9
Export	15.7	12.1	29.4
OEM	15.1	15.5	(2.0)
<b>Total revenue</b>	<b>176.1</b>	160.8	9.5
<b>Adjusted operating profit</b>	<b>45.9</b>	40.2	14.1
<b>Adjusted operating profit margin (%)</b>	<b>26.0%</b>	25.0%	1.0pp
<b>Reported operating profit</b>	<b>44.0</b>	34.6	27.2

The UK delivered strong organic revenue growth over the prior year. UK revenues increased from £160.8 million to £176.1 million, a 9.5% increase. The standout performance was residential ventilation activity which accounts for c.65% of UK revenue. Given our end markets were generally challenging, with commercial and OEM activity quite weak, overall organic revenue growth of 9.5% was a good achievement.

Adjusted operating profit increased from £40.2 million to £45.9 million with a significant increase in the adjusted operating profit margin at 26.0% up 100bps from 25.0% in the prior year. Our gross margins expanded through a combination of favourable product mix, initiatives to reduce product cost and increased utilisation of our Reading, Crawley and Dudley factories. Indirect costs were tightly controlled, although there were higher than usual bonus payments made to the teams that contributed to the 9.7% revenue growth in the residential market.

To support our growth, we have continued to invest in our facilities. During the year we prepared the groundwork for expansion of our Reading site injection moulding and extrusion capability and leased additional factory buildings

in Dudley, West Midlands, both aimed at future proofing our capacity headroom. In Reading we invested in larger injection moulding machines and new 'multi-cavity' tools which will both increase our output capacity and reduce our unit labour costs.

Our focus on operational excellence, material value engineering and cost down initiatives, enabled us to mitigate labour-related cost headwinds. In spite of a significant increase in employee national insurance and wage inflationary impacts, we were able to enhance our margins by 100bps in the year.

#### Residential

Sales in our residential market sector were £115.2 million (2024: £105.0 million), representing organic revenue growth of 9.7%, and building on last year's strong organic growth.

With leading brands across our UK business, each with slightly different attributes and end market application focus, we were able to deliver another strong year of growth. Regulations were most supportive in the new construction arena, despite the overall reduction in new build construction activity in the year.

Vent-Axia MANROSE Diffusion Qtorin

AIRTECH NATIONAL VENTILATION Breathing Buildings

## Business Review continued

For refurbishment activities, volume activity was solid, and we continued to benefit from the move towards low-carbon, more silent and more aesthetic solutions. Refurbishment activity is seasonal, with mould and condensation issues most acute in the winter months. This year's milder and generally drier winter we believe led to lower than anticipated levels of activity.

Our focus in this sector continues to build on servicing our key retail and trade distribution partners with the most compelling product portfolio underpinned by excellent customer service. These relationships are cemented by ensuring we are fully supporting our customers' growth initiatives. With substantial UK residential ventilation distribution coverage, across three leading brands, we continue to be well placed to support our customers.

New product solutions were added to our private residential refurbishment offering, and we are helping drive a move away from intermittent ventilation to continuous run solutions, a trend we have already witnessed in the social housing refurbishment and new build residential markets.

Social housing refurbishment demand continues to be robust and is still in a catch-up phase. The already mentioned milder and drier winter 24/25 is likely to have resulted in fewer mould and condensation issues than in previous years. However, significant underlying issues still exist and will need to be addressed. Our leading continuous ventilation solutions have been proven successful in helping remedy the issues, and we expect strong demand for future years.

Social housing landlords are increasingly focusing on fuel poverty and comfort-related issues in their dwelling stock and are moving towards more sophisticated ventilation solutions with improved controls or heat recovery. Many housing associations have targeted an achievement of Energy Performance Certificate 'C' by 2030, and this will drive demand for heat recovery products.

The standout performer in residential was the new build sector. Despite house completion levels being lower than the prior year, we saw a further increase in demand for low-carbon and continuous ventilation solutions linked to the changes in Part F, L and O of the building regulations.

We continued to invest in our facilities and capabilities to support future growth. Increased capacity in our Reading injection moulding and ducting lines is underway; new tooling to support the new product volume growth is either installed or due to arrive in H126; and the additional factory space at our Dudley facility will support the assembly of higher volumes of mechanical ventilation with heat recovery units.

During the year we built on our previous years' success in winning new accounts, successfully upgraded our heat recovery ranges to include a cooling capability to deal with Part O (overheating standard in the building regs) and designed a more streamlined approach to manufacturing increased volumes which will be finalised in early 2026. Customer service is key to success, and we increased our buffer stocks of key product lines to support demand. Whilst new build completion volumes remained low, the UK has a significant shortage of new build energy efficient housing, and we are fully prepared should government policy and a lower interest rate environment support higher volumes in the years ahead.

### Commercial

Sales in our commercial sector increased 6.9% to £30.1 million (2024: £28.2 million). Revenue declined in the first half of the year and was then followed by strong growth in the second half.

Our ambition is to further enhance our position in the UK commercial ventilation market. Key personnel changes in the prior year delivered a strong second half-year performance, and we will continue to strengthen the team in the coming

months. The investment in an enlarged factory floor area in Dudley in the first half of FY26 will provide us with the headroom to grow.

Notable successes in the year were the return to growth of our Breathing Buildings brand focusing on the natural and hybrid ventilation market with most project demand coming from the education sector. In the last three years we have successfully upgraded the product ranges in this area and have identified an opportunity to win share in the growing hybrid heat recovery space. There are further extensions necessary to the product range, however we believe the market dynamics are favourable for us to further develop this area.

Our fan coil revenues developed well in the year. Product enhancements were made to the range, and the production facility in West Molesey is well equipped to support further revenue growth.

Overall, our plan to enhance our commercial revenue streams made good progress in the year, and the additional energy and focus from the leadership team positions us well to build on this in the new year.

### Export

Sales in our UK export sector were £15.7 million (2024: £12.1 million), an organic revenue growth rate of 29.4%. The most notable successes in the year were both our residential and commercial ventilation solutions sold in the Irish market. We saw strong demand for heat recovery ventilation solutions in residential new build, and fan coils for commercial applications performed excellently in the year. We extended our residential systems commercial agreement with our regional partner and continue to work closely with them for mutual success.

### OEM

Third party Sales in our OEM sector were £15.1 million (2024: £15.5 million), an organic decline of just 2.0% following a disappointing prior year.

We completed our streamlining project where we will focus on a narrower but deeper range of low-carbon motorised impeller solutions. The site consolidation was finished in the first half of the year, and we benefited from a significant increase in inhouse demand for motorised impellers linked to our overall UK organic growth. The business is now well placed to develop in the new financial year, and we are working on several external revenue development opportunities.





## Strategy in Action

# Organic growth Investing in Capacity



Read more about our strategy  
on pages 10 to 11



## Regulations driving growth

**The current version of Part F (approved Document F: Ventilation in England) – which covers domestic and non-domestic ventilation – was published in 2021 and came into force on 15 June 2022. Wales followed shortly after on 23 November of the same year. That means Volume 1 (dwellings) and Volume 2 (non-dwellings) became the operative statutory guidance under the Building Regulations from that date.**

However, a transition is allowed and projects that had already been submitted with a building or initial notice before 15 June 2022 could continue under the previous regulations, provided works commenced before 15 June 2023.

Even though the document was first published in 2021, the transitional arrangements, and the period of time between planning and when we supply our products means that the adoption cycle occurs over an extended timeframe, and in FY25 we have just started to see the transition where most projects are now to the 2022 regulations.

The changes were introduced in parallel to changes in Part L (approved Document L: Conservation of Fuel and Power) which was designed to reduce the carbon emissions from buildings. These changes mean increased air tightness and improved building fabric. These led to higher ventilation rates in Part F and supported the adoption of more energy efficient ventilation solutions.

Additionally, a new Building Regulation was released, Part O (approved Document O: Overheating). This was introduced due to increased risk of overheating in summer. This has led to higher rates of ventilation being required along with an increase in active cooling products which include thermodynamic cooling.





31%  
carbon reduction

## Future Homes Standard 2025

**In 2025, the next version of the Future Homes Standard will be published, aiming to transform new home-building in the UK by:**

- cutting carbon emissions by 75–80% compared with current Building Regulations;
- delivering 'zero carbon-ready' homes using low-carbon heating (e.g. heat pumps) and high-quality fabric, eliminating the need for future retrofitting once the grid is decarbonised; and
- driving high-efficiency building fabric – better insulation, airtightness, low U-values and improved ventilation – to minimise heat loss.

This builds on the June 2022 uplift, which delivered a 31% carbon reduction.

The new regulations will further promote solutions such as our dMEV, MEV and MVHR systems which provide continuous, efficient ventilation and improving health outcomes in more airtight homes.

## How are we responding to change

As buildings under older regulations have been completed and the transition to updated standards continues, we've gradually shifted our product mix.

In FY25, fewer new build customers were using low-cost intermittent extract fans, with more adopting dMEV, MEV and MVHR solutions.

We also saw growth in Part O compliance product sales – both higher-rate extract fans, and cooling systems such as the Econiq Cool Flow introduced last year. These systems drive increased airflow, requiring larger duct profiles.

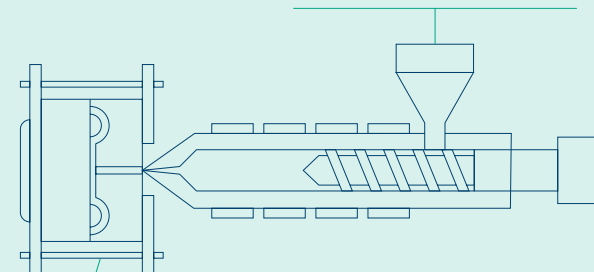
Together, these trends are generating higher revenues for Volution, helping customers cut carbon emissions and meet new building regulations. This mix improvement is driving revenue growth, independent of overall completions.

**Econiq Cool Flow**



We have invested in new injection moulding, extrusion lines and monitoring systems in Reading.

40%  
increase in capacity



## Investing for growth

To ensure that we continue to deliver excellent customer service as our demand grows, we have been investing to increase our capacity in our Reading facility. FY25 investment included:

### Injection moulding:

- 5 new machines (1 x 800T, 2 x 668T, 1 x 180T, 1 x 128T)
- Large overhead crane for tool handling
- Robotics and conveyor systems
- 30 multi-impression tools to boost output and reduce risk

### Extrusion:

- 1 new large extruder
- 2 high-speed tooling systems for large duct profiles

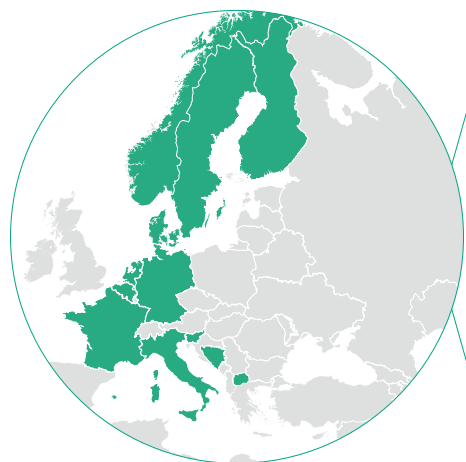
### Systems:

- Live manufacturing monitoring
- Real-time production reporting
- Breakdown and alarm alerts



## Business Review continued

# Continental Europe



£136.6 million

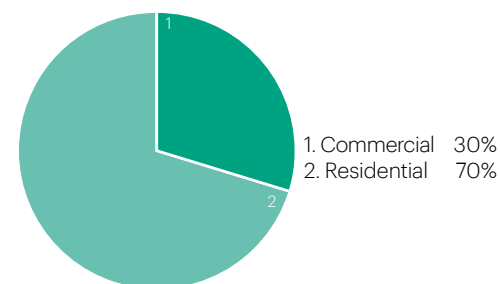
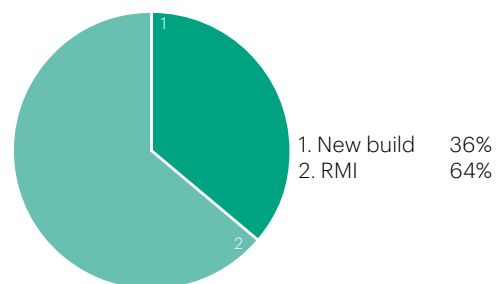
revenue

3.1%

revenue growth at cc

£32.9 million

adjusted operating profit



	2025 £m	2024 £m	Change %	Organic change (cc) %
Central Europe	90.6	87.0	4.2	6.0
Nordics	46.0	47.4	(2.9)	(2.3)
<b>Total Continental Europe revenue</b>	<b>136.6</b>	134.4	1.7	3.1
<b>Adjusted operating profit</b>	<b>32.9</b>	32.1	2.5	
<b>Adjusted operating profit margin (%)</b>	<b>24.1%</b>	23.9%	0.2pp	
<b>Reported operating profit</b>	<b>27.3</b>	29.1	(6.5)	

Our Continental Europe revenues increased from £134.4 million to £136.6 million, growing 3.1% at cc. Adjusted operating profit was up 2.5% at £32.9 million versus a prior year of £32.1 million. The adjusted operating profit margin increased in the year by 20bps to 24.1% (2024: 23.9%).

### Central Europe

Sales in the Central Europe region grew 6.0% at cc to £90.6 million compared with the prior year of £87.0 million.

Revenue in Central Europe was a similar mixed picture to the previous year, with ClimaRad revenue growth and Energy Recovery Industries (ERI) the notable successes.

ClimaRad continued to grow strongly in the year. In December 2024 we completed the pre-agreed buy-out of the remaining 24.35% of ClimaRad's shares. The changeover from private ownership to full Volution ownership has been smooth. Koen Groenewold, promoted to Managing Director ClimaRad in January 2024, has been promoted to lead one half of our European regional model. The ClimaRad management team is largely the same as at the time of the acquisition in 2020, and we are continuing to invest to further develop the product portfolio for the future. The Netherlands has been proactively supporting the agenda for refurbishing existing residential dwellings, through government legislation, and we see a good opportunity to grow our revenue in this market. In May 2025 the Board had its annual

overseas site visit at our Bosnian manufacturing facilities for ClimaRad based in Sarajevo. We have continued to invest in the facility to support the revenue growth and underpin operating profit margins.

In Germany our revenue performance was similar to the prior year with a slightly better performance towards the end of FY25. The new build market for ventilation in Germany has been depressed for a couple of years now, and we have been focusing on introducing new and upgraded solutions to target market share which has reduced over the recent years. Our Taris fan and improved sound insulation cover gained traction in the year, however there is further scope for gains in the period ahead. Good cost control maintained gross and operating profit margins, and we made additional investments in our own external sales personnel to help assist the future revenue growth.

In Belgium we made good progress with the new Econiq family of heat recovery. Following on from earlier delays to the original launch of the product in 2023, we are now seeing good levels of new project orders and are optimistic of a recovery in new house construction in the new year.



## Business Review continued

We made good progress in France with a particular focus on utilising the product portfolio from across the Group. Good revenue growth was achieved in the distribution route to market resulting in a substantial uplift in operating profit margins. The local leadership team have been investing in greater sales power, and we have some exciting new product developments planned for 2026. Since acquiring VMI in 2023 the gross margin in France has increased by 10% due to the benefit of Group value engineering and sourcing support.

ERI had another year of good organic growth. Since acquiring ERI in 2021 we have invested in new product ranges, additional manufacturing equipment and during 2025 we purchased some adjacent land and buildings designed to support the doubling of our future production capacity. In the first half of 2026 we will refurbish the acquired buildings, and this will provide us with the footprint to further grow revenues. Our ambition is to develop ERI into one of the leading ventilation heat exchanger producers in Europe, and our mix of investment in automation combined with a low-cost labour location is a strong recipe for cost competitiveness and success.

Our activities in Slovenia were disappointing in the year, particularly in the market for residential heat recovery refurbishment. We have utilised some strong product solutions from inside the Group to support our margins, and revenue has stabilised.

### Nordics

Sales in the Nordics region were £46.0 million (2024: £47.4 million), an organic revenue decline of 2.3% at cc compared with the previous year.

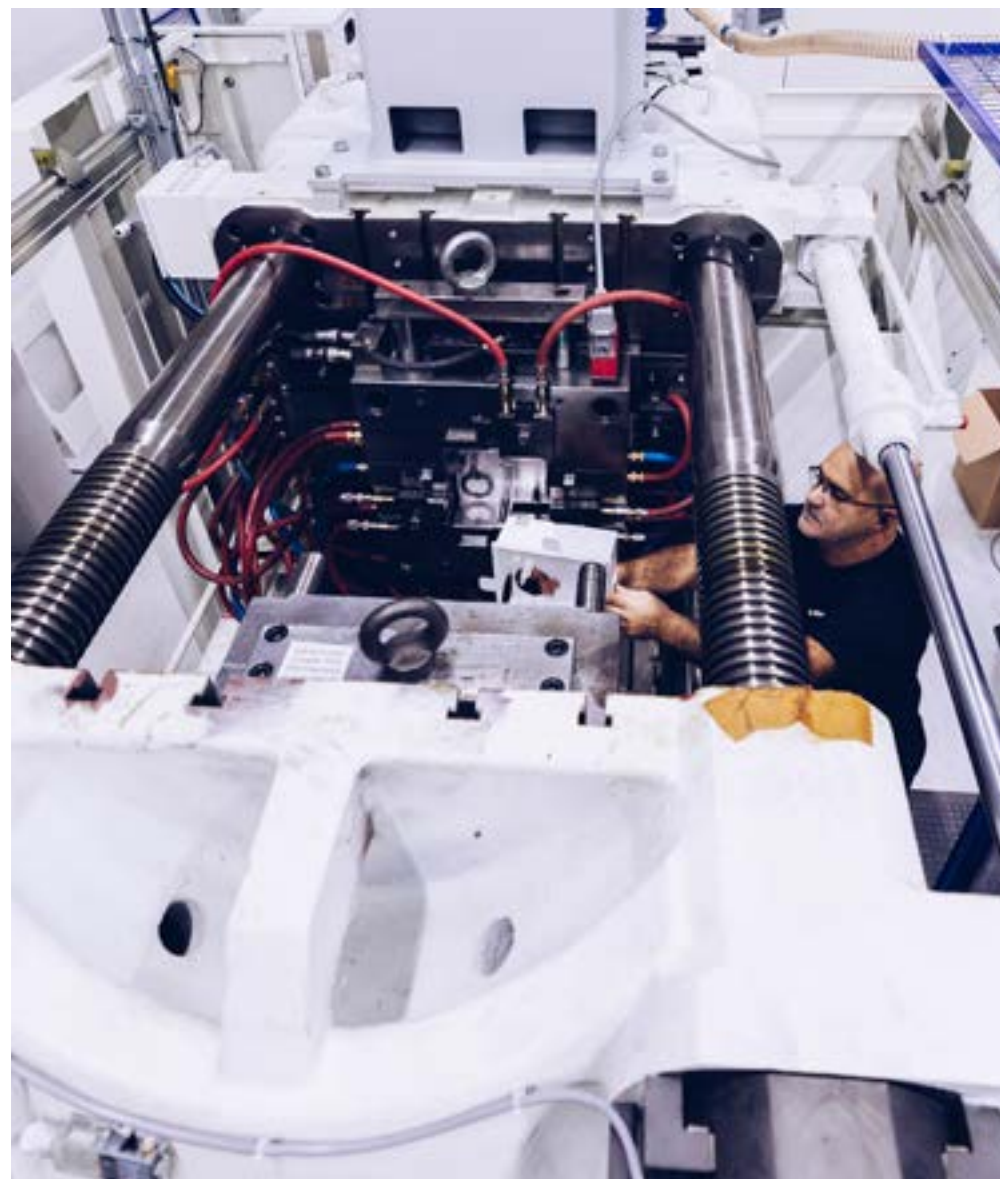
The Nordic market stabilised in the year with revenues declining 1.2% in the second half of the year following a decline of 3.2% in the first half. The team delivered well on product cost initiatives and efficiency projects such that despite the revenue decline, profit was slightly up.

Sweden's housing market began to stabilise after a significant downturn, but new construction remained subdued due to high material costs and a low number of building permits.

We continued to benefit from a strong position in the Swedish residential refurbishment market and have embarked on a new development project to improve our leading range of ventilation devices. The new product will be available for launch in the spring of 2026 and is particularly aimed at the Nordics but will also work well in some of our other European markets.

We exited the year in stronger shape in the Nordics with the new build project order book much stronger following the addition of some larger project order wins delivered in Q4 2025. Refurbishment revenue in the Nordics has been more positive with Sweden performing well, offset by some market weakness in Norway.

New build activity in Denmark and Finland was subdued, but there are early signs of greater project activity since the year end. To support our development in the new build market we made a significant investment in new metal working equipment in Sweden, and this will be commissioned and operable in the first half of 2026. This new investment will help us to support revenue growth and expand margins in this sector.



## Strategy in Action

# Operational excellence Investing in efficiency



Read more about our strategy on pages 10 to 11



## Internalising production in the Nordics

**VoltAir supplies air handling units across the Nordic market and the UK. Under our new regional structure it is exploring opportunities to expand sales within the broader regional group. While VoltAir remains a relatively small player in the Nordic market, it competes with a number of larger companies operating in both the residential and commercial segments.**

The commercial air handling market—especially systems incorporating heat recovery—represents the greatest growth potential in the Nordic region. This is driven by VoltAir's currently modest market share, combined with strong regulatory incentives promoting high-efficiency solutions. These market dynamics create opportunities not only in new build but also in the refurbishment of the aging installed base.

A strategic review was recently conducted as a follow-up to an initiative launched four years ago: Eurovent certification. That certification process was completed in spring 2023. Since then, the Eurovent certified range has grown by more than 30% over two years, providing valuable insights into our competitive strengths and weaknesses.

Through this review, we identified two key areas where we lacked a competitive edge: product cost and the absence of integrated heat pumps. To address these challenges, we are now developing heat pumps in collaboration with our sister company, Pamon in Finland. In parallel, we are transitioning our heat cell supply to our Group partner, ERI, to enhance efficiency and reduce costs.

However, VoltAir's base units are constructed with aluminium frames and sheet metal panels—the panels being the single largest cost component of the unit. Until now, these panels have been sourced externally due to the absence of in-house

manufacturing capabilities. As the product range has expanded, it has become cost-effective to bring production in-house. This move reduces costs, enhances supply chain resilience, increases flexibility, and improves stock management.

To support this, we've invested in machinery for cutting, punching, and bending metal. This not only enables us to produce panels internally but also opens up opportunities to manufacture other metal components at lower cost.

### The investment includes:

- Prima Power SG1530 machine for cutting and punching
- CIDAN Forma Z bending machines

**£1.1 million**  
Total investment





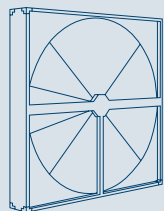
## Rotary heat recovery cell production improvements

ERI designs and manufactures a range of innovative and highly efficient air-to-air heat recovery devices for use in industrial, commercial and residential heat recovery ventilation systems. Products are manufactured in ERI's modern, high-quality production facility in Bitola, North Macedonia, and are supplied to heat recovery and air handling unit manufacturers around the world.

In FY25, with continued focus on decarbonisation of buildings across the world, our sales of heat exchangers continued to grow. Within our range of heat cells, the rotary cells category grew more than 30%, with growth expected to continue to increase. Originally ERI traded rotary cells from third party suppliers to provide a full product range proposition, but in 2019 started to internalise production to increase competitiveness.

In the years since, ERI have been growing the category further. However, up until FY25, manufacturing involved manual processes such as manually feeding sheet metal into laser cutters. With continued growth, the next stage of production efficiency was to invest in new laser cutting and feeding machinery to enable faster, more automated and efficient working.

>30%  
rotary cell  
growth in FY25



The new fibre-laser cutting machinery with sliding shutter tables and automated material feed, allows continuous workflow and 'lights out' operation.

This provides versatile processing from light gauge to thick plate material without manual setup and changes, resulting in increased output and minimising manual handling.

In addition, upon completion of the investment, we will have the capability to produce heat cells up to 6 metres in diameter, expanding the range of solutions available to our customers. This investment increases our production flexibility, enabling faster turnaround times and optimised costs. It enhances our competitiveness and strengthens our ability to serve our customers across all their heat recovery cell needs.

### The investment includes:

- Amada ENIS-3015 AJ laser cutter
- ASII3015 EU automated raw-material and finished part storage tower
- Hot melt glue applicator
- CNC cutting saw
- Rotary welding tables

£1.2 million  
Total investment

Rotary heat exchanger  
fabricated in Bitola



## Business Review continued

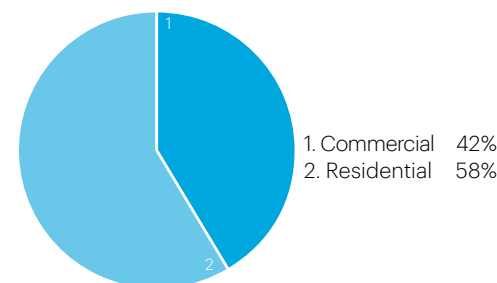
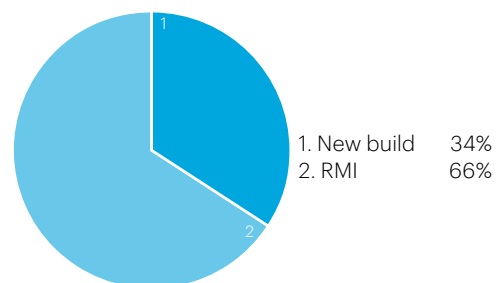
# Australasia



**£106.4 million**  
revenue

**107.8%**  
revenue growth at cc

**£21.9 million**  
adjusted operating profit



	2025 £m	2024 £m	Change %	Organic change (cc) %
Residential	62.1	49.3	26.0	1.3
Commercial	44.3	3.1	1,306.9	(11.2)
<b>Total Australasia revenue</b>	<b>106.4</b>	52.4	102.8	0.6
<b>Adjusted operating profit</b>	<b>21.9</b>	11.9	83.5	
<b>Adjusted operating profit margin (%)</b>	<b>20.6%</b>	22.7%	(2.1)pp	
<b>Reported operating profit</b>	<b>11.0</b>	11.1	(1.5)	

Sales in our Australasia region were £106.4 million, with organic growth of 0.6% at cc. The region benefited from the acquisition of Fantech from December 2024 with inorganic growth of 107.2%. Adjusted operating profit increased by 83.5% to £21.9 million from £11.9 million. Adjusted operating profit margins were down by 210bps to 20.6% versus 22.7% in the prior year, the dilution relating to the lower margin contribution from the newly acquired Fantech business. Reported operating profit declined by 1.5% to £11.0 million (2024: £11.1 million) due to acquisition related non-underlying costs.

The integration of Fantech is going well. We are delighted to welcome our new colleagues to Volution, and the integration continues to progress as planned, in large part due to the similar cultures of the respective companies. Fantech has for a long time been the leading ventilation company in Australia and coupled with our strong residential leadership position in New Zealand, the combination provides a formidable platform. Anthony Lamaro, an existing leader within the Fantech business, with over 19 years of service, has been appointed to the role of Regional Managing Director, Australasia.

By delivering an improvement in the Fantech operating profit margins since acquisition, coupled with a step-up in both the local and wider group organic operating profit margin, the region has delivered an above 20% adjusted operating profit margin in the year.

Our Australasian revenues are now broadly similar, weighted between commercial and residential applications, and this has moved considerably since the acquisition. Volution now has a more balanced portfolio when compared with our predominantly residentially focused business prior to the transaction.

In New Zealand the market has continued to be challenging following a similar trajectory in the first half of the year as in 2024. Market confidence has been low and whilst we have a significant market share in New Zealand activity levels have been weaker. In February this year Jared Dineen started as the local leader for Simx and DVS in New Zealand. Bringing considerable experience from the electrical industry and replacing Ian Borley, our long-serving regional leader who retired in 2025, we are delighted with the progress Jared has made. In DVS we have made excellent progress with enhancing product gross margins through value engineering and procurement initiatives. Despite the revenue decline in DVS, we were able to substantially increase profitability.



## Business Review continued

In Australia market conditions are more favourable than in New Zealand. We had another year of good progress with our ranges of ceiling fans in our Ventair brand and the Fantech acquisition performed as anticipated with slightly improved operating profit margins.

With our enlarged position and scale in the Australasian market and representing a larger proportion of our Group revenues, we have introduced a residential/commercial split of revenues. Residential revenues grew organically by 1.3%, and our much smaller organic commercial proportion had an organic decline of 11.2%.

Our residential position in the market encompasses a wider-reaching range of solutions. From the direct install to consumer model in New Zealand with our DVS brand, coupled with a leadership position in both Australia and New Zealand through our distribution channels, we have identified opportunities to utilise our market reach and further enhance our product offer by utilising the wider Group product portfolio. Whilst still underdeveloped compared with the European market we expect to follow a similar regulatory trajectory with continuous ventilation becoming more commonplace in residential refurbishment and mechanical ventilation with heat recovery being specified in new build applications.

Our commercial ventilation offer is one of the most comprehensive available in both the Australian and New Zealand market. Extensive logistics coverage with physical distribution locations nationally across both countries enables us to provide unrivalled product delivery turnaround and local technical support. We see significant opportunities to further gain market share utilising a combination of leading brands, products and locations. In April 2024 Safe Work Australia replaced the previous Workplace Exposure Standards (WES) with new Workspace Exposure Limits (WEL), officially adopted into

policy in 2024, although not legally enforceable until 1 December 2026. These more onerous requirements will increase demand for commercial workplace ventilation, and we are already engaged with several new opportunities which will require more comprehensive and increased value solutions. As with our residential offer there are opportunities to enhance our commercial market reach by utilising products that are available within the Group and made available through our newly acquired brands and additional locations. The newly acquired business provides customers with a comprehensive applications selection tool. The 'fan selector programme' is one of the most advanced selection tools available in the market and is the go-to solution for M&E contractors and consultants in the market.

Across the region we have developed many new initiatives to enhance our position in 2026. A mixture of cost down initiatives and new product launches positions us well to capitalise on our enhanced platform and support our goal to further enhance gross and operating profit margins of the acquired activities.



## Strategy in Action

# Investing in Value-adding acquisitions



Read more about our strategy on pages 10 to 11



## Acquisition of Fantech

**On 29 November 2024, Volution strategically moved to broaden its impact and scale in delivering healthy, energy efficient indoor environments by agreeing to acquire Fantech, Australasia's premier provider of ventilation solutions. Valued at AUD\$281 million (debt-free, cash-free), this deal marks Volution's largest acquisition to date and extends its footprint significantly in a market demonstrating strong demand for sustainable indoor air systems.**

Fantech, which includes the Fantech, Fantech Trade, Ideal Air Group, Systemaire and NCS Acoustics brands, is a leading provider of both commercial and residential ventilation in Australia and New Zealand. Originally formed in 1973 as Air & Noise Equipment and transitioning to the Fantech brand in 1982, Fantech has been one of the leading providers of ventilation equipment in the region for over 50 years.

In 2021, the Company moved to a new 20,000m<sup>2</sup> purpose-built and future-proofed headquarters in Melbourne, and today Fantech has 17 facilities in a comprehensive network throughout Australia and New Zealand. This includes its vertically integrated Burra Steel business which provides Fantech with most of its steel fabricated components to help ensure quality, consistency and reliable supply.

Fantech has become the industry leader in ventilation and acoustic technology.

The company's passion and commitment to superior product quality and service has made it Australia's foremost ventilation business.

It's also an Australasian success story in air movement and ventilation, whose commitment to technical excellence in hugely prestigious projects has made it the go-to choice for consulting engineers, contractors and end users.

At the heart of this philosophy is not just its in-depth design and manufacturing capability – it's the company's technical expertise, with the knowledge, enthusiasm and drive of its people behind every single product that it creates.

### Sales channel enhancement

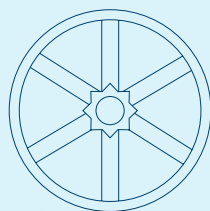
The acquisition has provided an enhanced market position in the Australasian region through Fantech's highly recognised and market leading brands extending the Group's reach into new end-market applications with particular emphasis on the commercial sector.

In New Zealand, Fantech activities are primarily focused on the commercial market, whereas Volution's existing Simx and DVS brands are mainly residentially focused.

The acquisition has provided the Group with a broad and diversified customer base with access to both specification and distribution customers across Australasia.

## What Fantech brings Respected

suite of local brands



Monash Heart Hospital,  
Melbourne

### Sales initiatives

Integration efforts have proceeded swiftly and smoothly. Sales leadership cohesion is being established, and cross-selling opportunities are being identified across product lines. We have already launched a range of Group MVHR units, plus our combined sales channels now provide the ability to extend distribution within the header box fan category. Including Fantech on a LTM proforma basis the region's contribution would be over 30% of Volution Group's total revenue.

c.30%  
of revenue



50-year  
legacy of success

350+  
employees  
13  
Australasian  
locations





# Stakeholder Engagement

## Delivering value for all

### Why engagement matters

#### Employees



Employee engagement is critical to our long-term success. Interaction between our employees and customers is also one of the main ways of experiencing our brands. We work to create a diverse and inclusive workplace where every employee can reach their full potential. This ensures we can retain and develop the best talent.

#### Customers



Understanding our customers' needs and behaviours allows us to deliver relevant products and services, retain customers and attract new ones and improve product performance. It also highlights opportunities for innovation of sustainable products and challenges to be met.

#### Suppliers



Our suppliers make a vital contribution to our performance. Engaging with our supply chain means that we can ensure security of supply and speed to market. Carefully selected high-quality suppliers ensure our brands deliver market leading innovative products meeting our customer expectations and requirements.

### How does Volution engage?

- Employee Representative Forum.
- Employee Engagement Survey.
- Training and development.
- Individual performance reviews.
- Recognition and reward.
- Apprenticeships.
- Regular communications such as newsletters.

- Management of ongoing customer relationships.
- Customer events and product launches.
- Participation in industry forums and events.
- Brand websites and social media.

- Supplier audits and inspections.
- Ongoing supplier relationship meetings.
- Responsible, sustainable and ethical procurement.
- Engagement on our Code of Conduct and policies on the prevention of anti-bribery and corruption, fraud and modern slavery.
- Through our China–Britain Business Council sourcing office in Hangzhou.

### Board engagement

- Employee Representative Forum attended by Celia Baxter, designated Non-Executive Director for workforce engagement.
- Review of Employee Engagement Survey results and Group-wide Action Plans.
- Oversight of employee remuneration and gender pay gap data.
- Monthly health and safety reports.
- Annual Report and Accounts.

- New product development reports.
- CEO Board report updates the Board on material customer matters.

- CEO Board report updates the Board on material supplier matters and progress on ethical and sustainable supply.
- Supplier audit reviews are presented to and discussed by the Audit Committee as part of its work in connection with the Group Modern Slavery Policy and Statement.



## Stakeholder Engagement continued

### Shareholders



Continued access to capital is vital to the long-term success of our business. We work to ensure that our investors and investment analysts have a strong understanding of our strategy, performance and ambition. As a Company with shares listed on the London Stock Exchange, we must provide fair, balanced and understandable information about the business to enable informed investment decisions to be made.

- Annual Report and Accounts.
- Annual General Meeting.
- Corporate website including dedicated investor section.
- Results presentations and post-results engagement with major shareholders.
- Investor roadshows, site visits, face-to-face meetings and addressing regular investor and analyst enquiries.
- Regulatory announcements.

- Through regular shareholder feedback to the Board by the CEO and CFO.
- The CEO and CFO (and Chairman if appropriate) hold meetings with shareholders as part of the investor roadshows and ad hoc meetings as appropriate.
- The Chair of the Remuneration Committee engages with shareholders on Remuneration Policy and practice.
- The Board reviews the voting of shareholders.
- Broker and Investor Feedback Reports to the Board

### Communities and environment



We do business responsibly. We value our brands and have a reputation built on transparency and proven sustainability expertise. We have strong environmental objectives and targets, driven by our strategic pillars. We are committed to human rights.

We aim to contribute positively to the communities and environment in which we operate. We focus on supporting communities and groups local to our operations. ESG principles and responsible business provide the foundations for sustainable growth.

- Signatories to the UN Global Compact and the CEO Water Mandate.
- Community investment initiatives.
- Sponsorship and employee volunteering.
- Contributing to national initiatives in society such as International Women's Day and Global Recycling Day.
- A number of employee-led charitable initiatives during the year.
- SBTi reporting.

- Active engagement with the Group's ESG matters and sustainability strategy.
- Amanda Mellor, Non-Executive Director, has been appointed as the Board's representative to attend and report back on the Management Sustainability Committee's decisions and actions.
- The Board receives regular updates on sustainability including in relation to the development of sustainable new products and progress against sustainability targets.

### Government/industry bodies



National governments set the regulatory framework within which we operate. We engage to ensure we can help in shaping new policies, regulations and standards, which assist in improving indoor air quality, and ensure compliance with existing legislation.

We continually innovate to ensure our products become more energy efficient in line with the sustainability policies set out by most national governments.

We conduct business in accordance with the principles set out in the Bribery Act 2010.

- Participation in industry bodies and working groups, in particular BEAMA, the UK trade association for manufacturers and providers of energy infrastructure technologies and systems.
- Engagement with tax authorities.
- Responding to industry and government consultations.
- Conferences and speaking opportunities.
- Effective and clear policies against bribery and supporting the elimination of modern slavery with training for staff and business partners.

- The Board provides direction in support of the UN Global Compact's principles, and policies relating to modern slavery, anti-bribery and fraud.

Why engagement matters

How does Volution engage?

Board engagement

## Section 172 Statement



Board and Management Team visit to  
Dudley Manufacturing Site, UK, September 2025

**Businesses do not operate in isolation. Without a good understanding of who the key stakeholders are and their needs, a business will fail to deliver sustainable value to shareholders and other stakeholders.**

Under s172 of the UK Companies Act, a director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the director must have regard, amongst other matters, to the:

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

The Directors are focused on their duties under s172 (1) of the Companies Act 2006 and consider that they have acted in the way they consider, in good faith, would promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172 (1) (a-f) in the decisions taken during the year ended 31 July 2025.

The Board considers its key stakeholders to be its employees, customers, suppliers, shareholders, the communities and environment in which we operate and governments and industry bodies in the countries in which we operate. The Board takes into account the views of these stakeholders in setting and implementing our strategy and believes that good engagement is key to the long-term success of Volution. We set out on pages 32 to 33 how Volution and the Board have engaged with key stakeholders.

Stakeholder considerations form part of the Board's discussions leading to decision-making, and an example of how s172 factors have been considered as part of the Board's decision-making process relating to the acquisition of Fantech is set out on the page opposite.



## Section 172 Statement continued

### Key decision

#### Acquisition of Fantech

In alignment with Volusion's overarching strategy for sustainable growth and purpose, the Board completed the acquisition of the Fantech group of companies, based in Australasia, during the year. Throughout the decision-making process, the Board undertook a thorough evaluation of the long-term consequences of the acquisition on all stakeholders, including employees, customers, suppliers, shareholders, and the communities in which both Volusion and Fantech operate.

Key considerations included the prospects for enhancing customer offerings through expanded product ranges and innovation, the potential for forging stronger supplier relationships across the region, and the impact on employees and their development opportunities. The Board also carefully assessed the financial synergies and strategic benefits that the integration of Fantech would bring to the enlarged Group, as well as the environmental responsibilities and sustainability practices of both companies.

The anticipated benefits to shareholders and wider stakeholders were carefully reviewed, ensuring that the acquisition would support the Group's long-term growth ambitions and deliver meaningful value to all parties involved. Further details regarding this acquisition and its implications for different stakeholder groups can be found in the CEO's Review on pages 14 to 17.



Read more about our Fantech acquisition on pages 30 to 31

## Financial Review

### A year of strong performance



## Excellent cash generation continues to support our growth model

**Andy O'Brien**  
Chief Financial Officer

### Overview

I am pleased to report another year of strong financial performance for the Group. We performed well against our financial key performance indicators (see pages 40–43) with strong total revenue and constant currency (cc) organic revenue growth, continued high margins and returns and excellent cash generation.

FY25's strong performance continues the Group's track record of delivering long-term compounding growth and returns for our shareholders. Compound annual growth in revenue, adjusted operating profit and adjusted basic earnings per share now stand at respectively 12.0%, 12.1% and 12.8% across our 11 years since listing.

### Financial results

Group revenue grew 20.6% to £419.1 million (2024: £347.6 million), with organic growth at cc of 5.7% and a 16.2% contribution from the acquisition of Fantech, partly offset by an adverse 1.3% impact from movements in foreign exchange. All three regions grew revenue organically (cc), with UK up 9.5%, Continental Europe up 3.1% cc and Australasia up 0.6% cc. Further information on the performance and market drivers per region is given in the business reviews (pages 20 to 31).

Gross margins decreased by 220bps to 49.1%, due primarily to a £7.1 million non-underlying acquisition fair value inventory adjustment (see next page). Excluding this non underlying item, gross margins were 50.8% (2024: 51.3%) with an organic improvement of 60bps offset by a dilutive impact from Fantech. Procurement initiatives, value engineering and a modest level of price increase all contributed to the organic improvement. Administration and distribution costs, shown in the table on page 37, increased by £18.9 million, £15.1 million attributable to Fantech, with costs excluding Fantech up £3.8 million or 3.8% on the prior year.

Adjusted operating profit grew by 19.7% to £93.4 million (2024: £78.0 million) with adjusted operating margins of 22.3%, down from 22.5% in the prior year. The small reduction in adjusted operating margin was due to the dilution from the acquisition of Fantech, with organic margins (excluding Fantech) up 50bps versus the prior year. Reported operating profit declined by 4.5% to £67.3 million (2024: £70.4 million) due to acquisition related non-underlying costs.



## Financial Review continued

Adjusted net finance costs of £9.1 million were up 40.4% compared with prior year (2024: £6.4 million) due to the increase in debt relating to the initial AUD \$221 million (£107.4 million, net of cash acquired) consideration for Fantech, plus £30.4 million for the purchase of the final 24.35% of ClimaRad. The weighted average interest rates on gross debt in the year was 5.8% (2024: 6.8%).

Adjusted profit before tax was £83.9 million, up 18.7% versus prior year (2024: £70.7 million). Adjusted basic earnings per share grew by 18.2% to 33.1 pence (2024: 28.0 pence). Acquisition-related non-underlying costs (see below) meant that reported profit before tax was £54.5 million, down 3.7% (2024: £56.6 million). Reported basic earnings per share was 21.0 pence (2024: 21.6 pence).

### Reported and adjusted results

The Group uses some Alternative Performance Measures to track and assess the underlying performance of the business, as set out in note 2 of the consolidated financial statements on page 146.

The adjustments relate substantially to acquisitions and are as follows:

- Amortisation of acquired inventory fair value adjustment £7.1 million (2025: £nil) in respect of Fantech.
- Amortisation of intangible assets acquired through business combinations £11.3 million (2024: £9.3 million), mainly due to the new intangible assets relating to Fantech.
- Costs of business combinations £3.1 million (2024: £0.2 million), up £2.9 million principally due to diligence and legal work relating to the acquisition of Fantech.
- Re-measurement of financial liabilities of £0.5 million (2024: £0.9 million) relating to ClimaRad.
- Fair value movements in contingent consideration of £4.7 million (2024: £1.9 million) relating to DVS (£2.6 million), ClimaRad (£2.0 million) and ERI (£0.1 million) where final trading performance within the earn-out periods was overall stronger than expected, resulting in a net increase in the final contingent consideration payable.
- Unwinding of discounting on future consideration of £3.2 million (2024: £6.6 million) of which £2.0 million related to ClimaRad, £0.4 million to ERI and £0.8 million to Fantech.

	Year ended 31 July 2025			Year ended 31 July 2024		
	Reported £m	Adjustments £m	Adjusted results £m	Reported £m	Adjustments £m	Adjusted results £m
<b>Revenue</b>	<b>419.1</b>	<b>—</b>	<b>419.1</b>	347.6	—	347.6
Gross profit	205.6	7.1	212.7	178.3	—	178.3
Administration and distribution costs excluding the costs listed below	(119.2)	—	(119.2)	(100.3)	—	(100.3)
Amortisation of intangible assets acquired through business combinations	(11.3)	11.3	—	(9.3)	9.3	—
Fair value movement in contingent consideration	(4.7)	4.7	—	1.9	(1.9)	—
Costs of business combinations	(3.1)	3.1	—	(0.2)	0.2	—
<b>Operating profit</b>	<b>67.3</b>	<b>26.2</b>	<b>93.4</b>	70.4	7.6	78.0
Re-measurement of financial liabilities	(0.5)	—	(0.5)	(0.9)	—	(0.9)
Unwinding of discounting on future consideration	(3.2)	3.2	—	(6.6)	6.6	—
Net gain on financial instruments at fair value	—	—	—	0.1	(0.1)	—
Other net finance costs	(9.1)	—	(9.1)	(6.4)	—	(6.4)
<b>Profit before tax</b>	<b>54.5</b>	<b>29.4</b>	<b>83.9</b>	56.6	14.1	70.7
Income tax	(13.0)	(5.3)	(18.3)	(13.8)	(1.6)	(15.4)
<b>Profit after tax</b>	<b>41.5</b>	<b>24.1</b>	<b>65.6</b>	42.8	12.5	55.3

### Currency impacts

Aside from Sterling, the Group's key trading currencies for our non-UK businesses are the Euro, representing approximately 23% of Group revenues, Australian Dollar (18%), New Zealand Dollar (8%) and Swedish Krona (7%). We do not hedge the translational exchange impact arising from the conversion of the results of overseas subsidiaries, although we do denominate some of our borrowings in our non-Sterling trading currencies, which offsets some of the translation risk relating to net assets.

In FY25 we experienced a significant currency headwind of £4.5 million at a revenue level with a £0.7 million impact to adjusted operating profit. All of our principal non-Sterling currencies weakened relative to Sterling in the year, as shown in the below table.

	Average rate 2025	Average rate 2024	Movement
Euro	1.19	1.17	(1.8)%
Swedish Krona	13.37	13.40	0.3%
New Zealand Dollar	2.21	2.08	(5.8)%
Australian Dollar	2.01	1.92	(4.6)%

The Group had non-Sterling denominated borrowings as at 31 July 2025 of £144.7 million (2024: £49.8 million) of which:

- Euro: £66.0 million
- AUD\$: £63.2 million
- SEK: £15.5 million

The Sterling value of these foreign currency denominated loans decreased by £3.2 million because of exchange rate movements (2024: decreased by £1.1 million).

## Financial Review continued

Transactional foreign exchange exposures arise principally from our US Dollar denominated purchases of materials from our suppliers in the Far East. We aim to purchase a substantial proportion of our expected requirements approximately 12 months forward, and as such, we have forward currency contracts in place for approximately 80% of our forecast average forward requirements for the 2026 financial year.

### Taxation

Our adjusted effective tax rate of 21.8% (2024: 21.8%) is in line with last year. The acquisition of Fantech, with Australasian tax rates at 30%, had an adverse impact on our adjusted effective tax rate, this was however, offset by reductions due to increased patent box benefits in the UK and adjustments in respect of prior periods..

We expect our medium-term adjusted effective tax rate to be in the range of 21% to 25% of the Group's adjusted profit before tax, depending on the business mix and the profile of acquisitions.

Our reported effective tax rate for the year was 23.8% (2024: 24.4%).

### Excellent cash generation

Volusion's high operating margins and asset light business model and operations drives a profile of strong cash generation. Underpinned by a working capital inflow of £4.5 million in the year (2024: inflow of £2.7 million), principally due to inventory optimisation, the Group delivered a strong adjusted operating cash flow of £104.5 million (2024: £85.8 million). Group cash conversion, defined as adjusted operating cash flow as a percentage of adjusted earnings before interest, tax and amortisation, was 109% (2024: 107%).

Capital expenditure of £8.4 million (2024: £7.1 million) included £2.2 million relating to the ERI expansion programme, £1.6 million relating to new product development and £1.1 million for Nordics metal capability (see page 26).

A summary of the year's cash flow is shown in the tables below, with the principal outflows being in relation to business combinations (£145.7 million including acquisitions, contingent consideration, earn-outs and associated fees), tax paid (£20.1 million), dividends (£19.0 million) and capital expenditure (£8.4 million).

Net debt at 31 July 2025 was £165.7 million (2024: £57.6 million), and is set out in the table below. Leverage of net debt (excluding lease liabilities) to adjusted EBITDA was 1.2x at 31 July 2025 (2024: 0.4x), which coupled with our reliable high levels of cash conversion give us strong capability for future growth investment.

### Value-adding acquisitions

Acquisition spend in the year net of cash acquired was £145.7 million (2024: £13.4 million). We completed the acquisition of Fantech (Australasia), for an initial consideration of AUD\$221 million, (£107.4 million, net of cash acquired), on a debt-free cash-free basis, as well as purchasing the remaining 24.35% of ClimaRad (£30.4 million).

A deferred consideration element of AUD\$60 million is payable in December 2025 in respect of the Fantech acquisition.

### Movements in net debt position for the year ended 31 July

	2025 £m	2024 £m
Opening net debt 1 August	(57.6)	(89.3)
Movements from continuing business operations:		
Adjusted EBITDA	106.3	89.0
Movement in working capital	4.5	2.7
Share-based payments	2.1	1.2
Capital expenditure	(8.4)	(7.1)
Adjusted operating cash flow:	104.5	85.8
• Interest paid net of interest received	(7.6)	(5.0)
• Income tax paid	(20.1)	(16.8)
• Dividend paid	(19.0)	(16.4)
• Purchase of own shares	(2.3)	(2.7)
• Issue costs of new borrowings	(1.8)	—
• IFRS 16 payment of lease principle	(6.0)	(5.7)
• IFRS 16 (increase)/decrease in lease liabilities	(13.7)	5.1
Movements from business combinations:		
• Cash flow relating to business combination costs	(3.1)	(0.2)
• Business combination of subsidiaries, net of cash acquired	(107.4)	(8.5)
• Acquisition of remaining 24.35% of ClimaRad and repayment of vendor loan	(30.4)	—
• Payment of i-Vent Contingent consideration	—	(2.6)
• Payment of ERI Contingent consideration	(4.6)	(1.9)
• Business combination of subsidiaries, debt repaid	(0.2)	(0.2)
• FX on foreign currency loans/cash	3.6	0.8
<b>Closing net debt 31 July</b>	<b>(165.7)</b>	<b>(57.6)</b>

### Reconciliation of bank debt to net debt

	2025 £m	2024 £m
Bank debt	(144.7)	(49.8)
Cash	18.7	18.2
<b>Net debt (excluding lease liabilities)</b>	<b>(126.0)</b>	<b>(31.6)</b>
Lease liabilities	(39.7)	(26.0)
<b>Net debt</b>	<b>(165.7)</b>	<b>(57.6)</b>

### Reconciliation of reported to adjusted operating cash flow

	2025 £m	2024 £m
Net cash flow from operating activities	85.0	75.7
Net capital expenditure	(8.3)	(6.9)
UK and overseas tax paid	20.1	16.8
Cash flow relating to business combination	3.1	0.2
Payment of ERI contingent consideration	4.6	—
<b>Adjusted operating cash flow</b>	<b>104.5</b>	<b>85.8</b>

### Funding facilities and liquidity

As at 31 July 2025, the Group had in place a £230 million multicurrency 'Sustainability Linked Revolving Credit Facility', together with an accordion of up to £70 million. £30 million of the £230 million facility matures in September 2027, with £200 million maturing in September 2028. A further option is in place to extend the £200 million by an additional year.

As at 31 July 2025, the Group had £85.3 million of undrawn, committed bank facilities (2024: £100.2 million) and £18.7 million of cash and cash equivalents (2024: £18.2 million).

### Returns on Invested Capital (ROIC) remains >25% post Fantech

The Group's ROIC (pre-tax) for the financial year was 25.2% (2024: 27.8%), measured as adjusted operating profit for the year divided by average net assets adding back net debt, acquisition related liabilities, and historic goodwill and acquisition-related amortisation charges (net of the associated deferred tax). The measure excludes the goodwill and intangible assets arising from the original transaction that created the Group when it was bought via a leveraged buy-out transaction by private equity house Towerbrook Capital Partners in 2012.

## Financial Review continued

On a like for like basis our organic revenue growth of 5.7%cc coupled with strong operating profit growth and net inflow of working capital would have yielded a c240bps increase in ROIC to just over 30%, with then the impact of the Fantech acquisition bringing it down to 25.2%.

Although, at the time of entry to the Group, acquisitions will be dilutive to ROIC, our track record of improving returns post-acquisition, coupled with continued organic growth, provides confidence in maintaining Group ROIC above 20% over the medium term while continuing to invest to grow the business.

### Recommended dividend

The Board has recommended a final dividend of 7.4 pence which, together with an interim dividend paid of 3.4 pence per share, gives a total dividend per share of 10.8 pence (2024: 9.0 pence), up 20.0% in total. The final dividend is subject to approval by shareholders at the Annual General Meeting on 10 December 2025 and, if approved, will be paid on 16 December 2025.

### Employee Benefit Trust

During the year £3.0 million of non-recourse loans (2024: £2.7 million) were made to the Volution Employee Benefit Trust for the purpose of purchasing shares in Volution Group plc to meet the Company's obligations under its share incentive plans. The Volution Employee Benefit Trust acquired 515,000 shares at an average price of £5.83 per share in the period (2024: 770,000 shares at average price of £3.90) and 653,444 shares (2024: 1,019,886 shares) were released by the trustees with a value of £3,694,058 (2024: £3,942,724). The Volution Employee Benefit Trust has been consolidated into the results and the shares purchased have been treated as treasury shares deducted from shareholders' funds.

### Andy O'Brien

Chief Financial Officer  
8 October 2025

## Our capital allocation for long-term sustainable growth



Investment for  
organic growth



Value-adding  
acquisitions

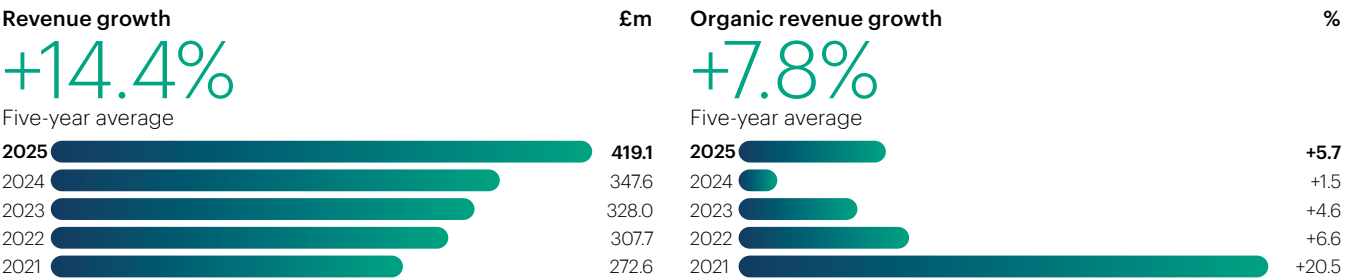


Reliable return  
to shareholders

# Key Performance Indicators (KPIs)

## Strong and sustainable performance

We have identified a number of KPIs that monitor performance against our strategy and priorities, and enable investors and other stakeholders to measure our progress consistently.



Strategic pillars measured by this KPI

Organic growth

Value-adding acquisitions

This KPI tracks our performance against our strategic aim to grow the business. We expect to grow via a combination of both organic growth and via acquisitions of attractive businesses with strong brands that expand our access to markets and are aligned with our purpose.

Comments

- Revenue grew 20.6%, or 21.9%cc.
- Organic revenue growth at cc was 5.7%, with a 1.3% adverse impact of foreign exchange due principally to weakening of the Australian and New Zealand Dollar.
- 16.2% revenue growth through acquisitions due to eight months' contribution from Fantech following the acquisition in December 2024.

Strategic pillars measured by this KPI

Organic growth

This KPI tracks our revenue performance from existing businesses excluding the impact of acquisitions. We expect to deliver growth ahead of GDP, leveraging our strong brand positions and market leading product portfolios, supported by regulatory trends and increasing customer awareness of air quality and the importance of ventilation.

Comments

- Organic revenue growth 5.7%cc, ahead of our target range of 3–5%.
- Growth was strongest in the UK (+9.5%) driven by strong residential performance with more mixed market conditions in Europe (+3.1% cc) and Australasia (+0.6% cc).
- Growth was predominantly driven by volume/mix c(4.5%) with price of c(1.2%).

Strategic pillars key:

Organic growth

Value-adding acquisitions

Operational excellence

Sustainability at our core

Directors' remuneration key:

L Long-term Incentive Plan

A Annual Bonus Plan








Notes

1. The Group uses some Alternative Performance Measures (APMs) to track and assess the underlying performance of the business. These measures include adjusted operating profit, adjusted operating profit margin, adjusted profit before tax, adjusted basic EPS, adjusted operating cash flow, ROIC, net debt, net debt (excluding lease liabilities) and adjusted operating cash conversion. The reconciliation of the Group's reported profit before tax to adjusted profit measures of performance is summarised in the table on page 37 and in detail in note 2 to the consolidated financial statements. For a definition of all the adjusted and non-GAAP measures, see the glossary of terms in note 33 to the consolidated financial statements.

2. Definitions, basis of preparation, calculation methodology and historical data related to sustainability KPIs and other measures of sustainability performance can be found on pages 178 to 190.



Key Performance Indicators (KPIs) continued

Adjusted operating profit margin <sup>1</sup>	% of revenue	Adjusted operating cash conversion <sup>1</sup>	%	Working capital	% of LTM revenue
21.6%		99%		15.4%	
Five-year average		Five-year average		Five-year average	
2025	22.3	2025	109	2025	15.3
2024	22.5	2024	107	2024	14.7
2023	21.3	2023	106	2023	16.1
2022	21.1	2022	76	2022	18.1
2021	20.9	2021	97	2021	12.7
<div> <div>Strategic pillars measured by this KPI</div> <div>    </div> </div> <div> <p>This adjusted measure tracks the underlying financial performance and quality of the Group’s earnings. We aim to achieve and sustain attractive operating margins by leveraging the benefits of product innovation, and through economies of scale in sourcing and operational efficiencies in our production and indirect costs.</p> </div> <div> <div>Comments</div> <ul style="list-style-type: none"> <li>Adjusted operating profit margin down 20bps to 22.3% (2024: 22.5%).</li> <li>Organic adjusted operating profit margin expanded 50bps underpinned by cost initiatives and product mix.</li> <li>Dilution from the acquisition of Fantech.</li> </ul> </div> <div> <div>Link to Directors’ remuneration</div> <div>L A</div> </div>					
<div> <div>Strategic pillars measured by this KPI</div> <div>   </div> </div> <div> <p>This KPI tracks the efficiency of cash generation at the operational level (important for our acquisition strategy), after movements in working capital and capital expenditure.</p> </div> <div> <div>Comments</div> <ul style="list-style-type: none"> <li>Asset light business model drives strong cash conversion with a target of 90%.</li> <li>Conversion of 109% reflects a strong working capital inflow of £4.5 million in the year (2024: £2.7 million).</li> <li>Capital expenditure of £8.4 million (2024: £7.1 million).</li> </ul> </div> <div> <div>Link to Directors’ remuneration</div> <div>L A</div> </div>					
<div> <div>Strategic pillars measured by this KPI</div> <div>   </div> </div> <div> <p>This KPI tracks our working capital efficiency; optimisation of our working capital, especially inventories across the Group, is an important stream of our operational excellence focus.</p> </div> <div> <div>Comments</div> <ul style="list-style-type: none"> <li>Working capital inflow of £4.5 million in the year primarily due to improvement in inventory.</li> <li>Highest as a % of revenue in Australasia at 22.1% due to length of supply chain.</li> </ul> </div> <div> <div>Link to Directors’ remuneration</div> <div>L A</div> </div>					

## Key Performance Indicators (KPIs) continued

### Adjusted basic earnings per share<sup>1</sup>

pence

# +24.4%

Five-year average growth



#### Strategic pillars measured by this KPI



This KPI measures how successful we have been in growing the business relative to capital allocation and tax considerations. We target double digit adjusted EPS growth.

#### Comments

- Adjusted basic EPS grew 18.2%, our strongest annual growth outside of the Covid-19 period.
- Driven by 19.7% growth in adjusted operating profit part offset by higher finance costs due to debt drawn for the purchase of Fantech.

#### Link to Directors' remuneration



### Reported basic earnings per share

pence

# +40.5%

Five-year average growth



#### Strategic pillars measured by this KPI



This KPI measures how successful we have been in growing the business relative to capital allocation and tax considerations.

#### Comments

- Adjusting items relate to acquisitions and are detailed in the Finance Review on page 37. Most significant adjusting items in the year were amortisation of intangible assets (£11.4 million), fair value movement in contingent consideration (£4.7 million), unwinding of discount on future consideration (3.2 million) and amortisation of acquired inventory fair value (£7.0 million).

### Return on Invested Capital (ROIC)

%

# 27.3%

Four-year average



#### Strategic pillars measured by this KPI



This KPI measures the returns for the Group as a whole and helps demonstrate the underlying quality of the business and its ability to generate shareholder value.

#### Comments

- ROIC of 25.2% (2024: 27.8%) with organic improvement of 240bps offset by the impact of Fantech acquisition.
- Remains significantly ahead of the Group's estimated Weighted Average Cost of Capital and ahead of our target of 20%.

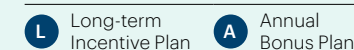
#### Link to Directors' remuneration



#### Strategic pillars key:



#### Directors' remuneration key:



#### Notes

- The Group uses some Alternative Performance Measures (APMs) to track and assess the underlying performance of the business. These measures include adjusted operating profit, adjusted operating profit margin, adjusted profit before tax, adjusted basic EPS, adjusted operating cash flow, ROIC, net debt, net debt (excluding lease liabilities) and adjusted operating cash conversion. The reconciliation of the Group's reported profit before tax to adjusted profit measures of performance is summarised in the table on page 37 and in detail in note 2 to the consolidated financial statements. For a definition of all the adjusted and non-GAAP measures, see the glossary of terms in note 33 to the consolidated financial statements.
- Definitions, basis of preparation, calculation methodology and historical data related to sustainability KPIs and other measures of sustainability performance can be found on pages 178 to 190.

## Key Performance Indicators (KPIs) continued

### Sustainability performance

#### Revenue from low-carbon products

% of revenue

# 71.2%

Group



#### Strategic pillars measured by this KPI



- This KPI measures our aim to champion the energy saving potential of our products to support the drive to net zero.
- We continued to increase the proportion of our revenue derived from low-carbon sales – up to 77.3% on an organic basis, albeit diluted to 71.2% with the inclusion of Fantech, currently with a smaller portfolio of low-carbon products.

#### Link to Directors' remuneration



#### Scope 1 & 2 carbon intensity

tCO<sub>2</sub>/£m revenue

# 12.0

Group



#### Strategic pillars measured by this KPI



- This KPI measures progress on our commitment net zero.
- In FY25 our carbon intensity, impacted by the addition of our recent acquisitions, changes to carbon conversion factors, and some increases in vehicle and gas use.

#### Link to Directors' remuneration



#### Recycled plastic used in our own manufactured products

%

# 83.9%

Group



#### Strategic pillars measured by this KPI



- This KPI measures our aim to reduce our environmental impact.
- We made further excellent progress in FY25, with the UK facilities at over 90% recycled throughput and progress in the Nordics bringing the Group total to 83.9%. Although we fell short of our stretching target for the year of 90% we exit FY25 with industry leading credentials.

#### Reportable accident frequency rate

Reportable accidents per 100,000 hours worked

# 0.17

Group



#### Strategic pillars measured by this KPI



- This KPI measures our first priority to keep everyone safe.
- In FY24, our focus and investment led to a significant improvement in our reportable accident frequency rate compared with last year.

# Risk Management and Principal Risks

## Effective risk management is integral to our objective of delivering sustainable long-term value.

The Board is committed to protecting and enhancing the Group's reputation and assets in the interests of shareholders and all stakeholders. It has overall responsibility for the Group's system of risk management and internal control.

The Group's businesses are affected by a number of risks and uncertainties. These include internal and external risks, some of which we cannot control and many of which are similar to those found by other companies of similar scale and operations.

### The evolution of our approach

Risk management and maintenance of appropriate systems of control to manage risk are the responsibilities of the Board and are integral to the ability of the Group to deliver on its strategic priorities. The Board has developed a framework of risk management which is used to establish the culture of effective risk management throughout the business by identifying and monitoring the material risks, setting risk appetite and determining the overall risk tolerance of the Group.

Emerging risk	Description of risk	Time horizon
Geo-political tension	Global political and economic instability could disrupt markets or limit access to certain regions hindering deal flow.	Short/Medium term
AI-driven innovation	AI presents many opportunities but also considerable risks around cyber security. AI must be developed in an ethical way.	Medium term

The Group's framework of risk management is monitored by the Audit Committee, under delegation from the Board. The Audit Committee is responsible for overseeing the effectiveness of the internal control environment of the Group. Our in-house Internal Audit function provides independent assurance that the Group's risk management, governance and internal control processes are operating effectively.

During this year, we have further evolved our risk management approach, in part in preparation for the implementation of Provision 29 of the new Corporate Governance Code 2024.

Our management risk committee was reconstituted as the Risk and Internal Control Committee (RICC), with an extended membership including senior management with responsibility for each functional area in the Group (including Finance, Procurement, IT, Technical, HR, Legal, Business Development).

The RICC supports the Audit Committee and Board in setting the Group's risk appetite and ensuring processes are in place to identify, manage and mitigate the Group's principal risks.

The RICC met six times during the year, reviewing the output of our processes to identify and assess risks, identifying emerging risks, and also helping to validate that the existing principal risks remain appropriately focused.

The RICC has a specific responsibility for preparing the business for the requirements of Provision 29.

As required by Provision 29 of the 2024 Code, which applies to our financial year beginning on 1 August 2026, the Board will need to make additional declarations regarding the effectiveness of their material internal controls.

During this year, we have taken the following preparatory steps:

- 1 Initial phases included taking stock of the current risk and controls framework to determine where these can be leveraged or where enhancements are needed to meet the requirements of the Code.
- 2 Defining the Group's definition of 'materiality'.
- 3 Disaggregating the Group's principal risks and identifying the relevant material controls for each.
- 4 Preparing control process documentation, defining testing regimes, levels of assurance and the reporting framework.

The RICC has provided an update on the preparatory work at each Audit Committee meeting through the year.

### Risk appetite statement

#### The Board re-approved our risk appetite statement

"The Board recognises that continuing to deliver returns for shareholders and other stakeholders is dependent upon accepting a level of risk. We balance risk and opportunity in pursuit of our strategic objectives and the acceptable level of risk is assessed on an annual basis by the Board, which defines its risk appetite against certain key indicators, including potential impact of risk, likelihood of risk and ability to reduce risk through mitigation. This ensures alignment between acceptable risk exposure and the strategic priorities of the Group."

Board

- Overall responsibility for risk management
- Reviews principal risks and uncertainties, along with actions taken, where possible, to mitigate them
- Determine risk appetite

Audit Committee

- Assurance oversight of the internal controls and risk management process

Risk and Internal Control Committee

- Develop risk framework and set and monitor system of internal controls
- Compliance & Preparation for Provision 29

Executive management

- Day-to-day management of risk and controls



# Risk Management and Principal Risks continued

## Identifying and monitoring material risks

Material risks (including emerging risks) that may lead to threats to our business model, strategy and liquidity are identified through our framework of risk management, our analysis of individual processes and procedures (bottom-up approach) and a consideration of the strategy and operating environment of the Group (top-down approach).

The risk evaluation process begins in the operating businesses with an annual exercise undertaken by local management to identify and document the significant strategic, operational, financial, reporting and compliance risks facing the businesses. This process ensures risks are identified and monitored and management controls are embedded in the businesses' operations. In addition, Group functional heads follow the same process, ensuring that functional area risks that may impact across the Group are also documented and considered.

The risk assessments are then considered by Group management in the RICC, which evaluates which risks should be identified as the principal risks of the Group with reference to the Group's strategy and operating environment, for further review by the Audit Committee and Board.

## Our principal risks and uncertainties

In accordance with Provision 28 of the 2018 UK Corporate Governance Code (the 2018 Code), the Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those which would threaten the business model, future performance, solvency or liquidity.

Set out in this section of the Strategic Report are the principal risks and uncertainties which could affect the Group and which have been determined by the Board, based on the robust risk evaluation process described above, to have the potential to have the greatest impact on the Group's future viability. For each risk there is a description of the possible impact of the risk to the Group, should it occur, together with strategic consequences and the mitigation and control processes in place to manage the risk. This list is likely to change over time as different risks take on larger or smaller significance.

Climate risks have again been considered to be most appropriately managed by including their potential impact within existing principal risks where relevant, rather than defining a separate principal risk.

## Risk heatmap



1. Economic risk
2. Acquisitions
3. Supply chain and raw materials
4. IT systems including cyber breach
5. Compliance with laws and regulations

6. Innovation
7. People
8. Product failure
9. Customers
10. Foreign exchange risk

● 2024 position  
● 2025 position

## Risk Management and Principal Risks continued

### Viability Statement

**The Board has considered the viability of the Group over a three-year period to 31 July 2028, taking into account the Group's current position and the potential impact of the principal risks and uncertainties. While the Board has no reason to believe that the Group will not be viable over a longer period, it has determined that three years is an appropriate period as it aligns with the Group's business planning cycle.**

The Board believes that this approach provides greater certainty over forecasting and, therefore, increases reliability in the modelling and stress testing of the Group's viability. In addition, a three-year horizon is also the performance-based period over which awards granted under Volution's share-based incentive plan are measured.

As part of the annual budgeting process, the Board considers projections for subsequent years. The output of this plan is used to perform central debt and headroom profile analysis, which includes a review of sensitivity to a combination of principal risks. It also considers the ability of the Group to raise finance and deploy capital.

Our financial position remains robust with the new debt facilities of £230 million, and an accordion of a further £70 million, reducing to a £200 million facility in October 2027 and maturing in September 2028. The financial covenants on these facilities are for leverage (net debt/adjusted EBITDA) of not more than 3x and for interest cover (adjusted EBITDA/net finance charges) of not less than 4x. As at 31 July 2025, leverage was 1.2 (31 July 2024: 0.4) and interest cover was 13.6 (31 July 2024: 14.8).

With respect to the longer-term viability of the Group, we believe the business model will remain highly relevant. The regulatory and consumer drive towards making new and existing homes more efficient and therefore airtight will continue, meaning that the opportunities to solve the problems of indoor air quality will only grow, strengthening the vital role ventilation has to play in creating a healthy indoor environment. We believe that one of the legacy consequences of Covid-19 is a heightened awareness of the importance of indoor air quality to health and the role played by good ventilation systems. Customer requirements in terms of enhanced functionality, energy efficiency and aesthetics of products are also supportive trends.

The Board carried out a robust assessment of the principal risks and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Principal risks are identified through our risk management process and are set out on pages 44 to 53.

Whilst the review has considered all the principal risks identified by the Group, a selection of risks was considered which if they occurred together, would be considered a severe but plausible downside scenario with which to assess the viability of the Group.

The severe but plausible downside scenario has been modelled, representing the impact of macroeconomic uncertainty including the actions of central banks in raising interest rates to curb inflation and the impact that this may have on the housing and construction industry (principal risk 1) combined with supply chain difficulties and availability issues (principal risk 3). Combined, this severe but plausible downside assumed a reduction in revenue and corresponding variable costs of 15%, a reduction in gross margin of 10% compared with the base case and an interest rate increase of 1% over the three-year period of assessment.

The geographic and sector diversification of the Group's operations, further enhanced by the acquisition of Fantech, helps to mitigate the risk of serious business interruption in one area materially impacting the Group. Furthermore, our business model, structured so that the Group is not reliant on a concentration of customers or sectors, and our ability to flex our cost base, will continue to protect our viability in the face of current and foreseeable future uncertain and adverse economic conditions. We demonstrated our ability to maintain and increase margins

across our geographies in FY21, FY22 and in FY23, when the Covid-19 pandemic, the impact of the invasion of Ukraine, and general inflation impacting all input costs were mitigated through early and decisive pricing action.

The Board has also considered the impact of climate change, particularly in the context of the risks and opportunities identified in the Task Force on Climate-related Financial Disclosures (TCFD) disclosure of this Annual Report (page 65). Over the time period of our viability assessment, we have concluded that there is no material adverse impact of climate change which could impact the viability of the Group. Over the long term, the impact of climate change is more uncertain, and we will continue to assess these risks against judgements and estimates made in preparation of the Group's financial statements.

The Board has carefully considered the principal risks to the Group and the impact of those risks on the viability of the Group and has concluded there is a reasonable expectation that the Group will be able to meet its liabilities as they fall due and will continue in operation over the period assessed.

## Risk Management and Principal Risks continued

### Going concern

**The financial position of the Group, its cash flows and liquidity position are set out in the financial statements. Furthermore, note 27 to the consolidated financial statements on pages 163 to 166 includes the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and its exposure to credit and liquidity risk.**

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered external factors, including potential scenarios arising from the political and macroeconomic uncertainty that has arisen post-Covid, the invasion of Ukraine early in 2022, from conflict in the Middle east, and from the Group's other principal risks set out of page 45. Under a severe but plausible downside scenario, the Group remains comfortably within its debt facilities and the attached financial covenants within the period of assessment to 31 January 2027. The Directors therefore believe, at the time of approving the financial statements, that the Company is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are summarised below.

Our financial position remains robust with the new debt facilities of £230 million, and an accordion of a further £70 million, reducing to a £200 million facility in October 2027 and maturing in September 2028. The financial covenants on these facilities are for leverage (net debt/adjusted EBITDA) of not more than 3x and for interest cover (adjusted EBITDA/net finance charges) of not less than 4x. As at 31 July 2025, leverage was 1.2 (31 July 2024: 0.4) and interest cover was 13.6 (31 July 2024: 14.8).

Our base case scenario has been prepared using robust forecasts from each of our operating companies, with each considering the risks and opportunities the businesses face.

We have then applied a severe but plausible downside scenario, based on a more severe downturn than seen during the financial crisis and Covid-19 pandemic, in order to model the potential concurrent impact of:

- a general economic slowdown reducing revenue throughout the period of assessment by 15% compared with the base case, with a corresponding reduction in variable cost base;
- supply chain difficulties or input price increases reducing gross profit margin by 10% over the same period; and
- a 1% interest rate increase impacting cost of debt.

A reverse stress test scenario has also been modelled which shows a revenue contraction of c.26% against the base case with no mitigations would be required to breach covenants, which is considered an extremely unlikely scenario. Mitigations available within the control of management include reducing discretionary capex and discretionary indirect costs.

Over the short period of our climate change assessment (aligned to our going concern assessment), we have concluded that there is no material adverse impact of climate change and hence have not included any impacts in either our base case or downside scenarios of our going concern assessment. We have not experienced material adverse disruption during periods of adverse or extreme weather in recent years, and we would not expect this to occur to a material level over the period of our going concern assessment.

The Directors have concluded that the results of the scenario testing, combined with the significant liquidity profile available under the revolving credit facility, confirm that the Group remains a going concern.

# Risk Management and Principal Risks continued

Strategic consequence



Organic growth



Value-adding acquisitions



Operational excellence



Sustainability at our core

## 1. Economic risk

### Likelihood



### Potential impact



### Risk change

Likelihood reduced

### Risk appetite

Cautious

### Strategy link



### Risk and impact

A decline in general economic activity and/or a specific decline in activity in the construction industry, including, but not exclusively, a decline caused by economic uncertainty, inflation, high interest rates or geopolitical instability.

Demand for our products serving the residential and commercial construction markets would decline. This would result in a reduction in revenue and profitability.

Our ability to achieve our ambition for continuing organic growth would be adversely affected.

### Change during the year

There remains uncertainty as to the strength of the underlying economies in the countries in which we trade, and hence prospects for the housing and construction industry are unclear. Further, global geopolitics remains volatile and impacts on global economic growth are possible, and as such it is appropriate that 'economic risk' remains our first principal risk

However, inflation and interest rates have fallen in most of our geographies over the year which represents a general improvement in outlook, and hence the likelihood of the risk occurring has fallen slightly since last year, and the potential impact remains as 'Medium'.

### Risk mitigation

Geographic spread from our international acquisition strategy helps to mitigate the impact of local fluctuations in economic activity.

New product development, the breadth of our product portfolio and the strength and specialisation of our sales forces allows us to outperform against any general economic decline.

Our end-market diversity, with exposure to both residential and commercial and to new build and RMI, provides mitigation to economic and housebuilding cycles. Our business is not capital intensive and our operational flexibility allows us to react quickly to the impact of any decline in volume.

### Link to climate change risks

Over the longer term, a decline in general economic activity or economic disruption could be caused by physical or transitional risks of climate change. Relevant climate change risks described in further detail in our TCFD section include: Climate risk 1 – Physical risk, Climate risk 2 – Transition risk – reputation, Climate risk 3 – Transition risk – policy and legal, and Climate risk 4 – Transition risk – policy and technology.

However, it is important to note that our sustainability ambition is to champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. The regulatory tailwinds should significantly increase demand for our sustainable and innovative ventilation solutions, while our leadership position in the UK, Continental Europe and Australasia means that we are well positioned to seize this opportunity (Transition opportunity 1 – Products and markets).



# Risk Management and Principal Risks continued

Strategic consequence



Organic growth



Value-adding acquisitions



Operational excellence



Sustainability at our core

## 2. Acquisitions

### Likelihood



### Potential impact



### Risk change

Potential impact reduced

### Risk appetite

Open

### Strategy link



### Risk and impact

We may fail to identify suitable acquisition targets at an acceptable price, or we may fail to complete or properly integrate the acquisition. Revenue and profitability would not grow in line with management's ambitions and investor expectations.

Failure to properly integrate a business may distract senior management from other priorities and adversely affect Group revenue and profitability, or the acquired business may not perform as expected.

Financial performance could be impacted by failure to integrate acquisitions and to secure intended synergies. Our strategic ambition to grow by acquisition may be compromised.

### Change during the year

Last year we increased the potential impact of this risk in advance of the acquisition of Fantech, our largest acquisition to date. Following the successful initial integration of the business, the potential impact has now been reduced.

### Risk mitigation

The ventilation industry in Europe and across our geographies remains fragmented with many opportunities to court acquisition targets.

Senior management has a clear understanding of potential targets in the industry and a track record of acquisitions since IPO in June 2014.

Management is experienced in integrating new businesses into the Group.

Our policy of rigorous due diligence prior to acquisition and a structured integration process post-acquisition have been maintained.

### Link to climate change risks

N/A

## 3. Supply chain and raw materials

### Likelihood



### Potential impact



### Risk change

No change

### Risk appetite

Cautious

### Strategy link



### Risk and impact

Raw materials or components may become difficult to source because of material scarcity or disruption of supply including, but not exclusively, as a consequence of economic uncertainty, geopolitical instability, supply interruptions in China, and the evolution of the relationship between the UK and the EU, post-Brexit.

The increased friction and potential for a trade war or other geopolitical disputes including between the US and China could destabilise supply chain activity.

Prices for input materials may increase and our sales and profitability may be impacted during any period of constraint.

Organic growth may be reduced. Our product development efforts may be redirected to find alternative materials and components.

### No change during the year

Potential for disruption to supply chains, especially relating to products and materials sourced from China, continues to be a specific risk that we are managing very closely. Potential impacts could include inability to service customer demand due to non-availability of products as well as input cost increases due to the need to airfreight.

### Risk mitigation

We establish long-term relationships with key suppliers to promote continuity of supply and where possible we have alternative sources identified.

We continue to monitor stock levels and order patterns and where deemed necessary will adjust inventory levels to help mitigate any disruptions in supply.

### Link to climate change risks

Over the longer term, supply chain issues could be caused by physical or transitional risks of climate change. Relevant climate change risks described in further detail in our TCFD section include: Climate risk 1 – Physical risk, Climate risk 2 – Transition risk – reputation, Climate risk 3 – Transition risk – policy and legal, and Climate risk 4 – Transition risk – policy and technology.

# Risk Management and Principal Risks continued

Strategic consequence



Organic growth



Value-adding acquisitions



Operational excellence



Sustainability at our core

## 4. IT systems including cyber breach

### Likelihood



Unlikely Possible Likely

### Potential impact



Low Medium High

### Risk change

Likelihood increased

### Risk appetite

Averse

### Strategy link



### Risk and impact

We may be adversely affected by a breakdown in our IT systems or a failure to properly implement any new systems.

We could temporarily lose sales and market share and could potentially damage our reputation for customer service.

### Change during the year

The risk of cyber attack and cyber fraud continues to be a threat for all businesses. We have increased the likelihood slightly to recognise the increased number of high profile events reported across the world during the year.

### Risk mitigation

Disaster recovery and data backup processes are in place, operated diligently and tested regularly.

Our decentralised IT systems mean that it is unlikely that a material proportion of the Group could be compromised at any one time.

We have a three-layered system of network security protection against cyber attacks or breaches of security. This infrastructure is maintained to withstand increasingly sophisticated worldwide cyber threats. We also undertake regular cyber security testing and training of our employees. We have a process of annual internal and external penetration testing with quarterly monitoring checks and have carried out an audit review of all third party IT suppliers.

We engage regularly with external experts to help us benchmark our security positioning and identify enhancement opportunities.

### Link to climate change risks

N/A

## 5. Compliance with laws and regulations

### Likelihood



Unlikely Possible Likely

### Potential impact



Low Medium High

### Risk change

No change

### Risk appetite

Averse

### Strategy link



### Risk and impact

The Group or other stakeholders may fail to comply with relevant laws and regulations in contravention of our Code of Conduct and other Group policies resulting in a potential one-off fine or penalty and a significant adverse impact on brand reputation.

Relevant laws include but are not limited to Anti-Bribery & Corruption, Sanctions and Export Controls, Data Protection, Competition, Environmental and Health & Safety.

### No change during the year

We continue to work to ensure we comply with all relevant laws and regulations.

### Risk mitigation

Processes are in place to ensure that all relevant laws and regulations are identified and followed.

Training is carried out when required, and policies are published and issued to colleagues, suppliers and other stakeholders clearly stating responsibilities and obligations of those doing business with the Group.

A confidential reporting hotline is available to all employees and third parties to raise concerns including any in relation to potential breaches of compliance and misconduct. These are independently followed up and investigated.

### Link to climate change risks

Climate risk 3 – Transition risk – policy and legal.

# Risk Management and Principal Risks continued

Strategic consequence



Organic growth



Value-adding acquisitions



Operational excellence



Sustainability at our core

## 6. Innovation

### Likelihood



### Potential impact



### Risk change

Likelihood reduced

### Risk appetite

Open

### Strategy link



### Risk and impact

Regulations relating to the carbon efficiency of buildings, the efficiency of electrical products and compliance may change, and we may fail to innovate commercially or technically viable products to maintain and develop our product leadership position.

Failure to innovate may result in an ageing product portfolio that falls behind that of our competition.

Our organic growth ambitions depend in part upon our ability to innovate new and improved products to meet and create market needs. In the medium term, failure to innovate may result in a decline in sales and profitability.

### Change during the year

The continuous improvement and investment in our technical function means that we believe the likelihood of this risk occurring has reduced slightly.

### Risk mitigation

We have continued to improve our technical capabilities during the year, under the leadership of our Group Technical Director Martin Goodfellow. We participate in trade bodies that help to influence the regulatory environment in which we operate and therefore we are well placed to understand future trends in our industry. Favourable regulatory tailwinds have continued to develop.

We are active in new product development and have the resource to react to and anticipate necessary changes in the specification of our products. Our product innovation is driven by a deep understanding of the ventilation market and its economic and regulatory drivers. The Group starts with a clear marketing brief before embarking on product development.

### Link to climate change risks

Our sustainability ambition is to champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. The regulatory tailwinds should significantly increase demand for our sustainable and innovative ventilation solutions, while our leadership position in the UK, Continental Europe and Australasia means that we are well positioned to seize this opportunity.

## 7. People

### Likelihood



### Potential impact



### Risk change

No change

### Risk appetite

Cautious

### Strategy link



### Risk and impact

Our continuing success depends on retaining key personnel and attracting skilled individuals.

Skilled and experienced employees may decide to leave the Group, potentially moving to a competitor. Any aspect of the business could be impacted with resultant reduction in prospects, sales and profitability.

Our competitiveness and growth potential, both organic and inorganic, could be adversely affected.

Operational excellence may be adversely affected.

### No change during the year

Whilst our acquisition of Fantech has increased the size and complexity of our business, our improvements to our HR and People organisation and processes and our strong employee engagement scores mean that there is no increase to likelihood or potential impact.

### Risk mitigation

Regular employee appraisals allow two-way feedback on performance and ambition.

A Management Development Programme is run periodically to provide key employees with the skills needed to grow within the business and to enhance their contribution to the business.

The Directors regularly review succession planning and key roles.

### Link to climate change risks

N/A

# Risk Management and Principal Risks continued

Strategic  
consequence



Organic  
growth



Value-adding  
acquisitions



Operational  
excellence



Sustainability  
at our core

## 8. Product

### Likelihood



Unlikely      Possible      Likely

### Potential impact



Low      Medium      High

### Risk change

No change

### Risk appetite

Cautious

### Strategy link



### Risk and impact

The failure of one of our products through fire, product recall or otherwise, could have a significant adverse impact on brand reputation.

### No change during the year

Product safety continues to be a priority across the business.

### Risk mitigation

Our product design process, quality control and compliance with all relevant regulations means the likelihood of a significant failure is low.

Our companies manufacture and assemble a wide variety of product types across different geographies and end markets. They are, as a result, experts in their areas and carry the responsibility for complying with relevant product safety and quality requirements, obtaining relevant accreditations and all necessary product certifications. Quality control processes include clear requirements for and careful selection and management of suppliers, quality checking of products and components from suppliers, and appropriate testing of products once assembled.

We typically operate on a product supply-only basis and generally do not take responsibility for installation of our products.

### Link to climate change risks

Transition risk – policy and technology.

## 9. Customers

### Likelihood



Unlikely      Possible      Likely

### Potential impact



Low      Medium      High

### Risk change

No change

### Risk appetite

Cautious

### Strategy link



### Risk and impact

A significant amount of our revenue is derived from a small number of customers and from our relationships with heating and ventilation consultants.

Deterioration in our relationships with a significant customer could have an adverse significant effect on our revenue from that customer.

Our organic growth ambitions and operational excellence would be adversely affected.

### No change during the year

Continued macroeconomic uncertainty in some of our markets means that certain customers could fall into financial difficulties. However, we have not seen a material increase in the number of customers failing or of bad debt.

### Risk mitigation

Our customer concentration is low, with the top 20 customers accounting for c.30% of Group revenue.

We have strong brands, recognised and valued by our end-users which gives us continued traction through our distribution channels and with consultants and specifiers.

We have a very wide range of ventilation and ancillary products that enhance our brand proposition and make us a convenient 'one-stop-shop' supplier.

We continue to develop new and existing products to support our product portfolio and brand reputation. We focus on customer service.

### Link to climate change risks

Our sustainability ambition is to champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. The regulatory tailwinds should significantly increase demand for our sustainable and innovative ventilation solutions, and strengthen the industry as a whole, including our customers.



# Risk Management and Principal Risks continued

Strategic consequence

Organic growth

Value-adding acquisitions

Operational excellence

Sustainability at our core

## 10. Foreign exchange risk

**Likelihood**  
  
Unlikely   Possible   Likely

**Potential impact**  
  
Low   Medium   High

**Risk change**  
No change

**Risk appetite**  
Cautious

**Strategy link**

**Risk and impact**  
Foreign exchange rates between currencies that we use may move adversely.

The commerciality of transactions denominated in currencies other than the functional currency of our businesses and/or the perceived performance of foreign subsidiaries in our Sterling-denominated consolidated financial statements may be adversely affected by changes in exchange rates.

Our ambition to grow internationally through acquisition exposes us to increasing levels of translational foreign exchange risk.

**No change during the year**  
No change during the year.

**Risk mitigation**  
Significant transactional risks are hedged by using forward currency contracts to fix exchange rates for the ensuing financial year.

Revaluation of foreign currency-denominated assets and liabilities is partially hedged by corresponding foreign currency bank debt.

**Link to climate change risks**  
How each government and economy respond to the risks of climate change over the long term may impact the macroeconomic outlook for the countries in which we operate, and hence move foreign exchange rates adversely.

## Sustainability

# Introduction to sustainability

### Our ambition

To reduce our environmental impact by improving business efficiencies and minimising our impact on the climate. To focus on the quality of materials we use, to support the creation of a circular economy, and eliminate all forms of waste across our value chain.

## Sustainable activities & awards

### LSE green mark



### FT Europe Climate leaders



### Plus x award

'Excellent brand quality' inVENTer



### H&V news awards

Vent-Axia Low carbon impact award



"We are delighted that the SBTi confirmed that our science based targets meet the SBTi's Net-Zero Standard Criteria. This approval demonstrates our commitment to reducing GHG emissions in line with the latest climate science research."

**Ronnie George**  
Chief Executive Officer

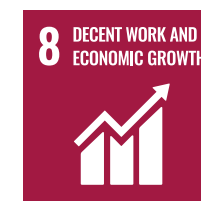


### How we align to the UN Sustainable Development Goals

As a member of the UN Global Compact, our sustainability strategy and material topics align with the UN Sustainable Development Goals (SDGs), the blueprint to achieve a better and more sustainable future for all.



Further detail of our alignment with the SDGs can be found on page 190



## Sustainability continued

### We focus on what is most important to our stakeholders

In 2021, we undertook our first materiality assessment to identify our focus areas in Product, Planet and People in alignment with our stakeholder needs. In line with our approach to sustainability governance and to ensure our strategy and key objectives remain relevant to our business and stakeholder needs, in 2025 we undertook another full materiality assessment, including a review of internal and external factors that may have changed over that time.



Our 2025 materiality assessment confirmed that the existing material topics remain relevant to the Group, albeit with some changes to ranking.

#### Highest Priority

**1. Our carbon emissions**  
Emissions from our direct operations remains a key area of activity for the business and our stakeholders as we continue towards our net zero targets.

**2. Health and safety**  
Keeping everyone safe and ensuring our colleagues can go home each day to their families remains amongst the highest priorities.

**3. Low-carbon products**  
Our target for the sale of low-carbon products was met in 2025 and has increased in importance if we are to deliver our net zero commitments.

**7. Employee engagement**  
Our first employee engagement survey in FY24, repeated and with improved results in FY25, demonstrates our commitment to delivering real improvements and the high priority placed on this by the Group.

#### High Priority

**4. Supply chain management**  
We recognise increased demands for responsible and transparent supply chains from internal and external stakeholders and have increased our capabilities further for sustainable supply chain management.

**5. Sustainable materials**  
We have continued to see excellent and industry leading progress in the use of recycled plastic in our manufactured products. Our investment to date has set up our processes to be able to deliver further in the future.

**6. Packaging/waste management**  
We have reduced our impact significantly through reducing our packaging and diverting most of our operational waste from landfill. There is still more to do to reduce packaging waste further.

#### Priority

**8. Diversity Equity and inclusion (DEI)**  
DEI continues to remain a priority, for the business.

**9. Training and development**  
Development of our employees continues to be a key priority for the business with further activity planned in the future.

#### Our approach to material sustainability topics

We identified a range of sustainability topics across all areas including governance, environment and human/social issues from various sources including market review and analysis, recent publication frameworks (including the Global Reporting Initiative (GRI) and Corporate Sustainability Reporting Directive (CSRD)), and from our previous materiality assessment work.

We identified those topics of particular relevance for Volution Group and our stakeholders (see our approach to stakeholder engagement on 189).

We grouped and prioritised topics and scored according to Group and stakeholder interest to identify those that are material.

We aligned to the UN SDGs, and ensured that we have relevant and measurable KPIs and metrics to report against each material topic so that progress can be tracked and reported (see Sustainability – monitoring our progress, next page).

## Sustainability – monitoring our progress

### Product

#### Our ambition

To champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. To continue to develop clean air solutions that protect people's health and increase their comfort in an ethical and responsible way.

#### Material item

#### Description

Low-carbon solutions



Our low-carbon solutions help reduce emissions from buildings and are the cornerstone of our offering in the transition to a low-carbon economy.

Supply chain management



Committing to responsible and ethical supply chain management as a manufacturer of electrical and durable plastic goods.

### Planet

#### Our ambition

To reduce our environmental impact by improving business efficiencies and minimising our impact on the climate. To focus on the quality of materials we use, to support the creation of a circular economy and to eliminate all forms of waste across our value chain.

Our carbon emissions



Reducing carbon emissions from operations, our supply chain and the use of our products.

Sustainable materials



Increasing the use of sustainable materials in our manufactured products, including the use of recycled plastics, saves resources and energy use.

Packaging waste and management



Managing the waste from our products and direct operations helps reduce our impact on the environment.

### People

#### Our ambition

To continue to develop an engaged and inclusive workforce where our employees feel valued and can fulfil their potential. To build relationships with the local community, provide support where needed and leave a lasting legacy. To place the highest priority on health and safety as we continue to pursue our zero-harm ambition.

Health and Safety



Keeping everyone safe is our highest priority. We have a zero harm ambition, and aim to reduce the frequency rate of serious accidents year-on-year.

Employee engagement

Creating a working environment where our employees can develop their skills.

Diversity, equity and inclusion



Building a culture where people feel heard, valued and supported, because when our people thrive, our business grows with them.

Definitions, basis of preparation, calculation methodology and historical data related to sustainability KPIs and other measures of sustainability performance can be found on page 178 to 190.



## Sustainability continued

### Key to status:

- Achieved
- Partially achieved
- Not achieved

Stakeholders	Progress	Status	Metrics, KPIs and targets			
Customers Shareholders	<p>FY25 saw an increase in low-carbon sales on an organic basis from 74.6% to 77.3%. Our target of 70.0% was achieved.</p> <p>FY25 also saw an increase in heat recovery sales on an organic basis from 31.7% to 32.5%.</p> <p>Including Fantech, low carbons sales were 71.2% and heat recovery sales are 28.5% due to the dilution effect of the lower proportion of these products in the current Fantech product portfolio.</p>	<span style="color: green;">●</span>	<b>Low-carbon product sales</b> <b>71.2%</b> 77.3% organic (FY24: 74.6) <b>Heat recovery sales</b> <b>28.5%</b> 32.5% organic (FY24 31.7%.)	<b>70%</b> FY25 target	<b>Avoided emissions</b> <b>1,979,945</b> (FY24: 1,872,583)	See more on pages 58 to 61
Customers Shareholders Suppliers	<p>In FY25, we further enhanced our activities on social responsibility and ethical business practices in our supply chain.</p> <p>In FY26, we will keep focus on the social aspects in our supply chain.</p>	<span style="color: green;">●</span>	<b>Supplier audits completed</b> <b>94</b> (FY24: 71)	<b>Eligible employees completing modern slavery training</b> <b>100%</b>		See more on pages 72 to 79
Customers Shareholders	<p>In FY25, our near-term and net zero carbon reduction targets were validated by SBTi.</p> <p>In FY26, we will continue to progress the reduction of our Scope 1, 2 and 3 emissions.</p>	<span style="color: green;">●</span>	<b>Carbon intensity (location based tCO<sub>2</sub>e/£m revenue)</b> <b>12.0</b> (FY24: 12.8)	<b>12.3</b> FY25 target	<b>Scope 1 &amp; 2 (market based tCO<sub>2</sub>e ex Fantech)</b> <b>2,568</b> (FY24: 2,566)	See more on pages 64 to 71
Customers Shareholders	In FY25, the proportion of recycled plastic used in our production increased significantly, with UK facilities at 90.0% and Nordics production increasing to >25%. Our stretch target was missed but continued progress is expected in FY26.	<span style="color: orange;">●</span>	<b>Use of recycled plastic</b> <b>83.9%</b> (FY24: 78.1%)	<b>90%</b> FY25 target		See more on pages 64 to 71
Customers	We continued to expand the use of responsible 'Nil waste to landfill' waste-removal services across the Group, with <10% of direct waste going to landfill.	<span style="color: green;">●</span>	<b>Waste to landfill</b> <b>9%</b> (New measure in FY25)	<b>Waste recycled</b> <b>80%</b> (New measure in FY25)		See more on pages 64 to 71
Employees Shareholders	<p>The frequency rate of our most serious category of accident reduced to 0.17 per 100,000 hours worked, down from 0.2 in FY24 and 0.3 in FY23.</p> <p>We will continue to focus on keeping everyone safe in FY26.</p>	<span style="color: orange;">●</span>	<b>Reportable incidents per 100,000 hours worked</b> <b>0.17</b> (FY24: 0.20)	<b>Lost time incidents per 100,000 hours worked</b> <b>0.19</b> (FY24: 0.18)		See more on pages 72 to 79
Employees	Our second employee engagement survey saw a modest increase from 74 in FY24 to 75 in FY25. While we made progress in some key areas, we acknowledge there is more work to be done, and specific actions will be taken in FY26.	<span style="color: green;">●</span>	<b>Engagement survey KPI</b> <b>75</b> (FY24: 74)			See more on pages 72 to 79
Employees Shareholders	We became a strategic partner of the Construction Inclusion Coalition during the year, and continued to run our mentoring programme.	<span style="color: green;">●</span>	<b>Gender diversity of our Board</b> <b>Male 57%/Female 43%</b> (FY24 Male 57%/Female 43%)			See more on pages 72 to 79

## Sustainability continued

# Our transition opportunity

### Volusion products support the transition to a low-carbon, climate-resilient economy

The most effective way of improving the thermal efficiency of buildings is to increase insulation and airtightness, and that impacts indoor air quality.

As a result, energy efficient ventilation solutions are a key aspect of the net zero-ready building challenge.

Further, the additional benefit of reduced energy consumption for space heating comes from the adoption of more sophisticated heat recovery ventilation systems.

Buildings are responsible for around 36% of energy-related GHG emissions and 40% of total energy demand, of which the majority are related to heating, cooling and hot water. If we are to hit global net zero targets, we must improve the energy efficiency of the existing building stock, alongside the construction of new compliant buildings.

There are increasingly stringent energy efficiency standards in most developed countries for new buildings.

However, 80% of buildings standing today are expected to be still in use in 2050, with many of these buildings having been built before efficiency regulations came into effect. To meet net zero targets, deep renovations of existing buildings to improve energy efficiency need to be implemented at a rate of c.2–3% per year by 2030, a significant increase from the current <1% rate.

The scale of this challenge has been recognised by many governments, with regulations introduced aimed at increasing building efficiency and deep renovations for example the EU's 'Energy Performance of Buildings Directive' (EPBD) in 2024.

### Strategic response and resilience

Our products directly support the transition to a sustainable built environment. In FY25, 71.2% of our revenue was derived from the sale of low-carbon products, against a target of 70%. 32.5% of revenue was derived from the sale of more sophisticated, heat recovery products and systems.

We are part of the group of companies driving the Green Economy, evidenced by our LSE Green Economy Mark and the eligibility of our products to the EU Taxonomy.

The long-term global regulatory drivers for energy efficient ventilation solutions in new buildings and renovation provide resilience, and opportunity for growth for our Group. Recent regulatory developments are described on pages 61 and 62, and the impact of regulations on organic growth is explained with case studies on pages 22 and 23.

### Impact on financial statements

Our transition opportunity is a core aspect of our overall business strategy and growth opportunity; see pages 10 and 11. No additional costs outside of our existing financial model are required to realise this opportunity.

### Metrics and targets

#### Low-carbon sales

**71.2%** (77.3% organic)

#### Avoided emissions

**1,979,945**

tCO<sub>2</sub>e

#### Heat recovery products

**28.5%** (32.5% organic)

### EU Taxonomy

**71.2%**

of our sales are EU Taxonomy-eligible

These sales fall under the EU Taxonomy category '3.5 – Manufacture of energy efficiency equipment for buildings' and are specifically related to climate change mitigation.

### Green Mark

**We are proud to be in the FTSE Russell Green Mark 2025 cohort.**

**The Green Mark is an accreditation which recognises companies whose products and services have net positive environmental benefits. The demanding 50% green revenues means that only 6% of UK listed companies receive the mark.**

Our continuing drive to increase strong low-carbon sales reflect our commitment to the global green economy. 2025 is our fifth year holding the Green Mark.



## Sustainability continued

# Sustainability governance

### We report transparently and consistently

We present our sustainability-related governance, policies and data in accordance with all the applicable regulations and aim to follow best practice.

We report within this Annual Report and Accounts in line with:

- The Task force on Climate-related Financial Disclosures (TCFD) (pages 65 and 178 to 190);
- The Sustainability Accounting Standards Board (SASB) (page 180);
- The Sustainable Finance Disclosure Regulation (SFDR) Principal Adverse Indicators (PAI) (page 179); and
- all relevant company and listing rules.

Following the amendments to the EU Corporate Sustainability Reporting Directive (CSRD) adopted in February 2025, Volusion Group plc are not in scope of the directive. We will explore the use of voluntary frameworks, including GRI, to enable further transparent and consistent reporting in future reports.

Our ESG-related policies can be found on our corporate website:  
<https://www.volusiongroupplc.com/about-us/governance/policies>

### Sustainability is integrated into Group governance

The Sustainability Committee is integral to the decision-making process of the Group as it pertains to sustainability-related issues.

More details of the governance structure and processes can be found in the Governance section (page 88) and in the TCFD section (page 65 and 178 to 190).

The Group's Sustainability Committee is formed of our senior leadership team including representatives from each business, and is attended by our Non-Executive Director (NED) Amanda Mellor.

The Committee met twice in the year and discussed key issues impacting the Group.

The Committee reviewed progress on sustainability matters. Each business presented their actions, plans and performance against emission reduction targets. It was noted that good progress was being made, and efforts will need to continue to ensure future targets are met.

The Committee noted the increasing demands for sustainability-related data both internally and externally and the need for continuous improvements in measurement and collection methodology, and will consider investment in improved systems for collecting sustainability data in the coming year.

#### Board

#### Sustainability Committee

Responsibility for the development and implementation of the Volusion sustainability strategy and initiatives, covering Product, Planet and People.

The Sustainability Committee is chaired by the Chief Executive Officer and is attended by the designated Non-Executive Director for Sustainability Matters, Amanda Mellor.

#### Employee engagement

Celia Baxter

Designated NED for Employee Engagement

➕ People section  
Pages 72 to 79

#### DEI Committee

Reports to the Sustainability Committee

➕ People section  
Pages 72 to 79

## ⇒ Products

# Improving air quality and reducing emissions

## Our ambition

To champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate.

To continue to develop clean air solutions that protect people's health and increase their comfort in an ethical and responsible way.





## ⇒ Products continued

# Defining low-carbon sales and why they matter

**We define low-carbon products as those that deliver energy savings once installed in their intended application – both in new buildings and in refurbishments. Specifically, if a product helps a building use less energy in normal operation, and does so beyond the legal minimum, we count it as low-carbon.**

By driving our low-carbon sales, we know we are delivering on our purpose to provide healthy air sustainability.

### New build

In new buildings, 'qualifying products' reduce energy use and associated carbon emissions, verified through national calculation methods or recognised efficiency schemes.

Across our European businesses, this is shaped by the Energy Performance of Buildings Directive (EPBD), with each country operating its own models.

In the UK, qualifying products include those in the Standard Assessment Procedure (SAP) – transitioning to the Home Energy Model (HEM) – and those that are listed in the Product Characteristics Database (PCDB). For non-domestic projects, the Simplified Building Energy Model (SBEM) provides the verification route.

In Germany, qualifying reductions are demonstrated using DIN V 4701-10:2003-08 with DIN V 4108-6:2004-03, or the DIN V 18599-6:2018-09 suite.

We also recognise products validated through frameworks that identify energy-saving measures, such as the UK Energy Technology List (ETL), and in Australia, products that contribute to higher star ratings under NatHERS (Nationwide House Energy Rating Scheme).

### Refurbishment

In building refurbishment, our baseline is the regulatory minimum required for sale or installation. Products that merely meet these thresholds are 'entry level' and excluded from our low-carbon definition. To qualify, a product must exceed the minimum and provide demonstrable energy savings when replacing a standard product or when added to an existing building or application.

Typical qualifying examples include controls and automation that cut unnecessary run-time (presence/CO<sub>2</sub>/humidity sensors and demand-controlled ventilation) and our DC/EC-motor extract fans, which use significantly less electricity than traditional AC fans while improving controllability and acoustics. Where credible data is available, we also consider interoperability benefits – e.g., controls that integrate with Building Management System (BMS) platforms to optimise whole-system efficiency.

### Australia

Following the acquisition of Fantech, a greater share of our sales now comes from markets beyond the scope of the EPBD and from less regulated commercial and industrial applications. Combined with a varied climate and generally lighter regulation, this has diluted the proportion of sales in our low-carbon category.

In Australia, fans must meet Minimum Energy Performance Standards (MEPS) under AS/NZS 1359.5, aligned with IEC 60034-30-1. We treat MEPS as a regulatory minimum; products that only meet this bar are therefore excluded.

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) is consulting on tighter, European-style efficiency requirements. As these lift baseline performance, operational emissions will fall even for standard products, helping our Scope 3, Category 11 performance over time.



Ventair SkyFan



ClimaRad Care H1C



Inverter Taris

## ⇒ Products continued

### What's excluded (and why)

We do not include products whose primary claim is durability or end-of-life recyclability alone, nor products that require unusual operating patterns to deliver savings. Our focus is **operational energy reduction** verified by accepted calculation methods or widely used, independent schemes.

### How we measure

We use the nationally accepted calculation or rating tool for each market as first-line evidence for many of our products. Where products are listed on official databases (such as the Product Characteristics Database (PCDB)) or eligible under recognised schemes (such as the Energy Technology List (ETL)), this provides transparent, auditable support.

Heat recovery sales are tracked separately and disclosed as a sub-category of our low-carbon mix. We avoid **double-counting** by assigning each product a single verification route and excluding bundles where the same saving could be claimed twice. Our definition focuses on **operational energy**. Where robust embodied-carbon data exists, we disclose it separately and do not include it in low-carbon sales unless there are clear and measurable reductions in energy.

### Customer-driven

For customers, low-carbon products usually mean lower running costs, improved comfort and regulatory compliance with headroom.

A typical residential application might be replacing a continuously running AC extract fan with a demand-controlled EC model: the building maintains air quality, but the fan runs only when needed, and at lower power.

In commercial settings, linking sensor-led ventilation within a BMS can reduce out-of-hours consumption and smooth out peak demand, often delivering rapid financial paybacks.

Heat recovery units further improve efficiency by capturing energy that would otherwise be lost in exhaust air and using it to pre-condition incoming supply air. This significantly reduces heating demand in many climates – delivering the same, or even better, indoor air quality with fewer kilowatt-hours.

### What we're prioritising next

We are accelerating **EC/DC motor** substitutions across key product lines, expanding our **heat recovery** offerings and introducing additional **demand-led controls and sensors**. This roadmap focuses on practical, high-impact upgrades that shorten customer paybacks and lock in long-term energy savings.

This year, **71.2%** of our sales came from low-carbon products – supporting **UN SDGs 3, 7, 11 and 13** – and we aim to grow this share through targeted innovation, clear evidence and transparent reporting.

### How heat recovery ventilation works

Heat Recovery Ventilation (HRV) is a system designed to improve indoor air quality and energy efficiency by exchanging stale indoor air with fresh outdoor air while retaining much of the heat energy. Here's how it works:

- Stale air extracted from the house
- Air exhausted to outside after the heat has been recovered
- Fresh incoming air from outside
- Warm air introduced to the home after recovering heat



## ⇒ Products continued

### Avoided emissions

Employing heat recovery ventilation solutions in airtight, insulated buildings enables marked reductions in the energy used for heating and cooling. Alongside these energy reductions and correlated financial benefits, there are significant carbon emissions that are avoided when compared with alternative, base-line ventilation.

Building on the model that we designed in collaboration with the engineering consultants Arup, and updating for carbon conversion factors, this year we have again calculated the avoided emissions from our heat recovery products sold in the current year, over the lifetime of those products sold.

Our heat recovery products consistently reduce energy consumption throughout their useful life, thereby avoiding emissions for more than just a single year. Further, with every successive year, the sales contribute to the growing installed base, leading to cumulative emission reductions. We have, however, assessed only the lifetime emissions of heat recovery products sold in FY25.

The estimates of the equivalent number of homes and cars shown are subject to the same assumptions, limitations and sensitivities of the calculation of the reported avoided emissions, and further by the assumptions and limitations of the average emissions for homes and cars published by the Office for National Statistics (ONS) and the Department for Transport (DfT) and used for the calculations.



### Definition – avoided emissions

Avoided emissions are those emissions avoided from the use of Volution Group heat recovery products when compared with alternative measures of ventilation. Avoided emissions are not included within Scope 1, 2 or 3 emissions, and do not form part of reporting of total emissions or net zero targets for the Group.

Details about the methodology used and assumptions and uncertainties inherent in the calculation can be found on page 187.

# 1,979,945

tCO<sub>2</sub>e

Avoided emissions from the use of our heat recovery products sold in FY25 over their lifetime of use

The same as:



or



638,266  
homes' carbon dioxide  
emissions for 1 year<sup>1</sup>

1,026,738  
cars off road for 1 year<sup>2</sup>

1. Calculated by taking the Volution reported avoided emissions of 1,979,945 tCO<sub>2</sub>e and dividing by the median emissions for an existing dwelling in England for one year (Office for National Statistics (ONS), 2023).
2. Calculated by taking the Volution reported avoided emissions of 1,979,945 tCO<sub>2</sub>e and dividing by the overall average emissions per mile for UK diesel automobiles (DfT, 2024) assuming 7,000 miles driven per annum per vehicle (DfT, 2024).



# Volution is committed to a net zero carbon future

## Our ambition

To champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate.

To continue to develop clean air solutions that protect people's health and increase their comfort in an ethical and responsible way.





## Planet continued

# Task Force on Climate-related Financial Disclosures

### Compliance Statement

We are committed to consistent and transparent reporting aligned to the recommendations of the TCFD and will continue to work with our stakeholders to provide comprehensive data.

We comply with the Financial Conduct Authority's (FCA's) Listing Rule 6.6.6(8)(a) and within this Annual Report and Accounts make disclosures consistent with the 2017 TCFD recommendations as well as the updated TCFD 2021 guidance, across all four of the TCFD pillars: Strategy; Governance; Risk Management; and Metrics and Targets.

In preparing our disclosures, we considered the industry-specific guidance for the materials and buildings/construction industry, and so disclose data on our assets vulnerable to climate risks, and executive remuneration. We do not consider other industry-specific metrics as material for the Group.

The highlights are included in this section of the Annual Report, with more detail provided on pages 181 to 184.

We are committed to further improving our reporting and disclosures in future, including, but not limited to, further enhancing the accuracy of our emission data, and the sophistication of our scenario analysis.

## TCFD pillars

### 1. Governance

Climate change is embedded in the governance structure of the Group through a decentralised local ownership, overseen by Group leadership and under the ultimate oversight of the Board. The Board is collectively responsible for promoting the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

**The governance structure is shown on page 59, and more detailed TCFD Governance pillar disclosures are provided on pages 181 to 184.**

### 3. Risk Management

The opportunities that are available to us are a key driver to our Sustainable Growth Model. Our organic growth is driven by our local businesses taking the opportunities available to them in each market, driven in part by the local regulatory tailwinds (see page 22). Our drive to innovate and develop new products ensures that we are able to maintain a leadership position in low-carbon and heat recovery products. Our growth from acquisition targets successful businesses that specialise in low-carbon and heat recovery products.

**The climate risks and opportunities are described on pages 70 and 71, and more detailed TCFD Risk Management pillar disclosures are provided on pages 181 to 184. Our strategic climate opportunity is defined on page 58.**

### 2. Strategy

Our sustainability ambition is to champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. The regulatory tailwinds should significantly increase demand for our sustainable and innovative ventilation solutions, while our leading position in the UK, Continental Europe and Australasia ventilation markets means that we are well positioned to seize this opportunity.

**Our strategy is shown on pages 10 to 11, and more detailed TCFD Strategy pillar disclosures are provided on pages 181 to 184.**

### 4. Metrics and Targets

We disclose all Scope 1, 2 and 3 carbon emissions and have set detailed annual targets, and we have distributed these targets to each of our local businesses.

Our metrics for the percentage of our total revenue that is from low-carbon and heat recovery products tracks the extent to which we are utilising the opportunities that climate change brings. The success of our investments and capital allocation, both in terms of plant and equipment and in the acquisition of low-carbon businesses, is reflected in increased sales from these products.

We have aligned our revenue with the EU Taxonomy and continue to report under the FTSE Russell Green Economy taxonomy. We believe these externally reported metrics allow us to demonstrate the success of our continued delivery against our sustainable growth strategy.

**Our FY25 emissions and performance against targets are shown on page 66, and more detailed TCFD Metric and Targets pillar disclosures are provided on pages 185.**

## Planet continued

# A milestone in our sustainability journey

### Our carbon targets

**Our targets have been approved at the most ambitious designation available through the SBTi process.**

Following a rigorous evaluation process, the SBTi has confirmed that our targets meet the SBTi's Net-Zero Standard Criteria and Near-Term Target Criteria and Recommendations. This approval demonstrates our commitment to reducing GHG emissions in line with the latest climate science.

From a 2023 baseline, we have committed to reducing short-term absolute Scope 1 and 2 emissions 63% by 2034 and Scope 3 emissions by 58.8% from the same baseline.

We have also committed to reducing our absolute Scope 1, 2 and 3 emissions 90% by 2050, from a 2023 baseline, our net zero commitment.

Achieving these targets requires action at every level of our organisation. We continue to find new solutions, operational efficiencies and partnerships to accelerate our transition to a low-carbon future.

### Our strategy

**Our direct operational (Scope 1 and 2) emissions will be reduced by:**

- Transitioning our facilities from gas to electric heating
- Adopting renewable energy contracts
- Investment in on-site renewable generation
- Transitioning our vehicle fleet to electric where and when possible
- Investment in more energy efficient plant and equipment when replaced or when increasing capacity
- Installing LED lighting and energy controls throughout our sites

**Most of our emissions are indirect (Scope 3). While national commitments to decarbonise electricity grids will help lower emissions from the use of our products, we will also:**

- Drive low-carbon sales & continue to develop innovative, lower-carbon products
- Increase the use of recycled plastic within our manufactured products
- Insource production wherever possible
- Work with our supply chain to increase the use of sustainable, lower-carbon inputs
- Reduce air freight to the minimum

### Total absolute Scope 1, 2 & 3 emissions (tCO<sub>2</sub>e)



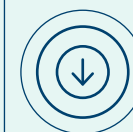
772,715

**Organic increase** of 16.7% due to increased sales and product mix impact on energy used by our products over their life.

While our targets follow a steady glide path, we expect year-on-year variations as our product mix evolves and grid decarbonisation progresses.

(Total emissions of 1,215,342 including Fantech).

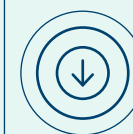
### Scope 1 & 2 carbon intensity (tCO<sub>2</sub>e /£m revenue)



12.0

**6.25% lower than FY24** (FY24: 12.8)  
Reduction as a result of energy efficiency actions taken in the period and revenue growth.

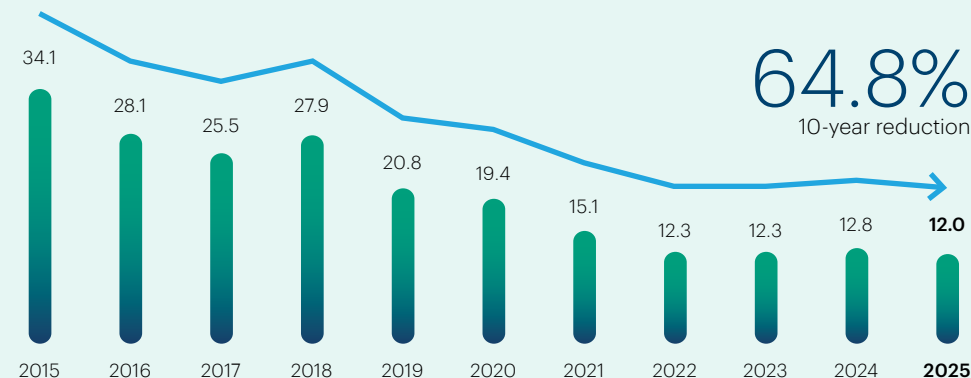
### Scope 1 & 2 absolute market based emissions (tCO<sub>2</sub>e)



2,568

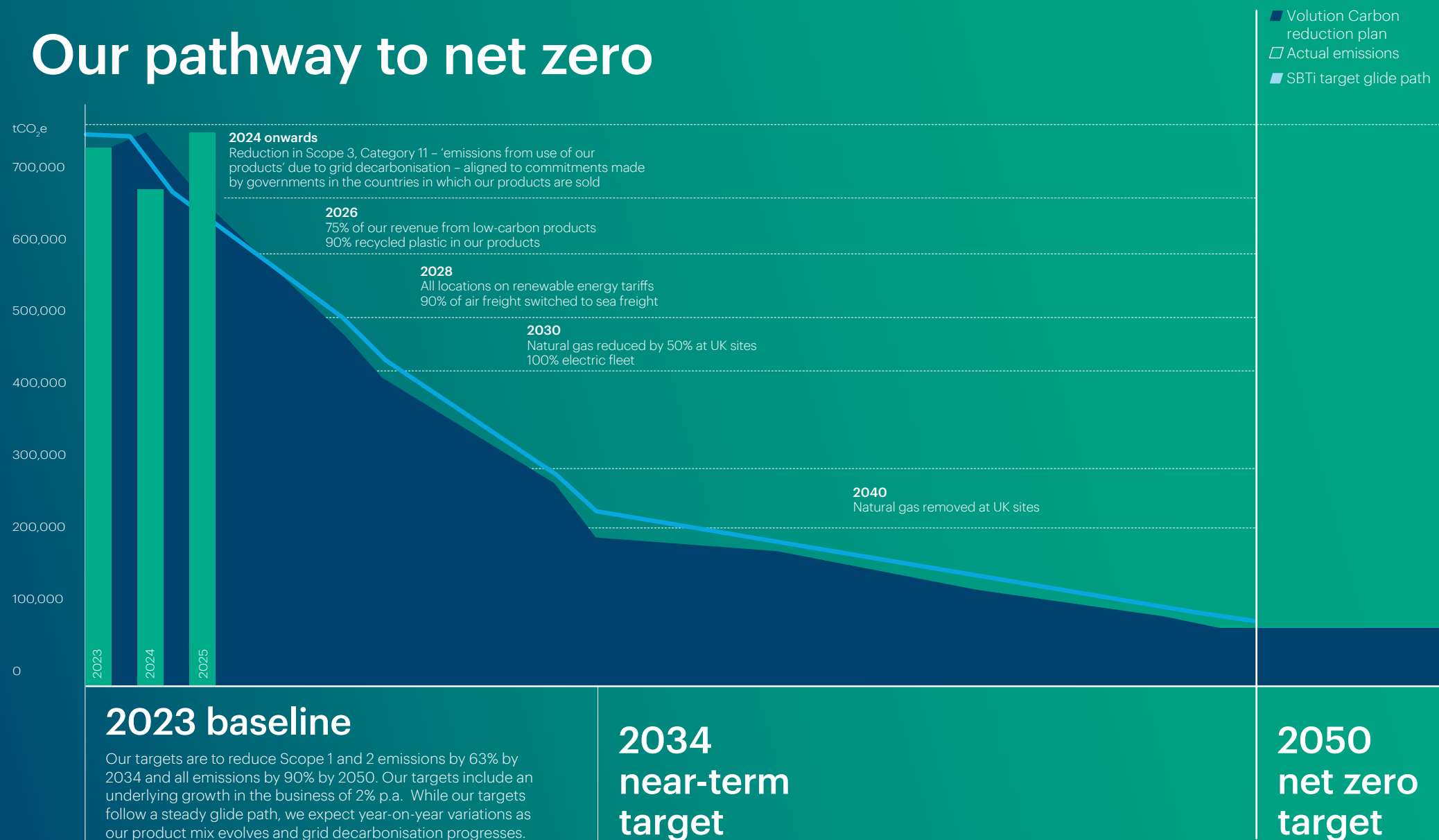
**Broadly in line with SBTi target** on a like for like basis. (FY24: 2,566)

### Carbon intensity trend (tCO<sub>2</sub>e /£m revenue)



## Planet continued

# Our pathway to net zero



## Planet continued

# Progress and actions

Investments that reduce our footprint and enhance efficiency

### FY25 actions

**121,108 kWh**

energy generated from on-site solar panels in FY25.

**564**

additional solar panels installed at production facility in Sarajevo, along with heat pump, removing gas use entirely in normal operations.

**60,000 km**

of truck travel saved by investing in insourcing metal production in our Voltair business.

**80-90%**

savings in paper use in UK, Germany and Nordics through ERP upgrades and hand-scanner investment.

**>80%**

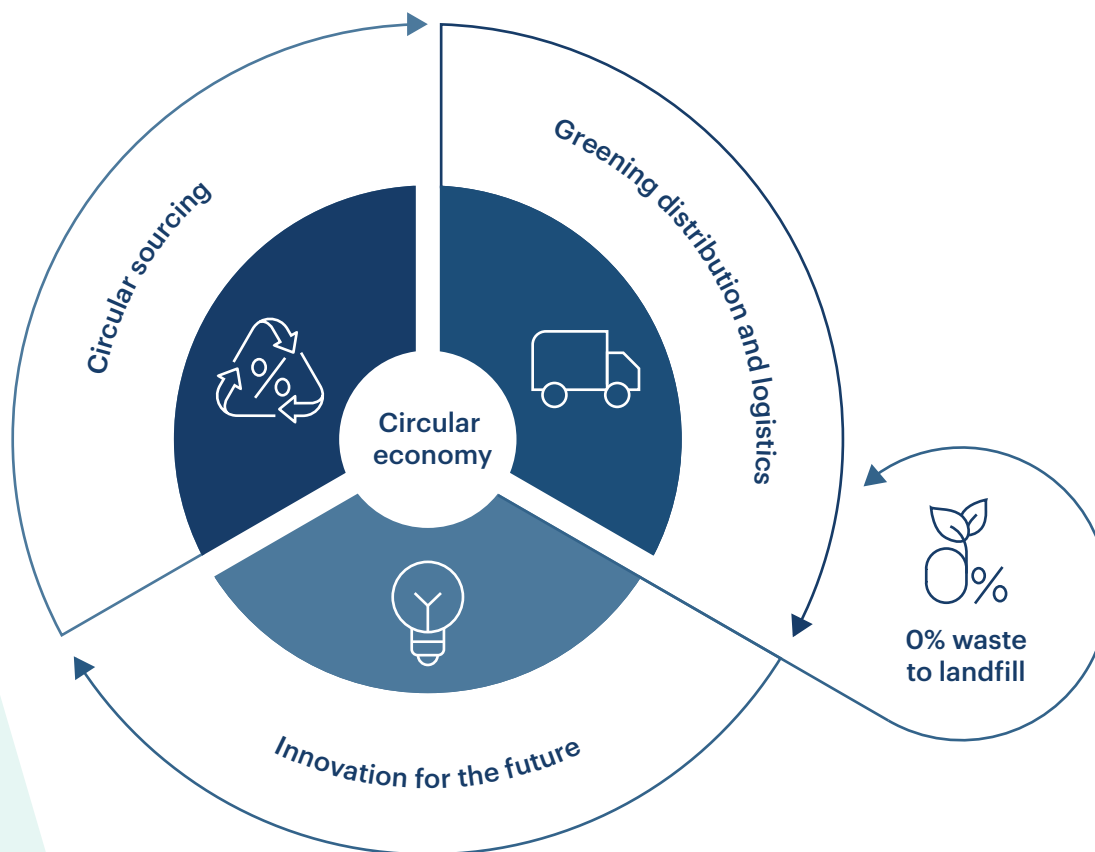
reduction in emissions from air freight since FY23 SBTi base year – assessing suppliers for efficiency and swapping to sea freight.

**30%**

efficiency gains from investment in extrusion machines in our UK facility.

# Contributing to the circular economy

We support the transition to a low-carbon economy. Using recycled plastic in our products, optimising logistics for greater efficiency, and targeting zero waste to landfill – turning waste into value.





## Planet continued

### Circular sourcing - recycled plastic waste

Since 2021, we have set ourselves stretching targets to increase the amount of recycled plastic in products manufactured at our facilities. Initially an ambition, we have invested and innovated to the point where c.90% of our UK plastic inputs were from recycled sources in FY25, and we finished the year at 83.9% of plastics in total for the Group. Whilst short of our 90% goal, further activity is planned over FY26 to continue to increase recycled plastic usage.

In the UK, we collaborate with electricals retailer AO to recycle plastic from refrigerators, winning the BEAMA Net-Zero Collaboration Award in FY24.

#### Recycled plastic in our products

# 83.9%

5.8pp higher than FY24 (FY24: 78.1%)

# 22%

reduction in virgin plastic used in FY25 by weight

#### Relevant material topics

1, 3, 5, 6

### Greening distribution and logistics

Reducing the impact of distributing our product is a key activity in our sustainability journey. We have increased the efficiency of our distribution systems to reduce the total number of journeys needed. With increasing product demand, consistency and planning are key in maintaining efficient delivery and customer satisfaction. In the UK, careful monitoring of 'Delivery In Full and On Time' (DIFOT) KPIs ensures efficient shipments to customers, increasing to 85% in FY25. In North Macedonia (ERI) operations use visual aids and customised software to enhance logistics planning. Many products are bespoke with different sizing, and careful planning ensures optimal truck loading and routing, so that each truck is a full truck.

#### Relevant material topics

1, 4, 6

### Targeting 0% waste to landfill

In FY24, we started to transition our UK activities to 'zero waste to landfill', which has continued to be successfully implemented in FY25. The programme has expanded across the Group, now with only 9% of total operational waste going to landfill in FY25.

#### Relevant material topic

4

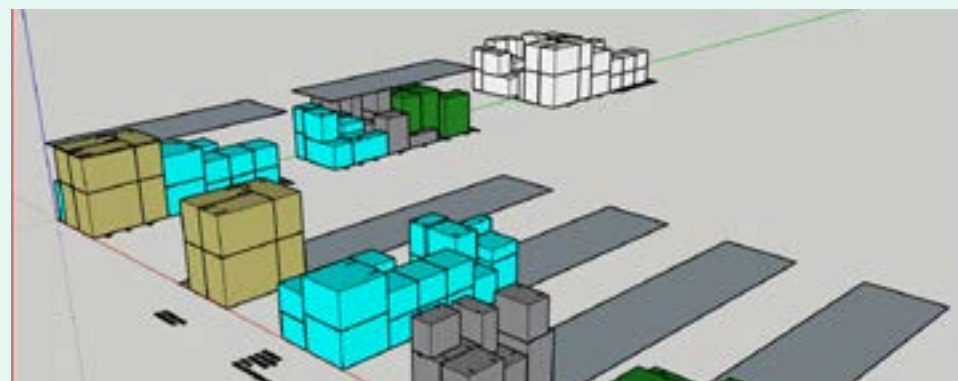
### Innovating for the future

Reducing our environmental footprint will take time and while we have made further progress this year, we will continue to work on circular economy principals. In FY25 86% of R&D investment was related to low carbon products.

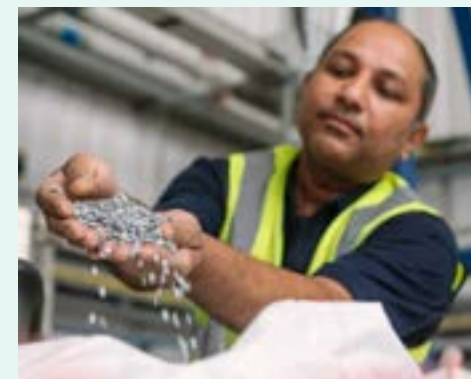
#### Relevant material topics

1, 3, 4, 5, 6

### 3D Load optimisation (ERI), ensuring every truck is full and minimising emissions



### Recycled plastic use in our Nordics business rapidly increasing due to investment and learning from VVUK



## Planet continued

# Climate risks and opportunities

**Ventilation and low-carbon cooling and heating technologies remain a key aspect of building adaption in all the climate scenarios that we have considered, and Volution's purpose, business model and strategy continue to be appropriate under each scenario. However, there are risks in the short, medium and long term that we continue to monitor.**

When preparing the consolidated financial statements on pages 136 to 170, the Directors considered the impact of climate change risks and opportunities, and the actions necessary to achieve the targets set for carbon emissions reductions.

After careful consideration of these factors, the Directors concluded that there are no material impacts to the assumptions, estimates or judgements used in the preparation of those accounts relating to climate change.

When assessing the carrying value of tangible and intangible assets for impairment at the balance sheet date, we considered the impact of climate change under the three scenarios presented and concluded that there was no material adverse financial impact over the period of assessment that could lead to impairment. Our analysis of the resilience of our main locations to the physical risk of climate change also showed us that there is no impact on the useful lives of our material physical assets.

Our carbon reduction targets and net zero commitments have been carefully considered, and we have concluded that the actions that we will take do not have a material adverse impact to future cash flows. Our short-term commitments such as reducing air

freight, increasing recycled plastic, moving to 100% renewable tariffs, and moving to a fully electric vehicle fleet do not require material incremental investment, and the longer-term active reductions alongside the passive market reductions do not materially adversely impact future cash flows.

This continued success in delivering carbon reductions whilst not impacting profitability has been demonstrated over the past ten years, which has seen a reduction in Volution Scope 1 and 2 carbon intensity of 64.8%.

### Scenarios

Our climate change risks were assessed against NGFS climate scenarios, with assumptions informed by regional adaption plans and risk assessments.

**Sustainable transition – 1.5°C** – Increasingly ambitious climate policies are implemented at a steady pace, allowing market reaction and the introduction of technology-based solutions. Demand for energy efficient products will increase steadily with strong governmental policies for climate adaption in the built environment relating to thermal comfort and energy efficiency.


**Adaption – 2°C** – Current policies continue into 2030, when stronger climate policies are enacted to enable net zero targets to get on track. Demand for energy efficient products will increase with strong governmental policies for climate adaption in the built environment relating to thermal comfort and energy efficiency.


**Disorderly transition – 4°C** – Current policies continue into 2030, but delayed incremental climate action results in physical risks and heightened social and economic disruption. Demand for energy efficient products remain at least at the current levels.


### Timeframe

The timeframes used when identifying risks are short term (less than five years) – the period over which we prepare bottom-up plans, medium term (5 – 15 years) – the period over which our continued strategy to provide healthy air sustainability under our strategic pillars will be delivered including specific targets to reduce carbon, and long term (beyond 15 years) – the period aligned to the useful economic life of some of our property assets and where the potential impacts under different scenarios are less certain. These different periods have allowed us to assess risks and opportunities that are immediate and well defined and those which may arise over time but which are much less certain.

### Potential impact

 Minimal financial impact to the Group

 Some financial impact to the Group but not material

 Material financial impact to the Group

### Physical risk – acute and chronic

Changing weather patterns, linked to climate change, may directly damage our production facilities or disrupt our supply chain.

#### Scenario 1.5°C

##### Likelihood



##### Potential impact



#### Scenario 4°C

##### Likelihood



##### Potential impact



### Strategic response and resilience

Our main production assets are not exposed to direct risks of extreme weather or other impacts of climate change over the short or medium term. We engage with our supply chain and maintain alternative sources and sufficient inventory to avoid the impact of short-term disruption. Our geographic spread from our international acquisition strategy helps to mitigate the impact of local disruption.

### Impact on financial statements

There is no material impact on going concern, impairment or useful economic lives of our assets, nor any required increase in opex or capex to mitigate or replace our assets.

### Associated principal risk

1, 2

### Metrics and targets

Continued monitoring of each of our significant locations and portfolio of owned properties.

## Planet continued

### Transition risk – reputation

Investors and lenders may show a preference to allocate capital to businesses with smaller climate impacts, and customers may select competitors which are perceived as having delivered on their plans to reduce carbon.

#### Scenario 1.5°C

##### Likelihood



##### Potential impact



#### Scenario 4°C

##### Likelihood



##### Potential impact



### Strategic response and resilience

Sustainability is at the heart of our purpose and key to our strategy. We have appropriate governance and KPIs in place to ensure delivery of our strategy. We continue to engage with our investors and lenders and are confident our strategy is well understood.

#### Impact on financial statements

There is no material risk that we would be unable to raise sufficient funds for future business requirements that could impact our growth strategy, going concern or viability.

#### Associated principal risk

N/A

#### Metrics and targets

Availability of financing and share price.

### Transition risk – policy and legal

Governments may implement taxes or charges which penalise businesses that do not reduce carbon, also increasing the input cost of energy, freight and materials.

#### Scenario 1.5°C

##### Likelihood



##### Potential impact



#### Scenario 4°C

##### Likelihood



##### Potential impact



### Strategic response and resilience

We engage with our suppliers to positively challenge and improve our production supply chain with a focus on eliminating waste, minimising emissions and maximising efficiency. Our carbon reduction targets mitigate potential penalties or charges.

#### Impact on financial statements

There is no material impact on going concern, impairment or useful economic lives of our assets, nor any required increase in opex or capex to mitigate or replace our assets.


#### Associated principal risk


4, 9


#### Metrics and targets

Gross profit margin, adjusted operating profit margin.

### Potential impact

 Minimal financial impact to the Group

 Some financial impact to the Group but not material

 Material financial impact to the Group

### Transition risk – policy and technology

Governments may implement stricter regulation, rendering elements of our product portfolio non-compliant.

#### Scenario 1.5°C

##### Likelihood



##### Potential impact



#### Scenario 4°C

##### Likelihood



##### Potential impact



### Strategic response and resilience

As active members of trade associations across our Group, we influence directional change in building regulations and improve industry guidance. We are committed to investing in innovation to support breakthroughs in sustainable living and ensuring that emission reduction is a core consideration in our solution design.

#### Impact on financial statements

There is no material impact on going concern, impairment or useful economic lives of our assets, nor any required increase in opex or capex to mitigate or replace our assets.

#### Associated principal risk

7, 9

#### Metrics and targets

Percentage of revenue from low-carbon and heat recovery products.

## People

# Developing a work-environment that is engaging, inclusive and safe

## Our ambition

To continue to develop an engaged and inclusive workforce where our employees feel valued and can fulfil their potential.



To place the highest priority on health and safety as we continue to pursue our zero-harm ambition.

To build relationships with the local community, provide support where needed and leave a lasting legacy.



## People continued



## Health, safety & wellbeing

The health, safety, and wellbeing of our people remain at the heart of everything we do. We are committed to providing a safe and supportive working environment across all our sites, with a strong focus on proactive risk management, continuous improvement, and employee engagement.

During the year, we continued to strengthen our health and safety culture through a combination of training, leadership involvement, and investment in safer processes and technologies. Regular audits and reporting ensure that safety remains a shared responsibility across all levels of the organisation. Reflecting this ongoing commitment, our employee engagement score on the factor “Safety is a top priority in my organisation” improved by 4 points demonstrating growing confidence in our safety-first approach.

We are pleased that our reported accident frequency rate is down 15% on last year. Our ambition however remains zero-harm, and we continue to work at a local level to reduce the risk of accidents further

Wellbeing remains a key focus across the Group. This year, we expanded initiatives to support mental health and build employee resilience.

At Fantech Australia, Wellbeing Week offered a range of activities to promote physical and mental self-care. From yoga and trivia to a positivity wall and a dedicated wellbeing lounge, the week encouraged employees to pause, connect, and recharge.

“Wellbeing Week was a fantastic reminder to prioritise self-care,” said Sarah Martin, Credit Officer at Fantech. “The EAP session and daily tips were really helpful, and the wellbeing lounge provided a great space to relax and engage with colleagues. It struck a great balance between learning and fun.”

### Incidents

#### Reportable incidents

0.17

per 100,000 hours worked  
(FY24: 0.2 per 100,000 hours worked)

#### Minor incidents

0.19

per 100,000 hours worked  
(FY24: 0.18 per 100,000 hours worked)



## People continued



## Strengthening engagement to support long-term growth

We're building a culture where people feel heard, valued and supported - because when our people thrive our business grows with them.

This year, we ran our second Group-wide employee engagement survey - Volution Voices and welcomed approximately 300 colleagues from the recently integrated Fantech group in Australasia to participate. Understanding their experience during the integration and capturing their sentiment was a key priority for us.

While the overall Group engagement score saw a modest increase from 74 to 75 (slightly above the global external benchmark), we experienced notable improvements in the specific areas targeted following the previous survey (see page 75).

The scores reaffirmed the strength of our core business fundamentals, with high scores in Purpose (81), Safety (82) and Innovation (74). Our colleagues expressed a strong sense of confidence in the executive leadership team which stems from the leadership's clear vision, decision-making and effective communication. The executive team is perceived as being transparent and approachable, which fosters trust among colleagues. Our colleagues appreciate the Company's dedication to sustainability and ethical practices, both in the products it offers and in its operational processes. As a result, there is a strong sense of purpose and pride in being part of an organisation that prioritises the greater good.

While we have made progress in the areas of growth and recognition, we acknowledge that there is still more work to be done to strengthen these further.

## Volution Voices

Our Group-wide employee engagement survey



**Overall engagement score**



**"I am proud to work for my organisation"**



**"I would recommend my organisation as a great place to work"**



**"My organisation is strongly committed to making a positive impact on the environment and society"**



**"Safety is a top priority in my organisation"**



**"Regardless of background, everyone in my organisation has an equal opportunity to succeed"**

## People continued

# From insight to action: Tracking our employee engagement improvements in FY25

## Enabling growth through people development

Line managers are crucial in fostering learning opportunities and developing our talent. In FY25, we launched a new training programme for first-line managers, aimed at equipping both new and experienced leaders with key skills in performance management, coaching, inclusion and development planning. Additionally, we announced a pilot CEO Mentoring Programme to deliver targeted development support for our high-potential talent. We have also significantly increased apprenticeship-based training, further strengthening our commitment to employee growth.

### Volusion Voices

"I have good opportunities to learn and grow in my organisation"



## Fostering belonging by strengthening communication and collaboration

We further enhanced our bi-annual employee forums and senior manager briefings, ensuring they were both informative and highly interactive. Meanwhile, leadership teams in the Nordics and the UK began a focused team development journey, facilitated by external coaches, to foster stronger cross-functional collaboration.

### Volusion Voices

"Teams at my organisation collaborate effectively to get things done"



## Boosting engagement through better wellbeing

There's no one-size-fits-all approach to wellbeing, which is why we're investing in a range of initiatives to meet the diverse needs of our people. From employee assistance programmes to physical and mental wellbeing awareness, our goal is to create an environment where every employee feels supported and able to thrive.

### Volusion Voices

"My organisation takes a genuine interest in the well-being of employees"



"The leadership team development journey was both inspiring and deeply insightful. One of the key takeaways was gaining a better understanding of our individual differences and how these influence the way we communicate and collaborate. This awareness has strengthened our ability to effectively support one another in working toward our shared goals."

**Monica Tornqvist**, Marketing Manager (Sweden)



## People continued

# Establishing our regional leadership model



Anthony joined Fantech in 2006 as a Sales Representative and has since progressed through a range of senior leadership roles, including Sales Director and, in 2020, Managing Director of Fantech Australia. Following the acquisition by Volution Group, his responsibilities expanded to include oversight of Fantech's operations in New Zealand. Today, Anthony leads all Volution Group businesses across Australasia, leveraging his wealth of experience in the industry. Anthony brings a strong commercial mindset and a collaborative leadership style, driving initiatives that reinforce Volution's position as a market leader in air movement solutions.



Andreas joined Volution Nordics in 2013 as Finance Director and in 2018 expanded his role to include Operations. In 2020, he was appointed Managing Director for Volution Group companies in the Nordics. With the recent formation of Volution's regional organisational structure, Andreas has assumed a broader European leadership role to include France, Belgium and Netherlands. His financial expertise, operational insight, and strategic leadership will enable him to drive growth and innovation across the region.



Koen joined Volution in 2024 to succeed the founder of ClimaRad, which was acquired by Volution in 2020. As part of the Group's new regional structure, he now leads operations in Germany and is responsible for Decentralised Heat Recovery across Europe. A qualified accountant, Koen brings extensive experience from senior global finance leadership roles. In addition to his role at Volution, he serves on the supervisory board of FC Twente, reflecting his broad leadership capabilities and commitment to community engagement.



## People continued

**In FY25, we took important steps to reinforce our leadership structure to match our ambitions. We introduced three new regional Managing Director roles – two in Europe and one in Australasia – all promoted internally, reflecting our talent development focus. These leaders bring proven expertise, deep regional knowledge, and alignment with our long-term vision.**



**How are you creating a sense of connection and belonging within the region and wider Volition Group?**

**Anthony** Our emphasis on collaboration, knowledge sharing, and mutual respect has fostered strong regional ties. Support from global and local teams – including technical, marketing, and finance – underpins our shared goals. The ‘think globally, act locally’ mindset helps us execute strategies aligned with global standards while supporting regional needs.

**Andreas** Group values like People, Product, and Planet create shared identity. Encouraging cross-business cooperation and building relationships are essential for future success. Progress has been made, but continued effort is needed to deepen collaboration.

**Koen** We can leverage the expertise within the individual brands and corporate office. My challenge is to foster the local importance of individual companies and their products, but also to seize opportunities for increased cross-border collaboration and demonstrate that we work daily towards shared Volition goals and standards.



**How do you see regulation driving sales in the next few years?**

**Anthony** Australasia has historically lagged behind the UK and Europe on indoor air quality and energy efficiency driven partly due to housing shortages in New Zealand and Australia. This short-term underdevelopment presents opportunities as governments work to increase housing supply. Long-term, product sales will grow as regulations update toward UK and European standards. Demand for higher-performance solutions will rise from homeowner awareness, even as regulatory changes are slow. In industrial markets, upcoming regulation on fume levels will drive demand for ventilation systems.

**Andreas** Regulations will become more complex, but our compliance team is proactive, ensuring products meet future laws. Our focus on heat recovery products positions us well for upcoming regulatory shifts, creating upselling opportunities as the industry transitions from traditional fans to energy-efficient heat recovery systems.

**Koen** Residential construction is a prominent topic in the upcoming Dutch elections. At the same time, investments in sustainability continue, both in new construction and renovations. Tightening requirements for energy consumption (Ecodesign) and environmental impact (such as MPG) are stimulating demand for smart ventilation solutions. New subsidies are also creating opportunities in the private housing market, where we currently have limited presence.

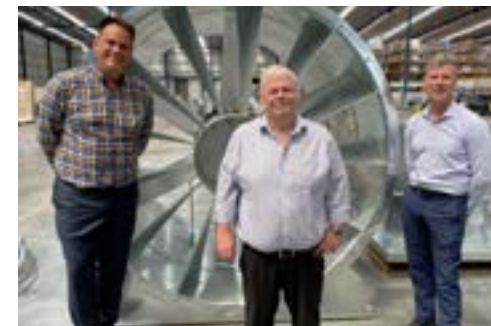


**What are your strategic priorities for the region?**

**Anthony** Since becoming Regional MD, I have concentrated on understanding regional businesses, leveraging their strengths and sharing knowledge to support growth. We aim to expand product offerings and protect our market shares, especially where we currently lead. Growth opportunities include increasing awareness around indoor air quality, expanding manufacturing capabilities, and strengthening supply chain relationships across Asia and Europe.

**Andreas** Improving collaboration and knowledge sharing between businesses and with the wider Group, introducing more Group products into existing channels, and emphasizing sustainability to reinforce our market position. Each local market has unique opportunities, and we focus on land-specific strategies to maximise growth.

**Koen** The ClimaRad decentralized Heat Recovery Ventilation solutions offer controllable temperature (heating and cooling) and ventilation quickly and effectively, easy installation without ducts. Air quality requirements demanding our products and we aim to be and remain the best supplier in this field. Through product development and improvements, combined with sustainability and circularity initiatives, we aim to protect and expand our market share in the Netherlands and be competitive with centralized solutions through the aforementioned key selling points. In Germany, we aim to restore our market share in inVENTer and gain a foothold with ClimaRad.



## People continued

# Stronger together

## Championing inclusion, community engagement and ethical business practices

At the heart of our business lies a steadfast commitment to creating a more inclusive, responsible and connected world. Over the past year, we have continued to champion diversity and inclusion within our workforce, ensuring that every voice is heard and valued. After a year as a Coalition Member, during which we actively engaged with and benefited from the Construction Inclusion Coalition's extensive resources, we made the significant decision to become a Strategic Partner. This new role signals our deeper commitment to driving meaningful, long-term change in diversity, equity and inclusion across the construction sector. Our community engagement efforts have deepened our relationships with the people and places we serve, allowing us to drive meaningful impact beyond business. Guided by strong ethical principles, we remain dedicated to transparency, integrity and accountability in every aspect of our operations. Together, these pillars shape a sustainable and purpose-driven future for our organisation and all our stakeholders.

## Women in HVAC&R New Zealand Diversity Award

"Receiving the Women in HVAC&R New Zealand Diversity Award has been an incredibly meaningful milestone for me. This award recognises individuals driving diversity, equity, and inclusion within the HVAC&R industry – those who identify bias, champion change, and create inclusive spaces.

"Over the past five years, I've had the privilege of helping grow the Women in HVAC&R network from a small group into a vibrant community, with nearly 40 attendees at our latest event. From hosting educational sessions to building connections across the industry, it's been a labour of love supported by an amazing team and generous sponsors.

"Through this journey, I've developed both personally and professionally, gaining confidence and contributing nationally via the Hanga-Aro-Rau Workforce Development Council. Change takes time, but the impact of community, collaboration and persistence cannot be overstated. The future holds exciting opportunities for all of us."

### Storm Harpham

Market Manager, Home Ventilation, New Zealand



## Mentoring, a catalyst for growth

"The mentoring programme has been playing a vital role in shaping my growth, both personally and professionally. Even though I'm only a couple of sessions into the mentoring programme, the difference it's already making is remarkable.

My mentor has a way of spotting my strengths and showing me how to make the most of them, while also giving me practical, down to earth advice for tackling the areas I want to improve. Our check ins give me focus and accountability, and I can already feel my sense of direction growing clearer.

Her encouragement and belief in me are giving me that extra push to aim higher – and I'm genuinely excited to see where the rest of this journey will take me."

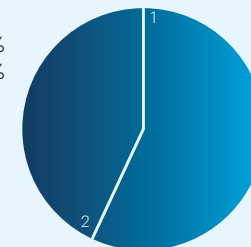
### Divya Mukesh

Technical Author



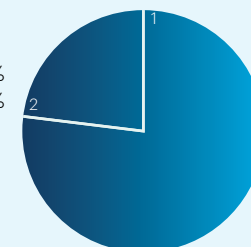
### Board

1. Male 57%  
2. Female 43%



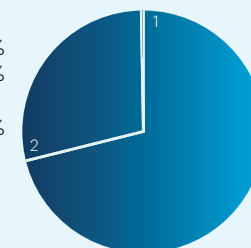
### Senior managers<sup>1</sup> and direct reports

1. Male 77%  
2. Female 23%



### All employees

1. Male 71.27%  
2. Female 28.71%  
3. Prefer not to say 0.04%



1. Legislation requires that we define 'senior managers' as the directors of our subsidiary companies. However, the Board believes this information does not provide a meaningful analysis of how the Group operates so the data shown reflects the proportion of senior managers by our own internal grading system. The number also excludes Board Directors. The statutory reporting requirements can be found on page 97.



Find out more  
<https://builtonbetter.uk>

## People continued

### Advancing human rights and working conditions across our supply chain

Every year brings numerous learning opportunities for how we engage with various upstream value chain stakeholders on how to improve working conditions for people. In FY25, we continued to build on our commitment to social responsibility and ethical business practices, making meaningful progress in shaping better outcomes for workers across our supply chain.

Recognising the critical importance of human rights and labour standards, we have strengthened our approach through targeted actions, data-driven insights and collaborative engagement. Our goal remains clear: to ensure that every individual within our supply chain is treated with dignity, fairness and respect.

In FY25, we did the following in our drive to eradicate modern slavery and improve working conditions:

- 150 people in supply chain, operations and senior management roles were trained on how to identify key indicators that are usually exhibited by victims of modern slavery.
- We conducted 52 site audits and 41 desktop audits for suppliers who fall in scope for enhanced surveillance based on our risk assessment criteria.

- We have continued engagement with our £100,000 club; this is a group of 181 suppliers with whom we spend £100,000 or more per year. We work with them to ensure that they are constantly reviewing their own supply chains and finding ways to eliminate modern slavery.
- Our audit checks have discovered instances where some employers were not providing social security payments on behalf of their workers. Not only was this against the local laws, but it also left the workers at risk of not having adequate medical insurance and certain retirement benefits. Our positive engagement continues, and it has already yielded positive results for some workers.

Updates on supplier-related matters and ethical sourcing progress were presented to the Board as part of our broader ESG reporting. The Audit Committee reviewed supplier audit outcomes and monitored compliance with our Group Modern Slavery Policy and Statement, ensuring accountability and transparency at the highest levels.

### Together for Good: Making a difference through charity



Wishing Tree - Team Fantech support families in need



Alpe d'Huez bike ride - Team ClimaRad support cancer charity



Muddy Angels - Team inVENTer support breast cancer charity



# Non-Financial and Sustainability Information Statement

This section of the Strategic Report constitutes Volution's Non-Financial and Sustainability Information Statement and is produced to comply with Sections 414CA and 414CB of the Companies Act 2006.

The Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022 amend these sections of the Companies Act 2006, placing requirements on the Group to incorporate climate disclosures in the Annual Report. We believe these have been addressed within this year's climate-related disclosures on pages 64 to 71 and 178 to 190 and as such we have referenced the location of these within our statement on TCFD on page 65.

Reporting requirements	Relevant policy/code	Section within Annual Report
<b>Environmental matters</b>	<ul style="list-style-type: none"> <li>Sustainability Policy</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability (pages 54 to 59)</li> <li>Climate (pages 64 to 71 and 178 to 190)</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Health and Safety Policy</li> <li>Anti-Bribery and Corruption Policy</li> <li>Whistleblowing Policy</li> <li>Modern Slavery Policy</li> <li>Data Protection Policy</li> </ul>	<ul style="list-style-type: none"> <li>People (pages 72 to 79)</li> <li>Board diversity (page 85)</li> <li>Gender diversity (page 85)</li> <li>Stakeholder engagement (pages 32 to 33)</li> <li>Principal risks (pages 44 to 53)</li> </ul>
<b>Human rights</b>	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Modern Slavery Policy</li> <li>Stakeholder Engagement</li> </ul>	<ul style="list-style-type: none"> <li>People (pages 72 to 79)</li> <li>Stakeholder engagement (pages 32 to 33)</li> </ul>
<b>Social matters</b>	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Stakeholder Engagement</li> </ul>	<ul style="list-style-type: none"> <li>People (pages 72 to 79)</li> <li>Governance (pages 81 to 128)</li> <li>Stakeholder engagement (pages 32 to 33)</li> </ul>
<b>Anti-bribery and anti-corruption</b>	<ul style="list-style-type: none"> <li>Anti-Bribery and Corruption Policy</li> <li>Whistleblowing Policy</li> </ul>	<ul style="list-style-type: none"> <li>People (pages 72 to 79)</li> <li>Governance (pages 81 to 128)</li> </ul>
<b>Principal risks</b>		<ul style="list-style-type: none"> <li>Risk management (pages 44 to 53)</li> <li>Principal risks and uncertainties (pages 44 to 53)</li> </ul>
<b>Business model</b>		<ul style="list-style-type: none"> <li>Business model (pages 6 to 7)</li> </ul>
<b>Non-financial KPIs</b>		<ul style="list-style-type: none"> <li>Key performance indicators (pages 40 to 43)</li> </ul>

The Strategic Report was approved by the Board and signed on its behalf by Ronnie George, Chief Executive Officer, on 8 October 2025.

**Ronnie George**  
Chief Executive Officer  
8 October 2025



## Chair's Introduction to Governance



# Fostering a sustainable future by focusing on high standards of corporate governance

**Nigel Lingwood**  
Chair

### Dear shareholder,

As Chair of the Company, I am pleased to present the Governance Report for the year ended 31 July 2025. The Report provides an insight into the work and activities of the Board and its Committees during the year.

### Compliance with the 2018 UK Corporate Governance Code

The Board is focused on delivering good corporate governance which supports longer-term shareholder value, and sets the culture, ethics and values for the Group. I am pleased to report that the Company has applied the principles and complied with the provisions of the 2018 UK Corporate Governance Code (the 2018 Code), save for the postponement of our external Board Review (so that newly appointed Non-Executive Directors, Celia Baxter and Emmanuelle Dubu can fully participate).

During the year the Board reviewed and discussed the impact of the changes to the UK Corporate Governance Code published in January 2024 (the 2024 Code). The Board is well-prepared for compliance with the updated version, which will apply to the Company for the financial year beginning on 1 August 2025.

### Strategy and sustainability

The Board's agenda this year continued to encompass a broad range of strategically significant matters, with particular emphasis on the acquisition and subsequent integration of Fantech. This transaction has been significant for the Group, enhancing our presence in Australasia, and broadening our capabilities to deliver innovative solutions to our customers. In August this year I had the opportunity to visit Fantech's facilities in Australia and New Zealand. I was very impressed by the quality of the operations, the dedication and expertise of the people I met, and their enthusiasm for joining the wider Volution team.

Their commitment to excellence and alignment with our Group values promises much for our shared future.

The Board also spent time during the year reviewing the development of our product portfolio, making capital allocation decisions, setting risk appetite, and preparing for the implementation of Provision 29 under the updated 2024 Code.

Our annual July off-site strategy session was again a valuable forum for reflection and forward planning. Members of the executive team provided comprehensive updates on their respective areas, clearly illustrating how each initiative and operational focus dovetails with our overarching strategy and long-term ambitions. These sessions enabled the Board to consider current market positioning, future opportunities and the drivers underpinning our growth trajectory, including a thorough review of the acquisition strategy.

On sustainability, our efforts were further supported by regular updates from the Group's Management Sustainability Committee. Amanda Mellor, who is the Non-Executive Director responsible for sustainability oversight, attended these sessions and presented insights from these meetings back to the Board. A significant milestone this year was the Board's approval of new Science Based Targets initiative (SBTi) commitments, marking major progress in our approach to climate responsibility and underlining our ambition to foster a more sustainable future for all stakeholders.

## Chair's Introduction to Governance continued

### Board composition and succession planning

The future success and sustainability of the Group is intrinsically linked to the depth and quality of its talent pool, as well as the breadth of skills nurtured throughout the organisation. This understanding underpins our work on succession planning, Board composition and the development of our management teams.

The Nomination Committee, following an extensive search, oversaw the appointments of Celia Baxter and Emmanuelle Dubu to the Board. Celia succeeded Claire Tiney as Remuneration Committee Chair on 10 July 2025, following Claire's completion of nine years of excellent service.

Celia brings a wealth of experience in board governance and executive compensation, having held many senior non-executive and remuneration committee roles across listed companies. Her expertise is proving valuable as we continue to refine and develop our approach to reward and oversight. Celia has also taken on responsibility as Non-Executive Director for employee engagement. Emmanuelle brings a further important resource to the Board from her experience gained over 30 years in leading international engineering and manufacturing businesses, having retired in 2024 as chief executive of a large business based in France.

The Board is focused on fostering a diverse and inclusive talent pipeline, recognising that a broad spectrum of backgrounds, experiences and skills remains essential for sustainable growth and resilience. This is also reflected in our ongoing oversight of the Management Development Programme (MDP), the latest of which saw 40% female participation – a clear demonstration of our commitment to nurturing female talent and building leadership capability across all demographics.

To ensure our organisational structure keeps pace with the Group's continued expansion, the Board endorsed structural changes within the Group-wide executive management team. Over the past year, this has included promoting two of our strong European managers to new roles as regional managing directors, and, following the successful acquisition of Fantech, appointing a regional director for Australasia.

These strategic Board and executive appointments ensure that our leadership framework grows in step with the scale and complexity of our business, supporting effective decision-making and operational excellence across all regions.

### Remuneration

We were pleased with the high level of support from shareholders at last year's Annual General Meeting (AGM) for the Directors' Remuneration Report. Throughout the year, the Remuneration Committee continued to review the suitability and applicability of performance targets and measures, particularly in light of the Group's acquisition of Fantech. It remains committed to ensuring that stretching targets and strategic initiatives are closely aligned with the long-term ambitions of the Group and the objectives set for the management team, with reward structures designed to incentivise strong financial performance, sustained value creation and operational excellence.

Looking ahead, a further triennial review of our Remuneration Policy is scheduled for next year, during which we will actively engage in shareholder consultation to ensure our approach remains robust, transparent and aligned with stakeholder expectations.

### Evaluating the Board's effectiveness

Recognising the value of fresh perspectives, the Board decided to defer this year's triennial external Board evaluation. With Celia and Emmanuelle newly appointed, it was important to ensure their insights and contributions could be fully reflected in the review. The Board will therefore conduct an external evaluation in the next financial year, incorporating the views of all current members. In the interim, the Board completed an internal evaluation which confirmed that the Board continues to operate effectively.

Notably, we have made significant progress against last year's objectives, especially in creating more time for robust strategic discussion and gaining deeper, data-driven insights into the breadth and strength of our talent pool and succession plans.

### People and culture

We completed our second Group-wide Employee Engagement Survey in June 2025, which included our new Fantech employees. We were pleased to see an improvement in the overall engagement score, rising from 74 to 75, which highlights that our people feel their voices are being heard. This positive trend is a reflection of our commitment to open dialogue and responsiveness, and it reassures the Board that the efforts of our teams across the whole of the business to foster engagement are proving successful.

This year's Survey was broader in scope which provided the Board with better insights into the evolving culture across the Group. This is important in light of the enhanced requirements under the new Corporate Governance Code, emphasising culture as a key driver of long-term success. The Board recognises that a strong, healthy culture is fundamental to the organisation's sustainability and performance. As such, the Group's governance policies underpin the fostering and maintenance of that culture.



## Chair's Introduction to Governance continued

In addition to positive developments in engagement, we are pleased to note an improvement in our health and safety statistics across the Group. This progress reflects our ongoing commitment to wellbeing and reinforces the importance of a safety culture in supporting operational excellence across our facilities.

### Board site visits

In May this year the Board visited the manufacturing operations of ClimaRad in Sarajevo, Bosnia. This was a valuable experience, granting us the opportunity to engage closely with the local management team and immerse ourselves in the facility and daily operations. During our time on-site, we participated in a tour of both sites, gaining first-hand insight into the manufacturing processes, employee engagement and day-to-day challenges faced by the team. Management also delivered in-depth presentations, comprising comprehensive updates on both the local market and the evolving product portfolio. These sessions offered a deeper understanding of the business landscape and highlighted opportunities and priorities in the product sector. Several senior managers from across the Group also joined the Board for these events, further enriching their perspective and sparking open, informal dialogue with employees at all levels.

In September 2025, we held our Board meeting at our UK manufacturing site in Dudley, which included another detailed site tour and an interactive session with the operational teams. We had the opportunity to view and discuss our products in context, supporting our understanding of manufacturing strategy and customer trends. We remain committed to continuing our programme of site visits into 2026, ensuring the Board maintains a strong connection to the operations and culture throughout the Group.

### Diversity, equity and inclusion

The Board continues to support the FTSE Women Leaders Review and the Parker Review on Ethnic Diversity. At the financial year-end, the Board comprised four male and three female Directors, meaning that over 40% of our Board is female. Amanda Mellor is our Senior Independent Director and one Board member is of a minority ethnic background. As such, the Company meets the targets for diversity in the UK Listing Rules, and the Board and the Nomination Committee remains focused on these matters when considering Board and Committee succession.

The Company is also committed to making progress towards improving the number of women on the Senior Management Team. Progress on our gender diversity initiatives continues to be made, but I acknowledge that there is more work to be done in this area. We are also pleased to announce that, following a year as a Coalition Member, Volution Group plc is now a Strategic Partner of the Construction Inclusion Coalition, further strengthening our commitment to advancing DEI practices across the sector.

### Re-election of Directors

I am delighted with the excellent support and contribution I have received from my Board colleagues this year and confirm that they all continue to be effective, committed to their roles and have sufficient time available to perform their duties. Accordingly, the Nomination Committee has recommended that all Directors will be offering themselves for election or re-election at the Company's AGM to be held on 10 December 2025.

### Annual General Meeting

The AGM of the Company will take place at 12.00 noon on Wednesday 10 December 2025 at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London. All of the Directors attend the AGM which will again provide an opportunity for shareholders to hear more about our performance during the year and to ask questions of the Board. I look forward to meeting shareholders who can join us, and I extend my thanks for your continued support as we look forward to another exciting year ahead.

**Nigel Lingwood**

Chair

8 October 2025



# Compliance with the Code

## Overview

The Board fully supports the principles laid down in the UK Corporate Governance Code as issued by the Financial Reporting Council in 2018 (the 2018 Code), which applies to the financial year ended 31 July 2025 and is available at [www.frc.org.uk](http://www.frc.org.uk). This report sets out the Company's governance structure and how it complies with the 2018 Code and also includes items required by the Disclosure Guidance and Transparency Rules (DTRs). The disclosures in this report relate to our responsibilities for preparing the Annual Report and Accounts, including compliance with the 2018 Code to the extent required, our report on the effectiveness of the Group's risk management and internal control systems, and the functioning of our Committees.

## Compliance with the 2018 UK Corporate Governance Code

The Board considers that it and the Company have, throughout the year, applied the principles and complied with the provisions of the 2018 UK Corporate Governance Code, which is the version of the Code that applies to the Company for its financial year ended 31 July 2025, save that the external Board Evaluation (required every three years) was postponed until 2026, so that the contributions of new Board members, Celia Baxter and Emmanuelle Dubu, could be included.

The Board has spent time during the year considering the impact of the changes to the UK Corporate Governance Code published in January 2024 (the 2024 Code) and is prepared for compliance with the updated version, which will apply to the Company for the financial period beginning on 1 August 2025 (other than Provision 29 which will apply a year later).



## How we comply with the UK Corporate Governance Code 2018

### Board Leadership and Company Purpose

- Section 172 Statement page 34
- Board of Directors pages 86 to 87
- Purpose, values and culture page 6
- Board activities pages 91 and 92

### Composition, Succession and Evaluation

- Leadership and experience pages 86 and 87
- Performance evaluation pages 93 and 94
- Nomination Committee Report pages 99 and 101

### Division of Responsibilities

- Corporate governance structure and division of responsibilities pages 88 to 90
- Board and Committee attendance pages 85, 99, 102 and 111
- Director independence page 93

### Audit, Risk and Internal Controls

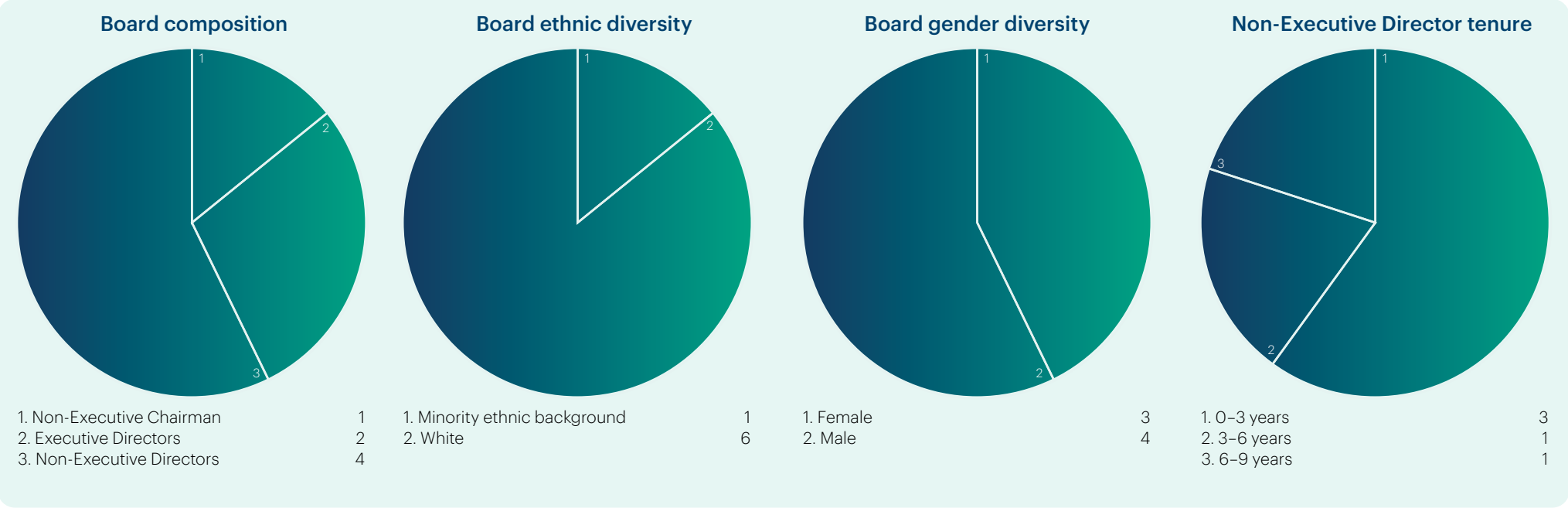
- Audit Committee Report pages 102 to 110
- Principal risks and uncertainties pages 44 to 53

### Remuneration

- Remuneration Committee Report pages 111 to 124



# Board Diversity Dashboard



## Board meetings and attendance

The table opposite sets out the number of Board meetings held during the year and attendance by each Director. The Board normally holds at least six meetings during the year but will meet or pass resolutions, as required, to deal with urgent matters and event-driven items such as acquisitions and trading updates. In the year end 31 July 2025, there were seven scheduled Board meetings.

Director	Attendance at Meetings
Nigel Lingwood (Chairman)	●●●●●●●
Ronnie George	●●●●●●●
Andy O'Brien	●●●●●●●
Celia Baxter <sup>1</sup>	●●○
Jonathan Davis	●●●●●●●
Emmanuelle Dubu <sup>1</sup>	●●●
Amanda Mellor	●●●●●●●
Past Board Members	
Margaret Amos <sup>2</sup>	●●○
Claire Tiney <sup>3</sup>	●●●●●●●

1. Celia Baxter and Emmanuelle Dubu joined the Board on 5 March 2025. There were only three Board meetings between that date and the year-end. Emmanuelle attended all three meetings and Celia attended two meetings, missing one in May due to a prior commitment which the Board had been informed about prior to her appointment.

2. Margaret Amos stepped down from the Board on 11 December 2024. There were only three Board meetings between the start of the financial year and that date and Margaret attended two of these meetings.

3. Claire Tiney retired from the Board on 2 August 2025. Claire attended all Board meetings that were held in the financial year.

# Board of Directors

**Key to Committee membership:**

A Audit Committee

N Nomination Committee

R Remuneration Committee

Chair of Committee

**Nigel  
Lingwood**
Non-Executive  
Chair
**Ronnie  
George**
Chief Executive  
Officer
**Andy  
O'Brien**
Chief Financial  
Officer
**Amanda  
Mellor**
Senior  
Independent  
Director
**Appointed:** 30 April 2020

**Committee membership:** N R

**Career and experience:**

Nigel joined the Board in April 2020 as an independent Non-Executive Director and Chair of the Audit Committee. He became Chair of the Board on 23 June 2023. He is Chair of the Nomination Committee and a member of the Remuneration Committee.

Nigel was group finance director of Diploma PLC from 2001 to 2020. During his time at Diploma, Nigel oversaw more than 50 international acquisitions across Europe, North America and Australia, during which time the company had grown market capitalisation from c.£60 million to c.£2.7 billion.

Nigel was previously senior independent director and audit committee chair of Creston plc from July 2015 until December 2016 when the company was taken private.

**Skills and attributes:**

Nigel brings extensive public company, financial and accounting and acquisition experience. He also has recent and relevant financial and accounting expertise together with extensive public company experience and wide-ranging international business experience, significant strategic and operational expertise together with extensive M&A experience, both in the UK and internationally.

**External appointments:**

Nigel is currently chairman of Forterra plc and senior independent director and audit committee chair at Dialight plc.

**Appointed:** 15 May 2014

**Committee membership:** None

**Career and experience:**

Ronnie joined Volution in 2008 as Managing Director of Vent-Axia Division (now the Ventilation Group) and became CEO in 2012 upon leading the management buy-out backed by TowerBrook Capital Partners LP. Since then he has transformed the Company from a UK-centric provider of air quality solutions into a globally diversified organisation with 29 market leading brands in 17 countries. Ronnie led the successful listing of Volution on the London Stock Exchange in 2014 and has subsequently delivered a strong and consistent financial performance. Volution is now one of the leading ventilation companies fully active on an international basis.

Ronnie has extensive industry experience and prior to joining Volution spent 20 years in the wire and cable industry, latterly leading Draka's global activities to supply to the marine, oil and gas sectors.

**Skills and attributes:**

Significant strategic and operational expertise together with extensive M&A experience, both in the UK and internationally, and in-depth knowledge of the ventilation industry.

**External appointments:**

None.

**Appointed:** 1 August 2019

**Committee membership:** None

**Career and experience:**

Andy joined Volution as Chief Financial Officer in August 2019 following nine years at Aggreko plc, a leading global provider of mobile power and temperature control solutions, where he held a number of senior finance roles most recently as finance director, power solutions. Andy's background also includes broad financial leadership, strategy and general management positions in the oil & gas and building materials industries with General Electric and Lafarge S.A.

Andy brings extensive international financial and accounting expertise through a background working in a global business environment, having lived and worked in the Nordics, Middle East and Singapore as well as the UK and Republic of Ireland. Throughout his career, Andy has operated in environments where cost control and strong operational management has been critical.

**Skills and attributes:**

Financial and accounting expertise both in the UK and internationally, significant M&A experience, strong track record of building, developing and leading multi-location teams.

**External appointments:**

None.

**Appointed:** 19 March 2018

**Committee membership:** A N R

**Career and experience:**

Amanda joined the Board in March 2018 as an independent Non-Executive Director and brings experience in international business, shareholder relations, strategy and governance. She is also the Senior Independent Director of the Board.

Amanda also has wide-ranging experience in climate and sustainability matters, and attends Volution's Management Sustainability Committee meetings as representative of the Board, to ensure effective oversight of the Group's environmental and social sustainability agenda.

Amanda is currently the group secretary of Haleon plc and was previously group secretary for Standard Chartered plc and, prior to that, group secretary and head of corporate governance at Marks and Spencer Group plc, where she was also an executive member of the operating committee. As part of these roles, Amanda was involved in numerous sustainability-related and climate transition initiatives.

**Skills and attributes:**

Experience in international business, consumer and retail, sustainability and ESG, shareholder relations, strategy and governance.

**External appointments:**

Amanda is currently group secretary of Haleon plc.

Key to Committee membership:

A Audit Committee  
N Nomination Committee  
R Remuneration Committee  
Chair of Committee

Jonathan  
Davis  
Independent  
Non-Executive  
Director



Celia  
Baxter  
Independent  
Non-Executive  
Director



Emmanuelle  
Dubu  
Independent  
Non-Executive  
Director



Appointed: 23 June 2023

Committee membership: A N R

Career and experience:

Jonathan joined the Board in June 2023 as an independent Non-Executive Director and Chair of the Audit Committee, bringing strong financial and accounting expertise and extensive public company, M&A and international experience.

He was group finance director at Rotork plc, a FTSE 250 global provider of mission-critical intelligent flow control solutions operating across a diverse range of markets, including the oil & gas, water, power, chemicals and process industries, from 2010 until his retirement in April 2024.

Skills and attributes:

Recent and relevant financial and accounting expertise, public company and international experience.

External appointments:

None.

Appointed: 5 March 2025

Committee membership: A N R

Career and experience:

Celia joined the Board in March 2025 as an independent Non-Executive Director and as Chair Designate of the Remuneration Committee. She became Chair of the Remuneration Committee and the nominated NED for Employee Engagement on 10 July 2025. Celia is also a member of the Nomination and Audit Committees.

Celia brings with her extensive experience at both executive and board level in a number of FTSE 250 and FTSE 100 companies. She began her executive career in the field of human resources at Ford Motor Company, moving on to KPMG, Tate & Lyle plc, Enterprise Oil and Hays plc. In her most recent executive role at Bunzl plc, from which she retired in 2016, Celia was group human resources director from 2003, and a member of the executive committee responsible for HR and sustainability.

Skills and attributes:

Celia’s significant experience in the area of executive remuneration and her broader understanding of industrial businesses that have grown by acquisition provides a strong contribution to Board discussions and supports the Board’s development of the Volusion people and remuneration strategy across the global business.

External appointments:

Celia is currently senior independent director and chair of the remuneration committee at discoverIE Group plc and Dowlais Group plc.

Appointed: 5 March 2025

Committee membership: A N R

Career and experience:

Emmanuelle joined the Board in March 2025 as an independent Non-Executive Director. She is a member of the Nomination, Remuneration and Audit Committees.

Emmanuelle retired from her executive career in 2024, during which she gained over 30 years of experience in international engineering and manufacturing businesses. She was executive vice president and CEO of Sercel from 2020 until 2024, an international business specialising in developing cutting-edge, high-quality sensors and digital solutions for oil exploration, structural health monitoring and energy transition applications, with over 1,400 employees and several manufacturing sites across Europe, the US and Asia. Sercel is a subsidiary of Viridien, a Euronext-listed technology company based in France.

Skills and attributes:

Emmanuelle’s strong international background and extensive experience in the manufacturing industry brings valuable input to Volusion as it continues to develop its growth strategy across a geographically diverse range of markets.

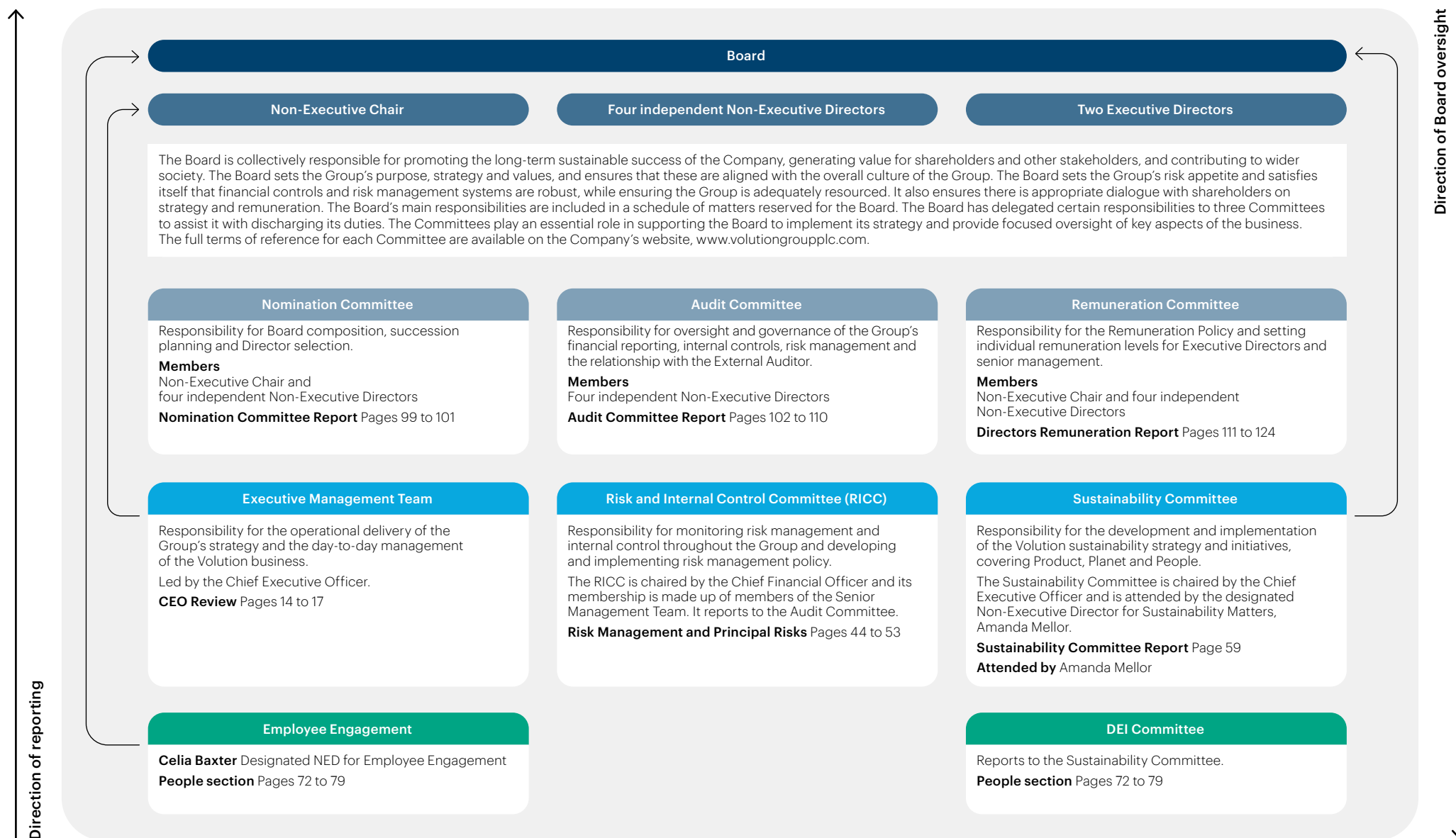
External appointments:

Emmanuelle is currently non-executive director at Bodycote plc.

Margaret Amos stepped down as Non-Executive Director of the Board on 11 December 2024.

Claire Tiney stepped down as Non-Executive Director of the Board on 2 August 2025.

# Governance Framework





# Governance Framework continued

## Division of responsibilities

### Chair of the Board

Nigel Lingwood

#### Main responsibilities

- Manages and provides leadership to the Board of Directors and is responsible for the overall effectiveness of the Board.
- Ensures appropriate composition of the Board together with the right skills and talent.
- Acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer.
- Ensures that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgements.
- In concert with the Chief Executive Officer and the Company Secretary, develops and sets the agendas for meetings of the Board.
- Promotes a culture of open debate between the Executive and Non-Executive Directors.
- Recommends an annual schedule of work including the date, time and location of Board and Committee meetings.
- Ensures effective communications with shareholders and other stakeholders.

### Chief Executive Officer

Ronnie George

#### Main responsibilities

- Responsible for the day-to-day management of the Group.
- Together with the Senior Management Team, is responsible for executing the strategy, once it has been agreed by the Board.
- Creates a framework that optimises resource allocation to deliver the Group's agreed strategic objectives over varying timeframes.
- Ensures successful delivery against the financial business plan, the sustainability strategy and other key business objectives, allocating decision-making and responsibilities accordingly.
- Together with the Senior Management Team, identifies and executes new business opportunities and potential acquisitions or disposals.
- Manages the Group with reference to its risk profile in the context of the Board's risk appetite.

### Chief Financial Officer

Andy O'Brien

#### Main responsibilities

- Ensures the Group has adequate financial resources to meet business requirements.
- Responsible for financial planning and record keeping, as well as financial reporting to the Board and shareholders.
- Ensures effective compliance and control and responds to regulatory developments, including financial reporting and capital requirements.
- Management of the financial risks of the Group.

### Senior Independent Director

Amanda Mellor

#### Main responsibilities

- An independent Non-Executive Director.
- Provides a sounding board for the Chair.
- Serves as an intermediary for the other Directors when necessary.
- Is available to shareholders if they have concerns, when contact through the normal channels of the Chief Executive Officer or the Chair has failed to resolve them, or for which such contact is inappropriate.
- Leads the appraisal of the Chair's performance with the other Directors annually.

### Independent Non-Executive Directors

Celia Baxter, Jonathan Davis, Emmanuelle Dubu, Amanda Mellor

#### Main responsibilities

- Provide constructive challenge to the Executive Team.
- Provide input on strategy.
- Scrutinise management's performance in meeting agreed goals and objectives.
- Monitor performance reports.
- Satisfy themselves on the integrity of financial information and that controls and risk management systems are robust and defensible.
- Determine appropriate levels of remuneration for Executive Directors, appoint and remove Executive Directors and ensure appropriate succession plans are in place.

### Company Secretary

Fiona Smith

#### Main responsibilities

- Plays a leading role in the good governance of the Company by supporting the Chair and helping the Board and its Committees to function efficiently, ensuring governance processes remain fit for purpose and considering any improvements as appropriate.
- Ensures compliance with the rules and regulations required by an ESCC listing on the London Stock Exchange including the UK Corporate Governance Code.
- All Directors have access to the services of the Company Secretary, who may facilitate independent professional advice at the Company's expense at their request to fulfil their duties.
- Ensures good information flows within the Board and its Committees and between the Senior Management Team and the Non-Executive Directors, as well as facilitating induction and assisting with professional development as required.
- Acts as secretary to the Board and its Committees and the Management Sustainability Committee.
- The appointment or removal of the Company Secretary is a matter for the Board as a whole.

## Governance Framework continued

### Division of responsibilities continued

#### Non-Executive Director for Employee Engagement

Celia Baxter is the designated Non-Executive Director responsible for overseeing employee engagement. Celia has a structured engagement plan involving Group-wide Employee Forum events, through which she has been able to provide the Board with further context to support the view that the Company is undertaking appropriate workforce-related activities and to also provide feedback to the Board regarding the views of employees.



Celia Baxter, NED for  
Workforce Engagement



Amanda Mellor, NED for  
Sustainability Oversight

#### The matters reserved for the Board include:

- agreeing the Group's strategy and objectives;
- approving acquisitions and disposals;
- changing the capital structure of the Company;
- approving the Annual Report and Accounts, Half-Year Report and stock exchange announcements relating to trading;
- approving the Group's dividend policy and declaration of dividends;
- reviewing the effectiveness of risk identification and management and internal controls;
- approving significant expenditure and material transactions and contracts;
- ensuring a satisfactory dialogue with the Group's shareholders;
- appointing and removing Directors;
- determining the Remuneration Policy for the Executive and Non-Executive Directors;
- reviewing the Company's overall corporate governance arrangements;
- approving the Group's Treasury Policy;
- approving the appointment of advisers;
- reviewing the effectiveness of the Board;
- delegating authority to the Chief Executive Officer; and
- each year, meeting to set an annual budget for the business in line with the current Group strategy. The Board monitors the achievement of the budget through Board reports which include updates from the Chief Executive Officer, the Chief Financial Officer and other functions.

## Board Engagement

### Breakdown of Key Board Activities



Regular dialogue between the Chair, CEO and Company Secretary ensures Board agendas are well balanced across the key focus areas outlined in the sections below.



#### Strategy

The Board reviews strategy, assesses market trends, evaluates growth opportunities, and approves key strategic initiatives.

#### Financial

The Board approves financial statements and dividends, monitors liquidity, reviews valuations, and oversees major capital investments.

#### Risk management

The Board approves the risk management framework of the Company, the principal risks and uncertainties, and sets the Group's risk appetite.

#### Shareholder engagement

The Board oversees and monitors Volution's engagement with its shareholders, understanding shareholder sentiment, feedback and views.

#### Sustainability

The Board oversees and monitors the management of ESG and climate-related matters. The Board reviews performance against sustainability targets and the work undertaken in the year to support ESG targets and goals.

#### Governance

The Board approves Board and Committee appointments, oversees governance compliance, and evaluates Board performance.

#### Workforce and culture

The Board discusses talent attraction and retention, succession planning, diversity progress and community investment initiatives, while engaging with the workforce to gather insights.



## Strategic pillars key:



Organic growth



Value-adding acquisitions



Operational excellence



Sustainability at our core

## 2024

## September



- The Board approved the agreement to acquire the Fantech Group of companies, releasing a market announcement on the transaction on 20 September 2024.
- The Board and Committees reviewed the results of the annual Board Evaluation, reflecting on governance effectiveness and identifying opportunities for continuous improvement.
- The Audit Committee held a dedicated discussion on the Group's risk appetite, further strengthening the risk management framework.

## October



- The Board reviewed the full-year results and approved the Group's Modern Slavery Statement, underscoring ongoing commitment to ethical and responsible business practices.
- The CEO and CFO attended the results roadshow, engaging with shareholders and stakeholders following the release of the annual results.

## December



- The Board reviewed the AGM Trading Update.
- 2024 AGM held.

## 2025

## January



- A Board Update call was held to brief Board members on trading performance ahead of the half-year close on 31 January 2025.
- The Nomination Committee provided a detailed update on the appointment process for new Non-Executive Directors, outlining anticipated timelines.

## March



- The Audit Committee and the Board conducted a thorough review of the Half-Year Results, facilitating robust analysis of both performance and strategy.
- The Board visited the manufacturing site in Reading, including a tour by local operational leads.
- The Board received a comprehensive presentation on the UK commercial sector by one of the UK Sales Directors, providing valuable market insights.
- The CEO and CFO participated in half-year results investor roadshow.

## April



- The Remuneration Committee reviewed and signed off on the launch of the Group-wide all-employee share scheme, supporting the Group's commitment to rewarding performance and fostering collective ownership.

## May



- The Nomination Committee held an in-depth succession planning session, focusing on senior leadership development and team structure, leading to the appointment of new Regional Directors and strengthening our leadership capabilities.
- Board visit to the ClimaRad site in Sarajevo, Bosnia (please see opposite).

## July



- The Board held an off-site strategy session, providing space for in-depth discussion of long-term objectives, organisational purpose and our values.
- The Audit Committee considered the new fraud legislation requirements ensuring the Group's policies and procedures are fully compliant with evolving legal standards and best practices.
- The Board reviewed the budget for FY26 and the pre-close trading update, released on 24 July 2025, ensuring financial targets and expectations were aligned with strategic priorities.



## Board visit to the ClimaRad site in Bosnia

The Board conducted a site visit to the ClimaRad facility in Sarajevo, Bosnia, in May 2025. This visit provided Board members with valuable first-hand exposure to the Group's operational environment and enabled direct engagement with local leadership and manufacturing teams. The Board observed key processes in action, discussed operational challenges and achievements with the site management, and gained deeper insight into health and safety standards, environmental management and innovation initiatives. This close-up perspective reinforced the Board's understanding of local context and the alignment of site operations with the Group's broader strategic objectives. The visit also fostered stronger relationships between the Board and on-site teams, supporting ongoing collaboration and the sharing of best practices across the organisation.



# Governance Report

## Board balance and independence

The Company's Board consists of a Non-Executive Chair, four independent Non-Executive Directors and two Executive Directors. Margaret Amos stepped down from the Board on 11 December 2024 and Celia Baxter and Emmanuelle Dubu were appointed as Non-Executive Directors on 5 March 2025. A list of the Directors at the year-end is provided on pages 86 and 87. After the year-end, on 2 August 2025, Claire Tiney retired from the Board, following nine years of service as a Non-Executive Director.

## Appointment and tenure

The appointment dates of Directors are shown in their biographies on pages 86 and 87. The Board believes that all Directors are effective and committed to their roles and have sufficient time available to perform their duties. All members of the Board will be offering themselves for election or re-election at the Company's AGM to be held on 10 December 2025.

All of the Directors have service agreements or letters of appointment, and the details of their terms are set out in the Directors' Remuneration Policy. The service agreements and letters of appointment are available for inspection at the Company's registered office during normal business hours. No other contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested subsisted during or at the end of the financial year.

## Non-Executive Directors and independence

The independence of each Non-Executive Director is considered each year immediately prior to the signing of the Annual Report and Accounts. The Company's Non-Executive Directors provide a broad range of skills and experience to the Board which assists both in their roles in formulating the Company's strategy and in providing constructive challenge to the

Executive Directors. All of the Non-Executive Directors are regarded by the Company as independent Non-Executive Directors within the meaning defined in the 2018 Code and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

During the year, in accordance with the 2018 Code, the Chair held meetings with the Non-Executive Directors without the Executive Directors being present.

## Board performance evaluations and effectiveness

In the Annual Report and Accounts 2024, the recommendations resulting from the performance evaluations were set out and are summarised in the table opposite. The progress made over the last year is set out below the recommendations.

## Process for last year's Board and Committee evaluations

The process of evaluating the performance of the Board and its Committees, to identify areas for further development, was undertaken internally for 2024. The evaluation process involved the Chair and the Company Secretary discussing and agreeing the scope of the evaluation, and developing a series of web-based questionnaires tailored to the specific circumstances of the Company.

Directors were required to score certain aspects of the Board's and Committees' performance, and to comment on the areas of focus, which included leadership and accountability, strategy and risk, Board culture, Board composition, and roles and responsibilities.

The responses to the evaluation of the Board and its Committees were collated and analysed by the Company Secretary and then reviewed by the Chair and Committee Chairs prior to being considered by the full Board. The Chair also appraised the performance of individual Directors.

## Prior-Year Board Evaluation – Recommendations and Actions Taken

### To ensure that the Board spend additional time on strategy

The Board held an off-site session in July 2025 specifically to discuss Group strategy, incorporating a detailed presentation by the CEO, CFO and members of the Senior Management Team.

### To continue to oversee, understand and discuss the views of employees and Company culture

The Group HR Director has presented regular updates on employee matters throughout the year, including insights garnered from employee engagement activities, most notably the Group-wide Engagement Survey that was completed in June 2025. The Board also heard updates from the Designated NED for employee engagement (Claire Tiney until 9 July 2025, and Celia Baxter from 10 July 2025) on the discussions and points raised at the Group's bi-annual Employee Forum.

### To dedicate time on the Audit Committee and Board schedule to oversee the preparation for compliance with the new Corporate Governance Code 2024

The Audit Committee has spent significant time during the year on the preparation for the application of the new 2024 Code and in particular the new Provision 29. Further details of this detailed work can be found in the Principal Risks and Uncertainties section on pages 44 to 53.

## Governance Report continued

### Process for the FY25 Board and Committee evaluation

The Chair of the Board and each Committee Chair discussed with the Company Secretary areas of focus for the FY25 review.

### The Chair and Directors completed a web-based questionnaire

### Reports were produced and reviewed and discussed with the Chair and each Committee Chair

### Reports were discussed at the Board meeting

### Recommendations were agreed

The results of the evaluation demonstrated that the composition and performance of the Board and its Committees (and the performance of the Chair) were rated highly and continue to operate effectively. Whilst there are no significant concerns among the Directors about the Board's effectiveness, some observations and recommendations were made which were considered by the Board. The key areas of recommendation are set out opposite.

As a separate exercise the Senior Independent Director, together with the Non-Executive Directors, conducted the Chair's performance evaluation.

### Board performance evaluation: FY25 recommendations:

- a continued focus on strategy, further developing the content for the Board's off-site sessions;
- a deep-dive session on potential AI initiatives, IT and digitalisation, to enhance the Board's understanding of the fast developing landscape and management's development plans; and
- continued prioritisation of the evolving structure of the Group and talent management.

### Director induction

For more information on our processes for the induction of Directors, and the tailored inductions of newly appointed Board members Celia Baxter and Emmanuelle Dubu, please see page 101.

### Stakeholder engagement Directors' s172 statement

For the full section 172 statement and information on the Board's engagement with stakeholders, please see pages 34 to 35.



## Governance Report continued

### Directors' conflicts of interest

Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Company, unless that conflict is first authorised by the Board. This includes potential conflicts that may arise when a Director takes up a position with another company. The Company's Articles of Association allow the Board to authorise such potential conflicts, and there is in place a procedure to deal with any actual or potential conflict of interest. The Board deals with each appointment on its individual merit and takes into consideration all the circumstances. All potential conflicts approved by the Board are recorded in a conflicts of interest register, which is to be reviewed by the Board on a regular basis to ensure that the procedure is working effectively. The Board is satisfied that the arrangements in place regarding conflicts of interest are working effectively.

### External directorships

The Board allows Executive Directors to accept one external commercial non-executive director appointment, provided the commitment is compatible with their duties as an Executive Director. The Executive Director concerned may retain fees paid for these services which will be subject to approval by the Board. Currently, neither of the Executive Directors holds an external directorship. Details of all Directors' significant directorships can be found in their biographies on pages 86 and 87.

Where Non-Executive Directors have external directorships, the Board is comfortable that these do not impact on the time that any Director devotes to the Company, and we believe that this experience only enhances the capability of the Board.

### Information and support available to Directors

All Board Directors have access to the Company Secretary, who advises them on governance matters. The Chair and the Company Secretary work together to ensure that Board papers are clear, accurate, delivered in a timely manner to Directors, and of sufficient quality to enable the Board to discharge its duties. Specific business-related presentations are given by senior management when appropriate. As well as the support of the Company Secretary, there is a procedure in place for any Director to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

### Internal control and risk management

The Board acknowledges its responsibility for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives, setting the risk appetite, and for the Group's system of internal control. The principal risks facing the Group are set out in the Strategic Report on pages 44 to 53, being those risks which could threaten our business model, future performance, solvency or liquidity, and mitigation measures are detailed against each risk. The Audit Committee, on behalf of the Board, carried out a review of the effectiveness of the Group's risk management and system of internal control together with a robust assessment of the risks facing the Group. Details can be found on page 108 to 109.

The Audit Committee Report on pages 102 to 110 describes the system of internal control and how it is managed and monitored. The Board acknowledges that such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.





## Governance Report continued



### Whistleblowing

An independent whistleblowing facility is available to enable employees to report any concerns which they feel need to be brought to the attention of management concerning any possible impropriety, financial or otherwise, and the appropriateness of the facility is reviewed by the Audit Committee. The Group supports a culture of openness and accountability in order to prevent such situations occurring or to address them when they do occur.

### Shareholder relations

Responsibility for shareholder relations rests with the Chair, the Chief Executive Officer and the Chief Financial Officer. They ensure that there is effective communication with shareholders on matters such as governance and strategy, and are responsible for ensuring that the Board understands the views of major shareholders.

The Board aims to present a balanced and clear view of the Group in communications with shareholders and believes that being transparent in describing how we see the market and the prospects for the business is extremely important.

We have communicated with existing and potential shareholders in a number of different ways during the year ended 31 July 2025 as follows:

<b>October 2024</b>	<ul style="list-style-type: none"> <li>• Full-year results announcement and analyst presentation</li> <li>• Institutional broker sales desk briefings</li> <li>• UK shareholder roadshow</li> <li>• Annual Report and Accounts and Notice of AGM posted to shareholders and placed on website</li> </ul>
<b>December 2024</b>	<ul style="list-style-type: none"> <li>• Trading update</li> <li>• AGM</li> </ul>
<b>March 2025</b>	<ul style="list-style-type: none"> <li>• Half-year results announcement and analyst presentation</li> <li>• Institutional broker sales desk briefings</li> <li>• Shareholder roadshows</li> </ul>
<b>July 2025</b>	<ul style="list-style-type: none"> <li>• Pre-close trading update</li> </ul>

In addition to the above, we communicate with existing and potential shareholders in a number of other ways, such as:

- face-to-face meetings and telephone briefings for analysts and investors; and
- arranging periodic visits by analysts and major shareholders to the business sites to give a better understanding of how we manage our business. These visits and meetings are principally undertaken by the Chief Executive Officer and the Chief Financial Officer.

In situations where new material relating to trading is presented, it is also immediately uploaded to the Company's website so it is available to all shareholders.

The Board receives regular updates on the views of its shareholders from the Chief Executive Officer and Company brokers. This is a standing agenda item for all Board meetings. The Company's investor website is also regularly updated with news and information including this Annual Report and Accounts, which sets out our strategy and performance together with our plans for future growth.

During the year, the Chief Executive Officer and the Chief Financial Officer engaged with investors.

Key topics that arise in investor meetings include the following:

- drivers of demand including regulation;
- resilience of the business to economic cycles;
- sustainability of margin;
- performance of newly acquired businesses and the acquisition pipeline;
- performance against our ESG KPIs including carbon reduction targets; and
- organisational structure and approach, balance between Group and decentralised local businesses.

In addition, the Chair meets with investors on a regular basis during the year, and the Senior Independent Director is available to meet shareholders if they wish to raise issues separately from the arrangements as described above.





## Governance Report continued

### UK Listing Rule (UKLR) 6.6.6 R (9)

As at the Company's chosen reference date, 31 July 2025, and in line with UK Listing Rule 6.6.6 R (9), the Company has met the targets for at least 40% female membership on the Board and for one Director to be from an ethnic minority background. In addition, it has met the target for one of the positions of Chair, Senior Independent Director, Chief Executive or Finance Director to be held by a woman, with Amanda Mellor as Senior Independent Director.

### Data under UKLR 6.6.6 R (10)

In line with UKLR 6.6.6 R (10), as at the reference date of 31 July 2025, the composition of the Board and Executive Management was as follows:

Sex	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management <sup>1</sup>	Percentage of Executive Management <sup>1</sup>
Men	4	57%	3	8	80%
Women	3	43%	1	2	20%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management <sup>1</sup>	Percentage of Executive Management <sup>1</sup>
White British or other White (including minority-white groups)	6	86%	3	7	70%
Mixed/Multiple ethnic groups	–	–	–	1	10%
Asian/Asian British	–	–	–	1	10%
Black/African/Caribbean/Black British	1	14%	1	1	10%
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1. Per the definition within the UK Listing Rules, Executive Management within Volution is the Group Executive Committee including the Company Secretary and excluding the Executive Directors. Volution has 100% voluntary completion of sex data and ethnicity data and that is what is used when reporting the diversity of the Board and the Group Executive Committee. All diversity data is collated in accordance with Volution's Privacy Notice.
2. For the diversity data disclosed in the People section on page 78, we have used our own internal grading system to provide a meaningful analysis of how the Group operates and the proportion of senior managers. The system used excludes Board Directors. Legislation also requires that we disclose 'senior managers' as the directors of our subsidiary companies and, based on this definition the data would be as follows: male 82%, female 18%. Further information on gender diversity may be found in the People section of this report.

## Governance Report continued



### Business ethics

Our core values and principles, and the standards of behaviour to which every employee and agent across the Group is expected to work, are set out in the Volution Code of Conduct. These values and principles are applied to dealings with our customers, suppliers and other stakeholders.

We have a zero-tolerance approach to all forms of bribery and corruption. Our Anti-Bribery and Corruption Policy has been approved by the Board and rolled out across the Group. It applies to all businesses, Directors, employees and agents within the Group to ensure compliance with all laws and regulations governing bribery and corruption in the countries in which the Group operates.

The Group has a 'Speak Up' facility operated by an external company, where employees can report any incidents or inappropriate behaviours in their own language by telephone or online. The confidentiality of the information reported is protected. In addition, web-based anti-bribery and corruption training is carried out by employees in areas of the business where risk is deemed to be highest.

A Group policy in relation to Corporate Criminal Offences legislation is also in place.

### Human rights

Breaches of human rights are not considered to be a material risk for the business as our activities are substantially carried out in developed countries that have strong legislation governing human rights. We adhere to policies which support human rights principles.

### Diversity

We employ a diverse workforce and pride ourselves on providing equal opportunities for all. We understand the benefits a diverse workforce brings and recognise that the industry faces under-representation of women as well as people from different ethnic backgrounds. High value is placed on rewarding our people for their commitment, their integrity and their service.

We aim to ensure that no employee is discriminated against, directly or indirectly, on the grounds of colour, race, ethnic or national origins, sexual orientation or gender, marital status, disability, religion or belief, age or being part time. We believe that business decisions can be enhanced by having representation from different genders and cultural backgrounds with differing skill sets, experience and knowledge, which reflect our customer base and the wider population in our markets.

### Modern Slavery Act

We are opposed to slavery, servitude, forced labour and human trafficking. We take a zero-tolerance approach to modern slavery in the supply chain and businesses under our control. The Board has approved a statement setting out the steps that have been taken to combat modern slavery. This statement can be found on the Group's website at [www.volutiongroupplc.com](http://www.volutiongroupplc.com). Group employees, agents and suppliers are requested to confirm that they do and will continue to comply with our policy which is set out in our Code of Conduct. During the year, further work has been carried out in this area, reflected in our Modern Slavery Statement. Shareholder engagement has also taken place, providing further insights into investor expectations, and emerging practice. For more information, please see our People section on pages 72 to 79.

### Fair, balanced and understandable

The Board recognises its duty to ensure that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance, strategy and business model of the Company.

The Board has placed reliance on the following to form this opinion:

- a verification process dealing with the factual content of the reports and to ensure consistency across the various sections;
- a review of the Annual Report and Accounts by senior management to ensure consistency and overall balance; and
- the Audit Committee reviewed the Annual Report and Accounts and its compliance with the requirements, concluded that they had been met and recommended its approval by the Board as fair, balanced and understandable.

### Annual General Meeting

The AGM of the Company will take place at 12.00 noon on Wednesday 10 December 2025 at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ, UK.

The Notice of AGM can be found in a circular which is being posted at the same time as this Annual Report and Accounts. The Notice of AGM sets out the business of the meeting and explanatory notes on all resolutions. Separate resolutions are proposed in respect of each substantive issue.



# Nomination Committee Report

“The Committee has made excellent progress during the year in refreshing and strengthening the Board.”

**Nigel Lingwood**

Chair of the Nomination Committee



## Membership and attendance

The Committee met for four scheduled meetings during the year with attendance disclosed below.

Committee members	Member since	Attendance
<b>Nigel Lingwood (Chair)</b>	30 April 2020 (appointed Chair on 23 June 2023)	● ● ● ●
Celia Baxter <sup>1</sup>	5 March 2025	● ○
Jonathan Davis	23 June 2023	● ● ● ●
Emmanuelle Dubu <sup>1</sup>	5 March 2025	● ●
Amanda Mellor	19 March 2018	● ● ● ●

- <sup>1</sup> Celia Baxter and Emmanuelle Dubu joined the Board and were appointed as members of the Committee on 5 March 2025. There were only two Committee meetings between that date and the year-end. Emmanuelle attended both meetings and Celia attended one meeting, missing one in May due to a prior commitment which the Board had been informed about prior to her appointment.
- <sup>2</sup> Margaret Amos served as a member of the Committee during the year until she stepped down on 11 December 2024 and Claire Tiney served as a member of the Committee during the year and after the year end until her retirement on 2 August 2025.

## Highlights of 2025

- Appointments of new Non-Executive Directors Celia Baxter and Emmanuelle Dubu.
- Overseeing the implementation of Group organisational structure changes and the appointment of Regional Directors for Europe and Australasia, reporting directly to the CEO.

## Priorities for 2026

- Continued monitoring and development of Board and senior management succession plans.
- Overseeing the continued enhancement of development initiatives to nurture a diverse pipeline of talent Group-wide.

## Dear shareholder,

The Committee's report sets out its role and responsibilities and its activities during the year.

It has been a particularly busy year for the Committee, as it focused on refreshing and strengthening the Board, which resulted in the appointment of our two new Directors: Celia Baxter and Emmanuelle Dubu.

Celia and Emmanuelle were appointed on 5 March 2025, following an extensive search process supported by Russell Reynolds Associates. Celia, who was originally appointed as Remuneration Committee Chair Designate, transitioned into the role of Remuneration Committee Chair in July 2025.

I am confident that Celia's significant expertise in executive remuneration and her broad understanding of industrial businesses that have grown through acquisition, and Emmanuelle's strong international experience gained in engineering and manufacturing businesses, will make valuable contributions to Board discussions. Their insight will support the Board's development of people and remuneration strategy, as well as the ongoing development of our business across a geographically diverse range of markets.

The Committee is mindful of its responsibilities in overseeing the Group's ambition to nurture a robust pipeline of talent across all regions. In May 2025, the Board undertook a comprehensive review of succession planning at the senior team level. This led to a plan to enhance our Group team structure, resulting in the appointment of two new Regional Directors – in Europe, Andreas Lofstrand and Koen Groenewold. Later in the year, Anthony Lamaro was appointed as Regional Director of Australasia. All three roles report directly to the CEO. This new leadership framework ensures that we improve bench strength and are well positioned as the Group continues to grow in scale and complexity.

# Nomination Committee Report continued

During the year we upgraded Volution's membership in the Construction Inclusion Coalition (CIC) in 2025 to become a Strategic Partner. This enhanced role reflects our determination to drive meaningful progress not only within our own organisation but across the wider construction sector, fostering greater gender diversity, equity and inclusion through collaboration and shared best practice.

Embedding diverse thinking across all our employee development initiatives remains an important priority, and I am pleased that we are making steady progress through our talent management and leadership development programmes, supporting an environment where everyone has the opportunity to thrive and contribute to our Group's success.

Our programme for the next year continues to be focused on identifying talent within our business and providing succession plans and more development opportunities for all our employees.

## Nigel Lingwood

Chair of the Nomination Committee  
8 October 2025

## Role and responsibilities

The key responsibilities of the Committee are:

- assessing whether the structure, size and composition (including the skills, knowledge, independence, experience and gender and ethnic diversity) of the Board continue to meet the Group's business and strategic needs;
- considering succession planning and talent development for the Executive Directors and the Senior Management Team, taking into account the challenges and opportunities facing the Group and the future skills and expertise needed on the Board; and
- identifying and nominating candidates to fill Board vacancies as and when they arise together with leading the process for such appointments and making recommendations to the Board.

## Membership and attendance

Nigel Lingwood is Chair of the Committee and the members of the Committee, being Amanda Mellor, Celia Baxter, Jonathan Davis, and Emmanuelle Dubu, are independent Non-Executive Directors.

By invitation, the meetings of the Committee may be attended by the Chief Executive Officer, the Chief Financial Officer and the Group HR Director. The Company Secretary acts as the secretary to the Committee, and minutes of each Committee meeting are provided to Board members.

Celia Baxter and Emmanuelle Dubu were appointed as members of the Committee on 5 March 2025. Claire Tiney retired from the Committee on 2 August 2025 having completed nine years on the Board and Margaret Amos stepped down from the Board and its Committees on 11 December 2024.

## Activities during the year

During the year the Committee discussed succession planning for Executive and Non-Executive Directors and the Senior Management Team. Matters also considered at the Committee meetings held during the year included:

- evaluation of the size and composition of the Board, including the balance of skills, knowledge, independence, experience and gender and ethnic diversity;
- recommendations to be made to shareholders for the re-election of Directors at the AGM; and
- reviewed the results of the Committee performance evaluations.

After the year-end at the October 2025 Committee meeting, the Committee considered the outcome of the performance evaluations when discussing the effectiveness of the Non-Executive Directors seeking election or re-election at the AGM 2025.

The full terms of reference of the Committee are available on the Company's website at [www.volutiongroupplc.com](http://www.volutiongroupplc.com).

## Diversity and inclusion

The Committee pays full regard to the benefits of diversity, including gender and ethnic diversity, when searching for candidates for the Board, Senior Management Team and other appointments. This is reflected in the Board Diversity Policy which also applies to appointments for the Audit, Remuneration and Nomination Committees. The Committee and Board believe that business decisions are enhanced by having representation from different genders and cultural backgrounds with differing skill sets, experience and knowledge, which reflect our customer base and the wider population in our markets.

Diversity of Board members is important to provide the necessary range of background experience, values, and diversity of thinking and perspectives to optimise the decision-making process. Gender and ethnicity are important aspects of diversity which the Committee considers when deciding upon the most appropriate composition of the Board.

The Board supports the FTSE Women Leaders Review and the Parker Review on Ethnic Diversity. As at the financial year-end, the Board comprised four male and three female Directors, meaning that over 40% of the Board is female. One Board member is from a minority ethnic background.

## Election and re-election of Directors

On the recommendation of the Committee and in line with the 2018 Code and the Company's Articles of Association, all of the Company's Directors will stand for election or re-election at the AGM in 2025. The biographical details of the Directors can be found on pages 86 and 87. The Committee confirms that the performance of each of the Directors standing for election or re-election at the AGM continues to be effective and that each demonstrates commitment to their role.



## Nomination Committee Report continued

### Appointment and Induction Processes for Celia Baxter and Emmanuelle Dubu

#### Appointment

A search process was commenced early in the financial year as part of our work to refresh the Board to meet the demanding challenges of a larger and more complex Group. The process was led by the Nomination Committee, with input from Amanda Mellor, the Senior Independent Director, and supported by an external search firm, Russell Reynolds Associates. The process included the development of a role specification and the review of a long-list of candidates. After careful consideration by the Committee, a short-list was prepared and the short-listed candidates were interviewed by Amanda Mellor and the Chair. Final-stage candidates were interviewed by Committee members and the Executive Directors. The process resulted in the recommendation to appoint Celia Baxter and Emmanuelle Dubu as independent Non-Executive Directors. The announcement regarding Celia's and Emmanuelle's appointments was made to the London Stock Exchange on 5 March 2025. Russell Reynolds Associates had no connection to Volution or its Directors.

#### Induction

A formal induction programme is in place to ensure that any new Director receives an appropriate induction to the Group with the support of the Company Secretary. The programme covers, amongst other things, the operation and activities of the Group (including site visits and meeting members of the Senior Management Team); the Group's principal risks and uncertainties; the role of the Board and the decision-making matters reserved to it; the responsibilities of the Board Committees; the strategic challenges and opportunities facing the Group; and the opportunity to meet the Company's main advisers.

The induction programmes for Celia Baxter and Emmanuelle Dubu included the following elements:

- one-to-one meetings with both Executive Directors and the Chair;
- briefing from the Chief Executive on the Group's strategy and operational matters;
- briefing from the Group Chief Financial Officer on financial matters;
- briefings from the Company Secretary on legal and governance matters;
- briefings from senior executives and managers across key business areas including operations, HR, sustainability, marketing and sales;
- meeting with the External Auditor and the Head of Internal Audit;
- facility site visits and tours in both the UK and continental Europe; and
- access to a library of reference materials, including key information on the governance framework, recent financial data and the policies supporting Volution business practices, including the share dealing policies and Code of Conduct.



# Audit Committee Report

“We recognise that the interdependence between a strong control environment and effective risk management is key to ensuring that our business risks are proactively identified, assessed and mitigated.”

**Jonathan Davis**

Chair of the Audit Committee



## Membership and attendance

The Committee met for six scheduled meetings during the year with attendance disclosed below.

Committee members <sup>2</sup>	Member since	Attendance
<b>Jonathan Davis (Chair)</b>	23 June 2023	●●●●●●
Celia Baxter <sup>1</sup>	5 March 2025	●●●○
Emmanuelle Dubu <sup>1</sup>	5 March 2025	●●●●
Amanda Mellor	19 March 2018	●●●●●●

1. Celia Baxter and Emmanuelle Dubu joined the Board and were appointed as members of the Committee on 5 March 2025. There were only three Committee meetings between that date and the year-end. Emmanuelle attended all three meetings and Celia attended two meetings, missing one in May due to a prior commitment which the Board had been informed about prior to her appointment.
2. Margaret Amos served as a member of the Committee during the year until she stepped down from the Board on 11 December 2024, and Claire Tiney served as a member of the Committee during the year and after the year-end until her retirement on 2 August 2025.

## Highlights of 2025

- Addressed the new requirements introduced by Provision 29 of the 2024 Code, defining material controls that will be tested as part of the controls effectiveness review for the Group, which will apply to Volution for the financial year starting on 1 August 2026.
- Reviewed the acquisition accounting for the Fantech business and considered feedback from the initial internal audit reviews, including in relation to existing financial controls.
- Conducted a review of the requirements arising from the new fraud prevention legislation under the Economic Crime and Corporate Transparency Act (ECCTA), and compliance with the Minimum Standard for Audit Committees.
- Held discussions on the Group's risk appetite, ensuring clarity and alignment with our strategic objectives as well as the evolving risk landscape.
- Continued to monitor principal and emerging risks.
- Received presentations from advisers, including a detailed update from the Group's tax specialists at BDO.

## Priorities for 2026

- Continued focus on the new requirements under Provision 29 of the 2024 Code including completing a 'dry-run' for the testing of material controls to ensure readiness for the first year of application of the Provision.
- Continued review of Internal Audit reports to monitor governance, controls and compliance across the Group.
- Continued monitoring of requirements for external assurance to reinforce the strength and reliability of the control environment.

## Dear shareholder,

I am pleased to present this report of the Audit Committee (the Committee) for the year ended 31 July 2025. As we complete another full work programme for the year, I would like to thank my fellow Committee members for their support, and also to welcome our two new Committee members, Celia Baxter and Emmanuelle Dubu, who joined the Committee on 5 March 2025.

Throughout the year, the Committee has continued its focus on the key areas of financial reporting, risk and ensuring a robust system of internal controls, recognising that effective internal controls are fundamental to the management of risk and the long-term resilience of the Group. As Volution continues to expand, we recognise that the interdependence between a strong control environment and effective risk management is key to ensuring that our business risks are proactively identified, assessed and mitigated.

The Committee has overseen the work of the Group finance and operational functions to prepare for and respond to the requirements of Provision 29 of the 2024 Code, involving the detailed mapping of existing controls, mitigation activities and reporting structures.

This preparatory work is designed to place the Group in a strong position to meet the increased expectations and it is planned that a 'dry-run' will be carried out in the financial year to 31 July 2026. More details of this work can be found on page 44.

The Committee has also dedicated significant time to discussing the Group's risk appetite, to ensure the stated appetite remains aligned with the Group's evolving strategy, risk environment and emerging risk. This has included a thorough review of the principal risks facing the business, with particular attention given to how changes in risk appetite may influence decision-making and risk-taking across the Group. Following these

## Audit Committee Report continued

discussions, some small updates to the principal risks have been made, reinforcing the connection between risk appetite, business strategy and the Group's control framework.

The Committee has also reviewed the reports of the Head of Internal Audit, who continues to undertake systematic reviews of businesses across the Group. The Committee draws assurance from these internal audit activities, which provide valuable insights into the effectiveness of internal controls, the management of risk and areas for targeted improvement.

An important area of the Committee's work this year has been overseeing the accounting treatment and financial reporting in respect of the Fantech acquisition, the Group's largest acquisition to date. We have reviewed the key judgements and estimates applied, including those relating to the valuation of acquired assets and liabilities, deferred consideration and the integration of Fantech's results into the Group's consolidated accounts. In addition, an initial internal audit of the Fantech business was carried out during the year to provide the Committee with assurance over the

quality of the internal controls that were in place and to ensure alignment with Group policies and procedures.

PwC, now in their second year as our External Auditor, have continued to work closely with the Group's finance teams, and it has been pleasing to see the results of a smooth transition to a new auditor and the collaborative approach that has developed between teams. The Committee has maintained oversight of the quality and effectiveness of the external audit processes, ensuring that audit findings are addressed promptly and that learnings are shared across the business.

### Governance and policy

The Committee also retains a broad remit in terms of governance, with ongoing work regarding the Group's whistleblowing arrangements and the review of the Group's whistleblowing policy and procedures. Ensuring that employees have safe and accessible channels to raise concerns is vital to maintaining the integrity of the Group's culture and control environment.

I would like to thank the Committee for their efforts and support during this busy period. To conclude, I would like to also extend my thanks to the finance and governance teams across the Group for their continued diligence in maintaining the appropriate reporting standards, and for ensuring that they are consistently applied.

#### Jonathan Davis

Chair of the Audit Committee  
8 October 2025



### Role and responsibilities

The primary function of the Committee is to assist the Board in fulfilling its responsibilities with regard to the integrity of financial reporting, audit, risk management and internal controls. This comprises:

- monitoring and reviewing the Group's accounting policies, practices and significant accounting judgements;
- reviewing the annual and half-yearly financial statements, trading statements and any other financial announcements;
- reporting to the Board on whether the Annual Report and Accounts is fair, balanced and understandable;
- reviewing the Board's shorter-term cash flow forecasts and its method for assessing the Group's long-term viability;
- approving the appointment and recommending the re-appointment of the External Auditor and its terms of engagement and fees;
- reviewing the scope of work to be undertaken by the External Auditor and reviewing the results of that work;
- monitoring and reviewing the effectiveness of the external audit process and the External Auditor;
- reviewing and monitoring the independence of the External Auditor and approving its provision of non-audit services;
- monitoring and reviewing the adequacy and effectiveness of the risk management systems and processes and, where appropriate, making recommendations to the Board on areas for improvement;
- monitoring and reviewing the effectiveness of the Group's Internal Audit function, and resolution of its material findings, in the context of the Group's overall risk management systems;
- reviewing reports from the Chief Financial Officer on the controls to mitigate fraud risk; and
- overseeing the Group's procedures for its employees to raise concerns through its Whistleblowing Policy as set out in the Code of Conduct.



### Membership and attendance

In compliance with the Code, the Committee comprises four members who are independent Non-Executive Directors. Jonathan Davis is Committee Chair, and Amanda Mellor, Celia Baxter and Emmanuelle Dubu are Committee members. Celia Baxter and Emmanuelle Dubu became members on 5 March 2025. Margaret Amos and Claire Tiney stepped down from the Committee on 11 December 2024 and 2 August 2025 respectively.



# Audit Committee Report continued

## Financial expert, recent and relevant financial experience

The Board has satisfied itself that the membership of the Audit Committee includes at least one Director with recent and relevant financial experience and has competence in the sector in which the Company operates, and that all members are financially literate and have experience of corporate financial matters. For the purposes of the Code, the Board has determined that Jonathan Davis is independent and may be regarded as an Audit Committee financial expert, having recent and relevant financial experience, and that all members of the Audit Committee are independent Non-Executive Directors with relevant financial and sectoral competence. See pages 86 and 87 for details of the relevant experience of Directors.

Committee meetings are also normally attended by the Chair, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary, who acts as secretary to the Committee. The External and Internal Auditors also attend meetings when appropriate. Other members of management may be invited to attend depending on the matters under discussion. The Committee meets regularly with the External Auditor and Internal Auditor with no members of management present. Meetings are scheduled in accordance with the financial and reporting cycles of the Company and generally take place prior to Board meetings to ensure effective collaboration with the Board. Minutes of each Committee meeting are provided to Board members. The Internal Auditor and the External Auditor have access to the Chair of the Committee outside formal Committee meetings.

The Committee held six scheduled meetings during the year with attendance disclosed on page 102.

## Audit Committee activities during the year

During the year, the Committee dealt with the following matters:

### Financial statements and reports

- Reviewed the Annual Report and Accounts, together with the full-year results announcement and the half-year results announcement, and received reports from the External Auditor on the above. The Committee also reviewed the trading updates.
- Reviewed reporting in the context of the acquisition of Fantech.
- Assessed the impact of climate change on accounting assumptions and disclosure.
- Reviewed the effectiveness of the Group's internal controls and disclosures made in the Annual Report and Accounts with a particular focus on Provision 29.
- Reviewed Executive Management's representation letter to the external auditor, going concern, fair, balanced and understandable criteria and significant areas of accounting estimates and judgements.
- Reviewed the Group's cash flow forecasts, the Group's bank facilities and the Viability Statement.

### Risk management

- Monitored and reviewed the effectiveness of risk management and internal control processes;
- Reviewed Group risk appetite for each of the principal risks and considered the categories of risk appetite.
- Reviewed the Group Risk Register, which identifies, evaluates and sets out mitigation of risks, and reviewed the principal risks and uncertainties disclosed in the Annual Report and Accounts.
- Considered emerging risk.

## Internal Audit

- Reviewed reports from the Internal Auditor including in relation to the newly acquired Fantech business, and reviewed its summary report on internal audits completed in FY25 and its Internal Audit Plan for FY26.

## External Auditor and non-audit work

- Reviewed the relationship with the External Auditor including its independence, objectivity and effectiveness, noting the non-audit services performed by a non-PwC component auditor which were identified following the completion of the year ended 31 July 2024 audit. The Committee is satisfied that these services did not affect the professional judgment of PwC and that they remain independent and objective.
- Recommended to the Board the re-appointment of PwC as External Auditor at the 2024 AGM;
- Reviewed, considered and agreed the scope of the audit work to be undertaken by the External Auditor on this year's Annual Report and Accounts.
- Agreed the terms of engagement and fees to be paid to the External Auditor.
- Reviewed and approved the Group policy on non-audit services and reviewed any non-audit fees.

## Governance

- Reviewed and approved the Group's Tax Strategy; reviewed a paper on the Group's tax risks, controls and processes operating over all businesses in the Group.
- Monitored the Group's Code of Conduct, Anti-Bribery and Corruption Policy and Policy on Corporate Criminal Offences, reviewed the Group's whistleblowing arrangements and the introduction of new Fraud policy documentation in response to the Prevention of Fraud legislation.
- Met with the External Auditor and the Internal Auditor without management being present.
- Completed an evaluation of the Committee performance and set its annual work programme.

## Significant accounting matters

The Committee identified the matters set out below as being significant in the context of the consolidated financial statements for the year ended 31 July 2025.


These were discussed and reviewed by management and the External Auditor, and the Committee challenged judgements and sought clarifications where necessary.

The Committee received a report from the External Auditor on the work it had performed to arrive at its conclusions and discussed in detail all material findings contained within the report.





## Audit Committee Report continued

Area of focus	Why was this significant?	How did the Committee address this area?
<b>Accounting for the acquisition of Fantech</b>	<p>There was one business combination during the year: the acquisition of Fantech in Australasia. This is the largest acquisition that the Group has completed to date and involved the accounting of purchase price allocation (PPA) under IFRS 3.</p> 	<p>The PPA exercise required the application of valuation methodologies and significant judgement, particularly in relation to forecast cash flows, discount rates and other key assumptions. The Committee recognised that these judgements could have a material impact on goodwill, amortisation and future impairment assessments.</p> <p>The Committee reviewed management's analysis of the PPA, including the work of external valuation specialists, and challenged the basis for the key assumptions and methodologies applied. The Committee was satisfied that the PPA exercise was conducted appropriately and that the disclosures in the financial statements provide transparent information to shareholders.</p>
<b>Accounting for business combinations with contingent consideration</b>	<p>The acquisitions of DVS in FY24 and ERI in FY22 include contingent consideration liabilities at the balance sheet date.</p> <p>The acquisition of I-Vent in FY23 includes a potential for future contingent consideration for the measurement year ended 31 December 2024 but nil is recorded at the balance sheet date as performance criteria are not expected to be met in the relevant measurement period.</p> <p>The acquisition of the remaining 24.35% of the shares in ClimaRad was completed in December 2024 for the total payment of £30.4 million.</p>	<p>The Committee reviewed the judgements and estimates that management made in assessing the fair value measurement of the contingent consideration for the DVS, ERI and I-vent acquisitions and concluded they were reasonable.</p> <p>The Group did not consider it reasonably possible, at the balance sheet date, that this was a major source of estimation uncertainty that could have a significant risk of resulting in a material adjustment to the liabilities recorded and thus is not disclosed as such in note 1 to the accounts as a key source of estimation uncertainty.</p> <p>The Committee also reviewed the accounting for the acquisition of the remaining 24.35% of the shares in ClimaRad, noting that after the cash paid in December 2024 there was nil liability remaining at the balance sheet date.</p> <p>The Committee noted that the deferred payment of AUD\$60 million related to the acquisition of Fantech does not contain any performance conditions and hence no judgement was needed to assess this liability.</p>

## Audit Committee Report continued

Area of focus	Why was this significant?	How did the Committee address this area?
<b>Impairment of goodwill and other intangible assets</b>	<p>The Group's policies on accounting for separately acquired intangible assets and goodwill on acquired businesses are set out in note 1 to the consolidated financial statements.</p> <p>At 31 July 2025, intangible assets relating to goodwill amounted to £235.8 million. The acquisition of Fantech made during the year added £66.6 million of goodwill through acquisition.</p> <p>Goodwill on acquisitions is initially recorded at fair value and is subject to testing for impairment at each balance sheet date. For intangible assets amortised over finite lives, the Group is required to determine whether indicators of impairment exist and, if so, perform a full impairment review. As is customary, such testing involves estimation of the future cash flows attributable to the asset, or cash generating unit (CGU) of which it is part, and discounting these future cash flows to today's value.</p>	<p>The Committee reviewed the key assumptions behind these valuations and impairment reviews, notably the expected development of future cash flows and the discount rates used, as well as considering reasonable sensitivities to these estimates, and concluded that these support the carrying values set out in notes 12 and 14 to the consolidated financial statements and no impairment provision is required.</p> <p>The Committee considered the impact of climate change over the medium and long time period of our climate change assessment (aligned to our impairment review) and considered it reasonable to expect no material adverse impact of climate change to our business model that would materially impact the cash flows used in our impairment reviews.</p> <p>The Committee has also reviewed the additions to goodwill and other intangible assets through the acquisition of Fantech in the year, the allocation of goodwill and other intangible assets to the appropriate CGUs, and the level of CGUs at which the impairment testing is completed. The Committee considered these allocations and judgements to be reasonable.</p> <p>The Group did not consider it reasonably possible, at the balance sheet date, that this was a major source of estimation uncertainty that could have a significant risk of resulting in a material adjustment to the liabilities recorded and thus is not disclosed as such in note 1 to the accounts as a key source of estimation uncertainty, but is included as an additional disclosure in note 13.</p>
<b>Revenue recognition – liabilities arising from retrospective volume rebates</b>	<p>The Group has a number of customer rebate agreements that are considered to be variable consideration and are recognised as a reduction from sales. Rebates are based on an agreed percentage of revenue, which will increase with the level of revenue achieved. These agreements may run to a different reporting period to that of the Group with some of the amounts payable being subject to confirmation after the reporting date. At the reporting date, management makes estimates of the amount of rebate that will become payable by the Group under these agreements using a probability weighted average to arrive at an expected amount. The liability arising from retrospective volume rebates at 31 July 2025 included within refund liabilities (note 3) is £12.3 million (2024: £10.3 million).</p>	<p>The Committee reviewed management's methodology and judgement in assessing the recognition of rebates. The Committee concurred with its approach.</p> <p>The Group did not consider it reasonably possible, at the balance sheet date, that this was a major source of estimation uncertainty that could have a significant risk of resulting in a material adjustment to the liabilities recorded and thus is not disclosed as such in note 1 to the accounts as a key source of estimation uncertainty, but is included as an additional disclosure.</p>

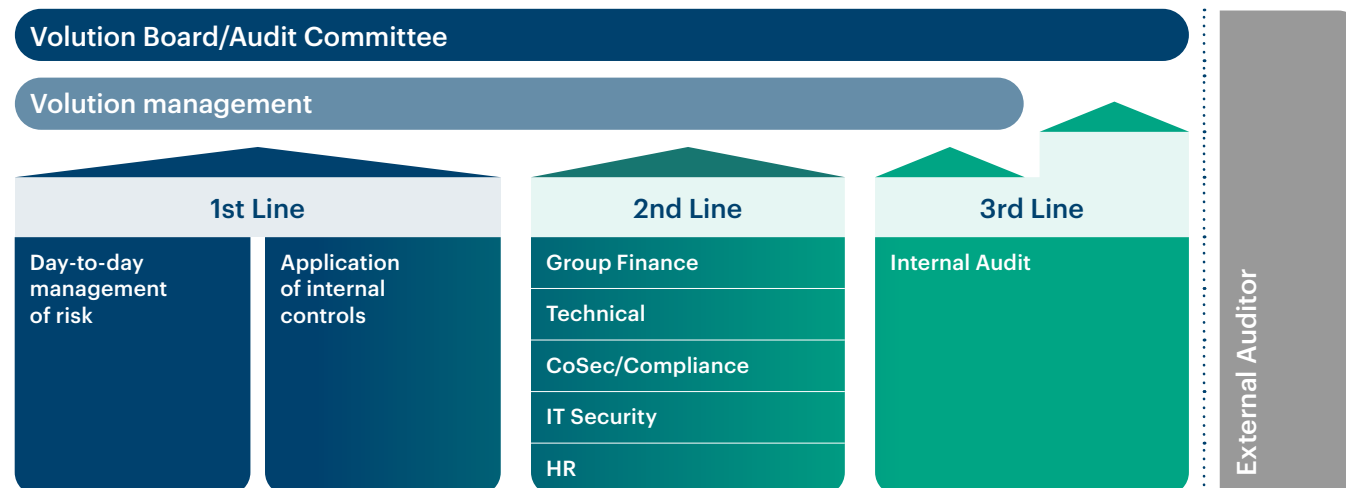
## Audit Committee Report continued

Area of focus	Why was this significant?	How did the Committee address this area?
<b>Going concern</b>	The Board of Directors has a responsibility to assess whether there are any significant doubts about an entity's ability to continue as a going concern. The Group has completed a comprehensive and robust assessment in order to support the preparation of the financial statements on the going concern basis. Such testing involves several assumptions regarding the future financial performance of the Group for 18 months from the balance sheet date.	<p>The Committee has reviewed the key assumptions used in the going concern assessment and the other relevant factors surrounding going concern, notably the expected liquidity levels of the Group and covenant headroom.</p> <p>The Committee has also considered reasonable sensitivities to these estimates including the potential impact from the principal risks and concluded that these support the preparation of the financial statements on the going concern basis.</p> <p>The Committee considered the impact of climate change (which is not a standalone principal risk) over the short time period of our climate change assessment (aligned to our going concern review), and considered it reasonable to expect no material adverse impact of climate change over the going concern period, and hence considered it reasonable that no adverse impacts in either the base case or downside scenarios were included.</p> <p>Further details of the going concern assessment prepared by the Group are included on page 47.</p>

In addition, the Committee reviewed policy and provisions with respect to treasury, taxation, warranty, doubtful debts and inventory and weighted average cost of capital rates.

# Audit Committee Report continued

## Three lines of defence model



## External audit

PwC has acted as External Auditor for the Group for the financial year ended 31 July 2025. The lead partner for the year was Simon Bailey. Other than this role, he has not had any previous involvement with the Group.

The Committee notes the tendering and rotation provisions in the EU Audit Directive and Regulation and the Companies Act 2006, which state that there should be a public tender every ten years and a change of External Auditor at least every 20 years. The Committee also confirms compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the Order).

In line with these requirements, the Committee last conducted a tender process in 2023. EY was the previous External Auditor of the Group prior to the appointment of PwC.

The Committee has recommended to the Board that a resolution to appoint PwC for the financial year ending 31 July 2026 be proposed to shareholders at the AGM in December 2025 and the Board accepted and endorsed this recommendation.

## Effectiveness review

During the year, the Committee assessed the effectiveness of auditors PwC and the external audit process for the year ended 31 July 2024 using a checklist and questionnaire issued to senior financial management across the Group who had been involved in the audit process.

A summary of the findings was prepared for consideration by the Committee. There were no substantive matters identified during this assessment, and the Committee concluded that the external audit process had been effective.

## Non-audit services

The Committee agrees the fees paid to the External Auditor for its services as auditor.

A formal policy in relation to the provision of non-audit services by the External Auditor was reviewed by the Committee during the year to ensure that there was adequate protection of its independence and objectivity. A copy of the policy is available at the Company's website: [www.volutiongroupplc.com](http://www.volutiongroupplc.com).

During the year, PwC charged the Group £123,000 (2024: £106,000) for non-audit services in respect of the interim results.

A breakdown of the fees paid to PwC during the year is set out in note 8 to the consolidated financial statements.

## Internal control and risk management

The Board is responsible for the effectiveness of the Group's system of internal control, which has been designed and implemented to meet the requirements of the Group and the risks to which it is exposed. Details are set out below on the Group's internal control environment, how risk is managed, and the Committee's review of the effectiveness of the risk management and internal control systems.



# Audit Committee Report continued

## Internal control environment

In seeking to achieve the Group's business objectives, we face a number of risks, as defined on pages 44 to 53. The following key elements comprise the internal control environment, which has been designed to identify, evaluate and manage these risks in line with our risk appetite, and to ensure accurate and timely reporting of financial data for the Company and the Group:

- an appropriate organisational structure with clear lines of responsibility, including adopting the three lines of defence model to effectively manage the risks;
- an experienced and qualified Finance function, which regularly assesses the possible financial impact of the risks facing the Group;
- a comprehensive annual business planning process;
- key control procedures as defined in our risk and control matrix;
- delegation of authority devolved from the Board which sets the approval limits for capital and operating expenditure and other key business transactions and decisions;
- a robust financial control, budgeting and forecasting system, which includes regular monitoring, variance analysis, key performance indicator reviews and risk and opportunity assessments at Board level;
- procedures by which the consolidated financial statements are prepared, which are monitored and maintained through the use of internal control frameworks addressing key financial reporting risks arising from changes in the business or accounting standards;
- established policies and procedures setting out expected standards of integrity and ethical standards which reinforce the need for all employees to adhere to all legal and regulatory requirements; and
- an annual internal controls checklist based on our risk and control matrix.

## Internal Audit

Internal Audit plays an important role in helping the organisation deliver its vision and objectives by providing independent and objective assurance to management, the Committee and Board on the effectiveness of Volution's risk management activities, internal controls and corporate governance framework, as well as advising on emerging risks and the implementation of Provision 29 of the 2024 Code.

The purpose, scope and authority of Internal Audit is defined within its charter which is approved annually by the Committee.

For the financial period ended 31 July 2025, the Head of Internal Audit led the provision of the internal audit service, supported by external specialist audit resource. The Audit Committee agreed the Internal Audit Plan prior to the commencement of the financial year, which was designed to ensure that there was appropriate coverage of the internal control environment, strategic priorities and key risks identified by the Board in its annual risk management process.

The Head of Internal Audit regularly attends and reports to the Audit Committee, including progress on the current year's Internal Audit Plan and any amendments to it, reporting key findings from internal audit reports, tracking actions arising from the reports, highlighting any overdue actions, and identifying key themes arising from the reports. Updates provided in the year included detailed reports on the controls in our newly acquired Fantech and i-Vent businesses, and also on specific areas of cyber, fraud and other key risk areas.

The Committee meets at least once annually with the Head of Internal Audit in the absence of management. The Chair of the Audit Committee routinely meets with the Head of Internal Audit privately to discuss the results of the audits performed, and any additional insights obtained on the risk management and control environment across the organisation.

## Risk management

The Board sets the risk appetite that forms the basis of the approach to risk management, accepting that some level of risk-taking is necessary to meet business objectives. The Group has a risk management process which is led by the Risk and Internal Control Committee (RICC). This process identifies risks and assesses the probability and impact from these risks, and assigns an owner to manage mitigation activities at the operational level. Each business unit operates a process to ensure that key risks are identified, evaluated, managed in line with our risk appetite, and reviewed appropriately. This process is also applied at Board level to major business decisions such as acquisitions. The business unit risk registers form the basis for the Group Risk Register, which is maintained for all corporate risks and is monitored by senior management and reviewed by the Committee. During the year, the Group Risk Register and the methodology applied were the subject of review by senior management and updated to reflect new and developing areas which might impact business strategy. The Committee also considered the risk appetite levels in relation to each of the principal risks and reviewed appetite categories. The Audit Committee reviews the Group Risk Register at least twice a year and assesses the actions being taken by senior management to monitor and mitigate the risks. The Group's principal risks and uncertainties, the areas which they impact and how they are mitigated are described on pages 44 to 53.

## Review of effectiveness

Provision 29 of the 2018 Code states that the Board should monitor the Company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness. The Committee receives an annual report on the performance of the system of internal control, and on its effectiveness in managing risks and in identifying control failings or weaknesses. The Committee has reviewed the Group's risk management process and the effectiveness of the Group's risk management and internal control systems for the period from 1 August 2024 to the date of this Report. Taking into account the matters set out on pages 44 to 53 relating to principal risks and uncertainties and the internal audit reports from the Head of Internal Audit, the Board, with the advice of the Committee, is satisfied that the Group has in place effective risk management and internal control systems. You can read more about the work of the Committee in preparation for the updated version of Provision 29 in the 2024 Code on pages 44.

## Code of Conduct, anti-bribery and whistleblowing

The Group is committed to providing a safe and confidential avenue for all employees across the Group to raise concerns about serious wrongdoings. The Group also acknowledges the requirements of the 2018 Code in this area, which states that the Committee should review arrangements by which employees across the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that these concerns are investigated and escalated as appropriate.

## Audit Committee Report continued

The Company has a Group-wide Code of Conduct, an Anti-Bribery and Corruption Policy and a Policy on Corporate Criminal Offences. These policies set out the Group's values and the importance that is placed on honest, ethical and lawful conduct in all business dealings. The Code of Conduct also sets out the Group's policy on anti-slavery and human trafficking, in accordance with the Modern Slavery Act 2015. Group employees, agents and suppliers are asked, where relevant, to confirm that they do and will continue to comply with these policies. A gifts and hospitality register is operated by each business unit to ensure transparency where items are over a certain monetary threshold. In addition, all employees who are considered the most likely to be exposed to bribery and corruption are given web-based anti-bribery and corruption training.

Arrangements are in place by which employees are able to raise, in confidence, any concerns they may have about possible wrongdoing or dishonest or unethical behaviour, such as bribery, corruption, fraud, dishonesty and illegal practices. An independent whistleblowing provider provides a confidential web-based and telephone facility which has been communicated across the Group, branded as 'Speak Up', to ensure awareness. The Code of Conduct protects anyone who comes forward to make a disclosure under the Whistleblowing Policy. When a disclosure is made, the Company Secretary reports the matter to the Committee Chair and initiates an investigation to include all necessary parties. A report on the investigation is submitted to the Committee and appropriate steps are taken to ensure that any matters relating to any disclosures have been

resolved satisfactorily. The Committee also has the power to conduct further enquiries itself or any other additional actions it sees fit.

The Committee has reviewed these arrangements and is satisfied that they are operating effectively. All findings relating to 'Speak Up' reports and arrangements are reported by the Committee to the Board.

### Committee performance evaluation

During the year, the Board conducted an internal evaluation of the performance of the Board, its Committees, the Directors and the Chair. This process concluded that the Committee had fulfilled its role effectively and did not identify any significant development points requiring action.

### Fair, balanced and understandable

The Board has responsibility under the 2018 Code for preparing the Company's Annual Report and Accounts, ensuring that it presents a fair, balanced and understandable (FBU) assessment of the Group's position and prospects and that it provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The review of the Annual Report and Accounts took the form of a detailed assessment of the collaborative drafting process, which involves the Board members, the Senior Management Team, Group Finance and the Company Secretary, with guidance and input from external advisers. This ensures that there is a clear and unified link between this Annual Report and Accounts and the Group's other external reporting, and between the three main sections of the Annual Report and Accounts – the Strategic Report; the Governance Report; and the Financial Statements. In addition, the Committee receives a report highlighting areas for FBU consideration to ensure compliance before approval of the Annual Report and Accounts.

The detailed work in this area is delegated to, and carried out by, the Audit Committee. As part of this work, the Committee: reviewed all material matters, as reported elsewhere in this Annual Report and Accounts; ensured that it fairly reflected the Group's performance in the reporting year; ensured that it reflected the Group's business model and strategy; ensured that it presented a consistent message throughout; and considered whether it presented the information in a clear and concise manner, illustrated by appropriate KPIs, to facilitate shareholders' access to relevant information.

A summary of the process, and of the Committee's findings, was considered by the Board at its meeting on 7 October 2025. The outcome of that review was that the Committee confirmed to the Board that the Annual Report and Accounts 2025 met the requirements of the 2018 Code and the Board's formal statement to that effect is set out on page 84.



# Directors' Remuneration Report

“Driving behaviours that support the Group’s strategy and business objectives”

**Celia Baxter**

Chair of the Remuneration Committee



## Membership and attendance

The Committee met for four scheduled meetings during the year with attendance disclosed below.

Committee members <sup>2</sup>	Member since	Attendance
<b>Celia Baxter (Chair)<sup>1</sup></b>	5 March 2025 (appointed Chair on 10 July 2025)	●●
Jonathan Davis	23 June 2023	●●●●
Emmanuelle Dubu <sup>1</sup>	5 March 2025	●●
Nigel Lingwood	30 April 2020	●●●●
Amanda Mellor	19 March 2018	●●●●

1. Celia Baxter and Emmanuelle Dubu joined the Board and were appointed as members of the Committee on 5 March 2025. There were only two Committee meetings between that date and the year-end, so Celia and Emmanuelle attended the maximum number of meetings possible.
2. Margaret Amos served as a member of the Committee during the year until she stepped down from the Board on 11 December 2024. Claire Tiney served as Chair of the Committee until Celia's appointment as Chair on 10 July 2025 and remained a member of the Committee until her retirement from the Board on 2 August 2025.

## Dear shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 July 2025.

This is my first report for Volution since taking over from Claire Tiney as Remuneration Committee Chair earlier this year. I would like to thank Claire for her many years of chairing the Committee and for her assistance throughout the handover process.

At the AGM in December 2024, the Directors' Remuneration Report received strong support from shareholders, with 97.1% of the votes cast being in favour of the resolution. The Committee considers that the current Remuneration Policy continues to appropriately support our remuneration principles, which are to:

- attract and retain the best talent;
- drive behaviours that support the Group's strategy and business objectives which are developed in the long-term interests of the Company and its shareholders;
- reward senior management appropriately for their personal and collective achievements;
- provide incentives that help to maintain commitment over the longer term and align the interests of senior management with those of shareholders; and
- ensure that a significant percentage of the overall remuneration package of the Executive Directors and senior management remains at risk, dependent on performance, and that their pay and benefits adequately take account of reward versus risk.

## Wider workforce considerations

The Committee is aware of the continued impact of the cost of living on our employees, and the Group has taken a number of actions to support the workforce, including continuing to operate our 'Employee Benefits' platforms in the UK which offer attractive discounts at leading retailers including cash back options, launching a new Group-wide

all-employee sharesave scheme, and awarding strong bonus pay-outs across the Group due to Volution's strong performance in the year.

## Performance in the year ended 31 July 2025 and remuneration outcomes

During the year ended 31 July 2025, the business performed well:

- the Group's revenue increased by 20.6% compared with last year to £419.1 million (2024: £347.6 million);
- adjusted operating profit was £93.4 million (2024: £78.0 million), representing 22.3% of revenue and a £15.4 million improvement compared with the prior year;
- adjusted earnings per share was 33.1 pence, representing an 18.2% increase over the adjusted earnings per share for the prior year of 28.0 pence and since IPO the compound annual growth rate of adjusted earnings per share has been 12.8%; and
- the total dividend for the financial year is 10.8 pence, an increase of 20% on the prior year.

Looking over a longer time period, Volution has delivered strong and sustained performance through a combination of organic and inorganic growth. Most recently, we completed the acquisition of Fantech, our largest acquisition to date, and enhancing our market position in the Australasian region. At the point of listing, Volution operated across four countries and made c.30% of revenue from non-UK customers. Volution now operates across 17 countries and makes c.60% of revenue from non-UK customers, a marked increase in our scale and complexity.

As well as delivering strong financial performance, we continued to make progress on our ESG commitments. Our carbon intensity has fallen from 36.8 to 12.1 since listing, recycled plastic usage has increased to 83.9%, and we continue to improve



## Directors' Remuneration Report continued

our proportion of low-carbon sales. This is an area that Volution places great importance on, and the continued progress against these targets demonstrates that our approach is working.

The successful delivery of our strategy has ultimately been reflected in returns to our shareholders. Over the last five years, we have delivered total shareholder returns of more than 270%, resulting in Volution being admitted to the FTSE 250 in May 2021. Since admission, Volution has continued to significantly outperform the index and our market capitalisation now places us in the top half of the FTSE 250. Shareholder returns have continued to outperform for the most recent financial year, with a total shareholder return of more than 30% exceeding that of the FTSE 250 index.

### Incentive outcomes for the year ended 31 July 2025

Adjusted operating profit, adjusted EPS and working capital management were the key measures used by the Committee to assess performance and, accordingly, were the performance measures used for the bonus. Performance against these measures resulted in the Committee awarding the maximum annual bonus of 125% of salary to both Ronnie George and Andy O'Brien.

We have provided full retrospective disclosure of the bonus targets as well as the actual performance against them. In accordance with the Policy, one-third of the total annual bonus payment will be deferred into awards over the Company's shares which will vest after three years. Further details can be found on page 116.

The LTIP awards granted in the 2022/23 financial year (in October 2022) had a performance period that ended on 31 July 2025 and are subject to a two-year holding period. Due to EPS growth, good performance against our ESG targets, and total shareholder return performance over the period (with a total shareholder return over the performance

period being at the top of the peer group), the October 2022 LTIP awards will vest at 87.9% of maximum. Further details can be found on page 116.

When determining variable pay outcomes, the Committee also took account of the shareholder experience, the employee experience and the wider stakeholder experience alongside all of the performance context provided above. Overall, the Committee considered that remuneration outcomes were appropriate and as such determined that no discretion would be applied.

### Remuneration decisions for the year ending 31 July 2026

The Remuneration Policy was put to a vote at the 2023 AGM and received very strong shareholder support with 97.7% of votes cast in favour of the resolution. While the next comprehensive review is scheduled to be tabled at the 2026 AGM, the Remuneration Committee has reviewed the approach for FY26 to ensure it remains appropriate to support the business strategy in the current environment.

### Incentive levels for FY26

Our Executive Directors, Ronnie George and Andy O'Brien, have led the growth and the exceptional performance of the Group, as outlined above. Both are experienced members of the Volution leadership team and have helped to transform Volution into a global leader in the ventilation industry. As part of our year-end process the Committee has reviewed the Executives' remuneration arrangements and identified that a gap has emerged between pay levels at Volution and at UK-listed companies of a similar size and complexity.

In order to recognise the sustained performance of the business, to incentivise them to continue to deliver the strategy and to ensure the overall remuneration package remains competitive against the FTSE 250 (excluding financial services companies), the Committee intends to utilise the headroom within the shareholder-approved

Remuneration Policy by making the following changes:

- Increasing the maximum bonus opportunities from 125% of salary to 150% of salary for both Ronnie and Andy.
- Increasing Ronnie's maximum LTIP opportunity from 150% to 175% of salary.
- Increasing Andy's maximum LTIP opportunity from 125% to 150% of salary.

For the FY26 LTIP grant, the Committee will also change the TSR comparator group to the FTSE 250 (excluding financial services companies and investment trusts) as we are of the view that the previous sector comparator group no longer reflects the size and complexity of Volution.

As well as recognising the Group's performance and our increased scale and complexity, the Committee considers these increases to be in the best interests of shareholders in order to motivate and retain Ronnie and Andy in what is an increasingly competitive talent market.

The impact of these changes is that Ronnie and Andy's maximum total compensation will move above the lower quartile but will remain below the median relative to FTSE 250 companies of a similar size. By making these increases through the incentive schemes, the Executive Directors will only benefit if they continue to deliver against our stretching performance targets which should lead to the creation of further shareholder value.

Although the increases to the bonus and LTIP quanta are within our approved Remuneration Policy, the Committee has consulted with major shareholders on these changes over recent months. The feedback received was supportive of the Committee's decisions.

### Salary increases for FY26

Additionally, the Committee determined that the Chief Executive Officer and Chief Financial Officer would each be awarded an increase in base salary of 3.5% (in line with the budgeted increase for

the wider workforce in the UK), taking the Chief Executive Officer's salary to £600,000 and the Chief Financial Officer's salary to £411,000. The Committee recognises that the salaries remain positioned towards the lower end of the FTSE 250 (excluding financial services companies), given the size and scale of Volution and will keep this under review in future years.

### LTIP measures and targets

As outlined in our FY24 Directors' Remuneration Report, given the timing of the acquisition of the Fantech group of companies in Australasia, the Remuneration Committee was not able to finalise the FY25 LTIP targets when the Annual Report was signed-off in October 2024. These were subsequently approved during the year and disclosed on our website, and they are provided in full later on in this report. During the year the Committee also made adjustments to some of the ESG targets to reflect methodology changes. These changes were to ensure that participants are not better or worse off and that the targets remain as stretching as when they were first approved. Further detail is provided later on in this report.

### Looking ahead

In line with the standard triennial cycle, the Committee will review all elements of the Remuneration Policy during FY26. The Committee will speak to shareholders in due course should material changes be proposed, before putting the new Remuneration Policy to vote at the 2026 AGM. I hope that you will support the resolution requesting approval of the Directors' Remuneration Report at this year's AGM on 10 December 2025.

**Celia Baxter**

Chair of the Remuneration Committee  
8 October 2025



## Directors' Remuneration Report continued

### At a Glance: Implementation of the Remuneration Policy for 2026 and key decisions in 2025

The table below summarises how key elements of the Remuneration Policy will be implemented in the period ending 31 July 2026 and key decisions taken by the Committee for the year ended 31 July 2025. The full Directors' Remuneration Policy can be found in the 2023 Annual Report that can be found on the Company's website, [www.volutiongroupplc.com](http://www.volutiongroupplc.com).

Element	Chief Executive Officer Ronnie George	Chief Financial Officer Andy O'Brien
<b>Base salary (from 1 August 2025)</b>	£600,000	£411,000
<b>Pension</b>	5.5%	5.5%
<b>Annual bonus opportunity 2026</b>	Maximum: 150%	Maximum: 150%
<b>Annual bonus measures</b>	<ul style="list-style-type: none"> <li>The majority of the bonus will be based on financial measures and the remainder will be based on non-financial measures.</li> <li>For the period ending 31 July 2026, the financial measures include: Adjusted EPS (52%); Adjusted operating profit (36%); and Working capital management (12%).</li> <li>Full disclosure of performance targets will be disclosed retrospectively.</li> </ul>	
<b>Annual bonus deferral</b>	<ul style="list-style-type: none"> <li>One-third of the annual bonus will be deferred into shares for a period of three years.</li> </ul>	
<b>Long-term Incentive Plan (LTIP) opportunity 2026</b>	Maximum: 175%	Maximum: 150%
<b>LTIP measures</b>	<ul style="list-style-type: none"> <li>LTIP awards will be based on the EPS growth (60%); Relative TSR (20%); and ESG (20%). A Return on Invested Capital (ROIC) underpin will apply. Performance will be measured over a three-year period.</li> </ul>	
<b>LTIP holding requirement</b>	<ul style="list-style-type: none"> <li>LTIP awards are subject to a two year holding period after the three year performance period.</li> </ul>	
<b>Shareholding guideline</b>	<ul style="list-style-type: none"> <li>200% of salary in-employment shareholding guideline.</li> <li>Post-cessation shareholding requirements apply at the same level as the in-employment guideline (or actual shareholding, if lower) for two years after departure.</li> </ul>	
<b>Malus and clawback</b>	<ul style="list-style-type: none"> <li>Malus and/or clawback provisions apply up to the third anniversary of payment of the cash bonus, and the earlier of the sixth anniversary of grant and the third anniversary of satisfying awards for DSBP and LTIP awards.</li> <li>The detailed malus and clawback provisions can be found in the Remuneration Policy in the 2023 Directors' Remuneration Report.</li> </ul>	
<b>Notice period</b>	12 months	9 months
<b>31 July 2025 year-end outcomes:</b>		
<b>Bonus outcome</b>	<ul style="list-style-type: none"> <li>100% of maximum pay-out.</li> </ul>	
<b>2022-25 LTIP outcome</b>	<ul style="list-style-type: none"> <li>87.9% of maximum vesting.</li> </ul>	

## Directors' Remuneration Report continued

### Annual Report on Remuneration

This section provides details of how the Remuneration Policy (the Policy) was implemented during the year and how the Remuneration Committee (the Committee) intends to apply the Policy during the financial year ending 31 July 2026. Certain sections of this report are audited and indicated as such where applicable. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2025 AGM.

### Role of the Committee

The role of the Committee is to recommend to the Board a strategy and framework for remuneration for Executive Directors and the Senior Management Team in order to attract and retain leaders who are focused and incentivised to deliver the Company's strategic business priorities, within a remuneration framework which is aligned with the interests of our shareholders and thus designed to promote the long-term success of the Company.

The Committee has clearly defined terms of reference which are available on the Company's website, [www.volutiongroupplc.com](http://www.volutiongroupplc.com). The Committee's main responsibilities are to:

- establish and maintain formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors, and to monitor and report on them;
- determine the remuneration, including pension arrangements, of the Executive Directors, taking into account pay and policies across the wider workforce;
- approve annual and long-term incentive arrangements together with their targets and levels of awards;
- determine the level of fees for the Chair of the Board; and
- select and appoint the external advisers to the Committee.

### Membership

The Committee currently comprises four independent Non-Executive Directors, Celia Baxter (Chair), Jonathan Davis, Amanda Mellor, Emmanuelle Dubu and the Non-Executive Chair, Nigel Lingwood. The Chair of the Board is a member of the Committee because the Board considers it essential that the Chair is involved in setting Remuneration Policy (although he is not party to any discussion directly relating to his own remuneration). Celia Baxter is the Chair of the Committee and has chaired the Committee since 10 July 2025. Before this time, Claire Tiney was the Chair of the Committee and had been a member of the Committee since 1 August 2016. Both Celia and Claire have extensive experience of chairing listed company remuneration committees. Claire stepped down from the Committee as Chair on 9 July 2025 and retired from the Board and the Committee on 2 August 2025. During the year the Committee also consulted with the Chief Executive Officer, the Chief Financial Officer and the Company Secretary, but not on matters relating to their own remuneration.

### Attendance

- The Committee met for four scheduled meetings and for additional meetings as required during the year. It has had two meetings to date in 2025/26. Committee member attendance can be found in the table on page 111.

### Committee activity and key decisions during the year ended 31 July 2025

Matters considered and decisions reached by the Committee during the year include:

- considered and approved the Directors' Remuneration Report for the year ended 31 July 2024;
- reviewed the impact of the Fantech acquisition on bonus and LTIP targets;
- reviewed outcomes for Executive Director and Senior Management Team bonuses for the year ended 31 July 2024;
- reviewed performance measurement outcomes and vesting of LTIP awards granted in October 2021;
- reviewed and approved the parameters of the annual bonus plan (ABP), including performance measures and targets for year ended 31 July 2025 for the Executive Directors and Senior Management Team;
- considered and approved the LTIP awards to the Executive Directors and Senior Management Team for year ended 31 July 2025;
- reviewed market trends and developments in executive remuneration as well as wider workforce remuneration context in advance of considering Executive Director and Senior Management Team remuneration proposals for 2025/26;
- reviewed and approved the Executive Director and Senior Management Team salaries for 2025/26; and
- evaluated the performance of the Committee.

### Committee performance evaluation

- During the year, the Board conducted an internal evaluation of the performance of the Board, its Committees, the Directors and the Chair. Further details can be found in the Governance Report on pages 93 and 94. I am pleased to confirm that this process concluded that the Committee had fulfilled its role effectively and did not identify any significant development points requiring action.

### Advice to the Committee

The Committee keeps itself fully informed on developments and best practice in the field of remuneration and it seeks advice from external advisers when appropriate.

## Directors' Remuneration Report continued

The Committee appoints its own independent remuneration advisers and at the time of listing appointed Deloitte LLP to that role following a competitive tender process. Deloitte LLP has served as adviser to the Committee since listing and throughout the year. Total fees for advice provided to the Committee during the year by Deloitte LLP were £54,000 and were charged based on the time spent and seniority of the staff involved in providing the advice. During the year Deloitte LLP also provided the Company with other reward and share plan-related advice.

Deloitte LLP is a member of the Remuneration Consultants Group and as such voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The Committee requests Deloitte LLP to attend meetings periodically during the year. The Committee was satisfied that the advice received from Deloitte LLP during the year was objective and independent.

### Single total figure of remuneration (audited)

The audited table below sets out the total remuneration for the Directors in the years ended 31 July 2025 and 31 July 2024.

	Salary and fees		Benefits <sup>1</sup>		Pension <sup>2</sup>		Annual bonus <sup>3</sup>		Long-term incentives <sup>4</sup>		Total		Total fixed remuneration		Total variable remuneration	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
<b>Chair</b>																
Nigel Lingwood <sup>5</sup>	200	164	–	–	–	–	–	–	–	–	200	164	200	164	–	–
<b>Executive Directors</b>																
Ronnie George	580	555	35	34	32	31	725	694	1,310	717	2,682	2,031	647	620	2,035	1,411
Andy O'Brien	397	380	28	27	22	12	496	475	764	418	1,707	1,312	447	419	1,260	893
<b>Non-Executive Directors</b>																
Amanda Mellor	67	65	–	–	–	–	–	–	–	–	67	65	67	65	–	–
Claire Tiney <sup>5</sup>	66	65	–	–	–	–	–	–	–	–	66	65	66	65	–	–
Jonathan Davis	67	65	–	–	–	–	–	–	–	–	67	65	67	65	–	–
Margaret Amos <sup>5</sup>	21	55	–	–	–	–	–	–	–	–	21	55	21	55	–	–
Celia Baxter <sup>5</sup>	24	–	–	–	–	–	–	–	–	–	24	–	24	–	–	–
Emmanuelle Dubu <sup>5</sup>	23	–	–	–	–	–	–	–	–	–	23	–	23	–	–	–

### Notes

1. Benefits: this includes an annual car allowance, life assurance equivalent to four times annual salary and private medical insurance.
2. Pension: a cash payment in lieu of employer's pension contribution, equivalent to 5.5%, was paid to both Executive Directors. Pension amounts for the CFO in respect of 2024 are lower than the equivalent of 5.5% due to an overpayment in previous years which was corrected within the year ended 31 July 2024.
3. Annual bonus: detail on the 2025 bonus performance targets and actual performance is provided on page 116.
4. Long-term incentives: this column relates to the value of long-term awards of which the performance period ends in the year under review. The awards granted in October 2022 had a performance period that ended on 31 July 2025, and this has been included in the table above. This award will vest in October 2025 and, therefore, the value included in the table above represents an estimated value using the average share price of £6.135 over the three months to 31 July 2025. The value of the LTIP attributable to share price appreciation is £615,000 for the CEO and £359,000 for the CFO. Dividend equivalents over the performance period have been added to the LTIP values, in line with market practice. For 2025, the number of additional dividend equivalent shares are 11,735 and 6,843 for the CEO and CFO respectively. Details of the performance measures and achievement against the targets set can be found on page 116. In line with the remuneration reporting requirements, the awards which vested in October 2024 have been restated to reflect the actual share price £6.050 on the date of vesting.
5. Celia Baxter and Emmanuelle Dubu were appointed to the Board on 5 March 2025, and Celia Baxter was appointed as Chair of the Remuneration Committee, incurring an additional fee, on 10 July 2025. Margaret Amos stepped down from the Board on 11 December 2024 and Claire Tiney stepped down as Remuneration Committee Chair on 9 July 2025 and retired from the Board on 2 August 2025. The amounts stated in the table above reflect these Board changes in the year.

## Directors' Remuneration Report continued

### Annual Bonus Plan (audited)

The operation of the Annual Bonus Plan during the year ended 31 July 2025 was consistent with the framework set out in the 2023 Policy. The maximum annual bonus potential for the Executive Directors during the year was 125% of base salary, and bonus for on-target performance was 50% of the maximum opportunity. In line with last year's report, we have provided full retrospective disclosure of the targets and performance against those targets which are set out in the table below. The performance measures for the year ended 31 July 2025 were the same as for the year ended 31 July 2024. The targets were set taking into account the business plan, market conditions and analysts' forecasts at the time. One-third of the annual bonus payment earned by the Executive Directors will be deferred into awards over the Company's shares for three years.

As set out in the Committee Chair's letter, the Committee considered a number of different matters when determining the outcome including wider Company performance, employee experience, shareholder experience and wider stakeholder experience and determined that the remuneration outcomes were appropriate and as such no discretion would be applied.

Measure	Strategic objective	Weighting	Threshold <sup>3</sup>	Target	Maximum	Actual performance	% of Measure achieved	Payment
Adjusted operating profit <sup>1</sup>	To increase profit	36%	£78.0m	£81.5m	£85.1m	£93.4m	100%	36%
Adjusted EPS <sup>1</sup>	Creation of shareholder value	52%	27.9p	30.0p	31.4p	33.1p	100%	52%
Working capital management <sup>2</sup>	Delivering efficiency of working capital and cash generation	12%	17.0%	16.9%	16.6%	14.7%	100%	12%
<b>Total</b>								<b>100%</b>
<b>Total as a % of maximum</b>								<b>100%</b>

#### Notes

- Adjusted operating profit up to target level is purely organic. Between target and maximum, unbudgeted acquisitions will be taken into account. Adjusted EPS includes unbudgeted acquisitions. Bonus is calculated on budgeted rates of exchange.
- Working capital targets for the average of the five quarters: quarters ending 31 July 2024, 31 October 2024, 31 January 2025, 30 April 2025 and 31 July 2025. Working capital management (inventories, right of return assets, trade and other receivables, trade and other payables, refund liabilities and provisions) as a percentage of revenue.
- There is no pay-out for at or below threshold performance, rising to 50% pay-out for target performance and 100% pay-out for maximum performance.

### Long-term Incentive Plan vesting – October 2022 awards (audited)

The LTIP values included in the single total figure of remuneration table for 2025 relate to the LTIP award granted on 12 October 2022. Awards with a face value of 150% of salary were granted to Ronnie George and 125% to Andy O'Brien, and, following a three-year performance period ending on 31 July 2025, are due to vest on 12 October 2025. In accordance with the Policy, this LTIP award is subject to an additional two-year holding period post vesting. Therefore, this award will not be available to exercise until 12 October 2027. Performance against the performance targets is set out below:

Measure	Weighting (% of total award)	Below threshold (0% vesting)	Threshold (25% vesting) <sup>1</sup>	Maximum (100% vesting) <sup>1</sup>	Actual performance outcome	Vesting
EPS growth	60%	Below 6% p.a.	6% p.a.	12% p.a.	11.3% p.a.	54.8%
TSR vs Direct Peer Group Index <sup>2</sup>	20%	Below median	Median	Upper quartile	Upper quartile (1st)	20.0%
ESG (low-carbon sales as a % of total revenue) <sup>3</sup>	10%	Below 67.8%	67.8%	70.0%	77.3%	10.0%
ESG (% of recycled plastics that are used in our manufactured products) <sup>3</sup>	10%	Below 83.4%	83.4%	90.0%	83.9%	3.1%
<b>Total vesting (% of maximum)</b>						<b>87.9%</b>

#### Notes

- Awards vest on a straight line basis between these points.
- The Peer Group is comprised of 14 companies: Epwin Group, Ibstock, Norcros, Genuit, Michelmersh, Breedon, Topps Tiles, Forterra, Eurocell, Luceco, SIG, Marshalls, Headlam Group and Watkins Jones. Safestyle and Tyman delisted during the performance period and were therefore removed from the group.
- The ESG targets and actuals exclude Fantech to ensure a like-for-like comparison.



## Directors' Remuneration Report continued

### Share awards granted during the year (audited)

#### Long-term Incentive Plan (LTIP)

##### 2024/25 awards

On 16 October 2024 the Committee made awards under the LTIP in accordance with the Policy. The LTIP awards were made in the form of nil-cost options which will vest following the Committee's determination of the extent to which performance conditions, measured over three financial years to 31 July 2027, have been met. If ROIC in the final year of the performance period is lower than 18%, the Committee will have the ability to reduce the level of LTIP vesting. Awards to the Executive Directors are subject to a two-year holding period post vesting.

Performance measure <sup>3</sup>	Weighting (% of total award)	Below threshold (0% vesting)	Threshold (25% vesting) <sup>1</sup>	Maximum (100% vesting) <sup>1</sup>
EPS growth	60%	Below 6% p.a.	6% p.a.	12% p.a.
TSR vs Direct Peer Group Index <sup>2</sup>	20%	Below median	Median	Upper quartile
ESG (Low-carbon sales as a % of total revenue) <sup>4</sup>	10%	Below 66.4%	66.4%	69%
ESG (Carbon intensity) <sup>4</sup>	10%	More than 11.7m tonnes of CO <sub>2</sub> for every £1m of revenue	11.7m tonnes of CO <sub>2</sub> for every £1m of revenue	11.0m tonnes of CO <sub>2</sub> for every £1m of revenue

#### Notes

- Awards will vest on a straight line basis between these points.
- Direct Peer Group Index is comprised of 16 companies: Ariston, Belimo, Breedon Group, Epwin Group, Eurocell, Forterra, Genuit Group, Ibstock, Lindab, Luceco, Marshalls, Norcros, SIG, SystemAir, Tyman and Zehnder.
- The targets set out above were disclosed on our website once they were approved by the Committee following the completion of our acquisition of Fantech. Later in the year there was a review into how the low-carbon sales metric was measured and the targets were subsequently increased to those set out in the table.
- As anticipated, the Fantech acquisition had a material impact on the ESG targets. The Group's low carbon revenue percentage is diluted by the acquisition of Fantech, which has a lower percentage of low carbon revenues given Australasia market dynamics. However, both management and the Committee were of the view that it was appropriate to set a target including Fantech to ensure that there is a focus on making improvements there as well as the rest of the Group. Had Fantech been excluded, the targets would have been set at higher levels than the FY24 LTIP grant. The carbon intensity targets are based on our SBTi approved targets, which are externally validated targets.

In addition to the performance conditions set out above, for awards to vest, the Committee must be satisfied with the overall financial performance of the Company over the performance period.

The LTIP awards made on 16 October 2024 were as follows:

Executive Director	Number of shares	Base price	Face value <sup>1</sup>	Face value % of base salary	Release date <sup>2</sup>	Expiry date
Ronnie George	143,046	£6.0817	£869,958	150%	16 October 2029	17 October 2034
Andy O'Brien	81,618	£6.0817	£496,373	125%	16 October 2029	17 October 2034

#### Notes

- The price used to calculate the number of LTIP awards was the average of the mid-market closing price of a Volution Group plc share on the three consecutive business days immediately preceding the date of grant.
- The LTIP awards were granted with a three-year performance period and an additional two-year holding period.

##### 2023/24 awards

As set out in the FY24 Annual Report, our actual FY23 carbon intensity was re-stated upwards from 11.1m to 12.3m (+1.2m) due to upward revisions to official country specific electricity emissions factors and capturing of additional vehicles in our UK CO<sub>2</sub> measurement. Given the baseline has been restated, the Committee has determined to amend the FY24 LTIP targets to reflect this by increasing the threshold and maximum by an equivalent amount (+1.2m), moving threshold to 10.1m and maximum to 9.3m. The Committee has only adjusted for the change in methodology which ensures that participants are not better or worse off and that the targets remain as stretching as when they were first approved. Based on our recently approved SBTi targets, this measure is still currently projected to lapse in full. In the case of future changes to the underlying methodology for in-flight LTIP awards the Committee will be minded to make similar adjustments to ensure that participants are not materially better or worse-off due to the methodology change. There other measures and targets remain as disclosed at the time.

#### Deferred Share Bonus Plan (DSBP)

##### 2024/25 awards

As set out in the Policy, under which the 2024/25 annual bonus was awarded, one-third of any bonus payment earned by the Executive Directors will be deferred into awards in the form of conditional awards over the Company's shares.

## Directors' Remuneration Report continued

On 16 October 2024, Ronnie George and Andy O'Brien received an award of shares under the DSBP relating to the 2023/24 annual bonus, as follows:

Executive Director	Number of shares	Base price	Face value <sup>1</sup>	Release date
Ronnie George	38,024	£6,0817	£231,249	16 October 2027
Andy O'Brien	26,034	£6,0817	£158,330	16 October 2027

### Note

1. The price used to calculate the number of DSBP awards was the average of the mid-market closing price of a Volution Group plc share on the three consecutive business days immediately preceding the date of grant.

### Equity incentives (audited)

Details of the awards granted, outstanding and vested during the year to the Executive Directors under the LTIP and DSBP are as follows:

Name/plan	Date of award	Number of share awards at 31 July 2025	Shares awarded during the year	Shares lapsed during the year <sup>3</sup>	Shares vested during the year	Number of share awards at 31 July 2025	Face value at date of grant £ <sup>1</sup>	Vesting date <sup>2</sup>	Expiry date
<b>Ronnie George</b>									
LTIP 2021/22	13/10/2021	141,310	–	–	118,546	–	–	13/10/2024	14/10/2031
LTIP 2022/23	12/10/2022	229,582	–	–	–	229,582	708,903	12/10/2025	13/10/2032
LTIP 2023/24	11/10/2023	226,571	–	–	–	226,571	832,490	11/10/2026	12/10/2033
LTIP 2024/25	16/10/2024	–	143,046	–	–	143,046	869,958	16/10/2027	17/10/2034
DSBP 2021/22	13/10/2021	37,383	–	–	39,444	–	–	13/10/2024	N/A
DSBP 2022/23	12/10/2022	39,168	–	–	–	39,168	120,943	12/10/2025	N/A
DSBP 2023/24	11/10/2023	37,723	–	–	–	37,723	138,606	11/10/2026	N/A
DSBP 2024/25	16/10/2024	–	38,024	–	–	38,024	231,249	16/10/2027	N/A
<b>Andy O'Brien</b>									
LTIP 2021/22	13/10/2021	82,405	–	–	69,128	–	–	13/10/2024	14/10/2031
LTIP 2022/23	12/10/2022	133,881	–	–	–	133,881	413,402	12/10/2025	13/10/2032
LTIP 2023/24	11/10/2023	129,275	–	–	–	129,275	474,999	11/10/2026	12/10/2033
LTIP 2024/25	16/10/2024	–	81,618	–	–	81,618	496,373	16/10/2027	17/10/2034
DSBP 2021/22	13/10/2021	26,160	–	–	27,602	–	–	13/10/2024	N/A
DSBP 2022/23	12/10/2022	27,409	–	–	–	27,409	84,634	12/10/2025	N/A
DSBP 2023/24	11/10/2023	26,398	–	–	–	26,398	96,995	11/10/2026	N/A
DSBP 2024/25	16/10/2024	–	26,034	–	–	26,034	158,330	16/10/2027	N/A

### Notes

- The price used to calculate the number of LTIP and DSBP awards was the average of the mid-market closing price of a Volution Group plc share on the three consecutive business days immediately preceding the date of grant, being £4.67 for the LTIP 2021/22 and DSBP 2021/22, £3.0878 for the LTIP 2022/23 and DSBP 2022/23, £3.6743 for the LTIP 2023/24 and DSBP 2023/24 and £6.0817 for the LTIP 2024/25 and DSBP 2024/25.
- LTIP awards granted from 2016/17 were granted with a three-year performance period and an additional two-year holding period.
- Shares vested during the year includes dividend equivalents over the performance period, in line with market practice.

## Directors' Remuneration Report continued

### Employee Benefit Trust

The Volution Employee Benefit Trust (EBT) currently holds 2,002,224 shares in the Company. It is the Company's intention to use shares currently held in the EBT to satisfy all awards made so far under the Long Term Incentive Plan, Deferred Share Bonus Plan and Sharesave Plan. Dividends arising on the shares held in the EBT are waived on the recommendation of the Company.

### Funding of future awards under the share incentive plans

It is the Company's current intention to satisfy any future requirements of its share incentive plans in a method best suited to the interests of the Company, either by acquiring shares in the market, utilising shares held as treasury shares or issuing new shares. Where the awards are satisfied by newly issued shares or treasury shares, the Company will comply with the dilution limits as set out in the relevant plan rules.

### Statement of Directors' shareholdings and share interests (audited)

We believe that Executive Directors should have shareholdings in the Company to ensure that they are as closely aligned as possible with shareholder interests. As such, during the year the Company had share ownership guidelines in place which stated that Executive Directors were expected to achieve and retain a holding of the Company's shares equal to 200% of their base salary.

It should be noted, as shown below, that Ronnie George and Andy O'Brien have a shareholding in excess of 200% of base salary including DSBP awards and LTIP awards that are not subject to further performance net of tax. A formal post-employment shareholding guideline is also in place requiring Executive Directors to hold a shareholding equal to their in-employment shareholding, or their actual shareholding on leaving if lower, for two years after departure. This post-employment shareholding requirement applies to shares acquired from incentive plans from DSBP and LTIP awards granted after 1 August 2020.

The Chair and the Non-Executive Directors are also encouraged to hold shares in the Company in order to align their interests with those of shareholders. Directors' interests in ordinary shares held as at 31 July 2025 (together with the interests held by Persons Closely Associated with them) are set out below.

There were no changes in the Directors' shareholdings between 31 July 2025 and the date of this report.

Name/plan	Shares held beneficially at 31 July 2024 <sup>1</sup>	Shares held beneficially at 31 July 2025	Shareholding at 31 July 2025 (% of salary) <sup>4</sup>	Target shareholding achieved <sup>2</sup>	LTIP awards (unvested awards subject to performance) <sup>3</sup>	LTIP awards vested but not exercised	DSBP awards (unvested awards, not subject to performance)
<b>Chair</b>							
Nigel Lingwood	19,785	19,785	N/A	N/A	–	–	–
<b>Executive Directors</b>							
Ronnie George <sup>5</sup>	3,089,113	828,557	1,457%	Yes	599,199	709,203	114,915
Andy O'Brien	37,886	166,131	723%	Yes	344,774	413,572	79,841
<b>Non-Executive Directors</b>							
Amanda Mellor	–	–	N/A	N/A	–	–	–
Claire Tiney	2,869	2,869	N/A	N/A	–	–	–
Jonathan Davis	5,000	5,000	N/A	N/A	–	–	–
Celia Baxter	–	–	N/A	N/A	–	–	–
Emmanuelle Dubu	–	–	N/A	N/A	–	–	–

#### Notes

1. Includes any shares held by Persons Closely Associated.

2. The target shareholding achieved has been calculated based on shares held beneficially as at 31 July 2025 using the share price on that date of £6.70 per share.

3. LTIP awards in this column consist of all awards granted as at the date of this Report which are structured as nil-cost options. All awards are subject to performance conditions, with performance measured over three financial years.

4. Includes DSBP awards and LTIP awards that are not subject to further performance on a net of tax basis.

5. During the year Ronnie George and Lynsey George sold a total of 2.3m ordinary shares as part of an aim at achieving greater portfolio diversification. Lynsey George is the wife of, and therefore a person closely associated with, Ronnie George.

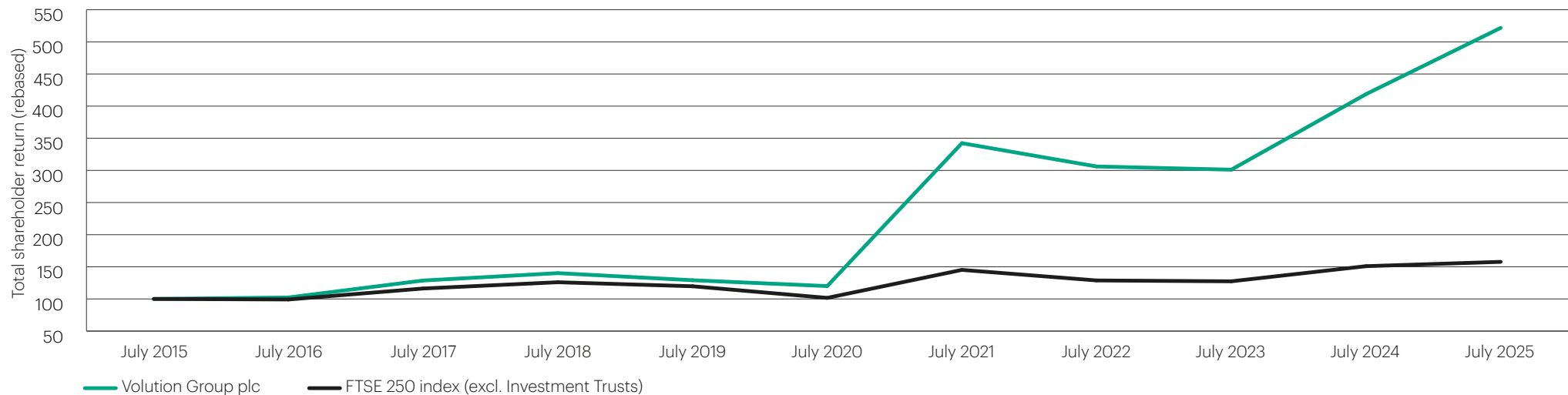
### Payments to past Directors and payments for loss of office (audited)

There were no payments to past Directors or payments for loss of office in the year.

## Directors' Remuneration Report continued

### Performance graph and Chief Executive Officer remuneration table

The chart below compares the total shareholder return performance of the Company against the performance of the FTSE 250 (excluding investment trusts), of which Volution has been a constituent since May 2021.



The table below summarises the Chief Executive Officer's single figure for total remuneration, annual bonus payments and LTIP vesting levels as a percentage of maximum opportunity.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Chief Executive Officer's single total figure of remuneration (£000)	638	1,191	909	910	757	2,535	2,227	2,250	2,031	2,682
Annual bonus pay-out (as a % of maximum opportunity)	64%	87.8%	44.3%	44.7%	0%	100%	66%	70%	100%	100%
LTIP vesting (as a % of maximum opportunity)	N/A	72.1%	61.7%	40.5%	25%	89%	100%	100%	79.5%	87.9%



## Directors' Remuneration Report continued

### Percentage change in remuneration of the Board of Directors compared to employees

The table below sets out the percentage change in salary, taxable benefits and annual bonus set out in the single figure of remuneration tables on page 115 paid to each Director in respect of the year ended 31 July 2024 and the year ended 31 July 2025, compared to that of the average change for employees.

Element of pay	Average % change 2024 to 2025			Average % change 2023 to 2024			Average % change 2022 to 2023			Average % change 2021 to 2022			Average % change 2020 to 2021		
	Salary/ fees	Taxable benefit <sup>2</sup>	Annual bonus	Salary/ fees	Taxable benefit <sup>2</sup>	Annual bonus	Salary/ fees	Taxable benefit <sup>2</sup>	Annual bonus	Salary/ fees	Taxable benefit <sup>2</sup>	Annual bonus	Salary/ fees	Taxable benefit <sup>2</sup>	Annual bonus
<b>Executive Directors</b>															
Ronnie George	4.5%	2.9%	4.5%	17.1%	-%	66.8%	7.5%	41.7%	14.6%	5.0%	9.1%	(30.6)%	6.0%	0%	100%
Andy O'Brien	4.5%	3.7%	4.4%	14.8%	-%	63.2%	7.5%	58.8%	14.6%	5.0%	13.3%	(30.6)%	3.8%	0%	100%
<b>Non-Executive Directors</b>															
Amanda Mellor	3.1%	n/a	n/a	3.2%	n/a	n/a	14.5%	n/a	n/a	14.6%	n/a	n/a	9.1%	n/a	n/a
Claire Tiney <sup>3</sup>	1.5%	n/a	n/a	3.2%	n/a	n/a	5.0%	n/a	n/a	3.4%	n/a	n/a	26.1%	n/a	n/a
Jonathan Davis	3.1%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nigel Lingwood <sup>4</sup>	22.0%	n/a	n/a	124.7%	n/a	n/a	21.7%	n/a	n/a	3.4%	n/a	n/a	383.3%	n/a	n/a
<b>Employee average<sup>1</sup></b>	<b>6.5%</b>	<b>24.1%</b>	<b>14.4%</b>	4.6%	10.1%	47.3%	6.4%	19.9%	8.1%	8.1%	15.0%	(12.0)%	5.4%	379.7%	100%

#### Notes

1. Average employee pay includes full- and part-time employee data. This figure is calculated in line with the statutory requirements and based on employees of the parent company and excludes the Executive and Non-Executive Directors. Prior-year figures have also been updated to be in line with the statutory requirements.
2. Benefits include car allowance, health cover and life assurance but exclude employer pension contributions.
3. Margaret Amos was not a Director at the year end and has not been included in the table. Celia Baxter and Emmanuelle Dubu were appointed to the Board on 5 March 2025. Claire Tiney stepped down from her role as Remuneration Committee Chair on 9 July 2025 and was succeeded by Celia Baxter on 10 July 2025. There are therefore no full year comparisons available for these Board members.
4. As set out in the Directors' Remuneration Report last year, the Chair's annual fee was increased for FY25 taking into account of the facts that there had been no material increases to the fee since IPO; the Group has become significantly larger, more complex, and more international; and the responsibilities and time commitments of the role have materially increased.

### Chief Executive Officer pay ratio

The table below sets out the ratio at the 25th, median and 75th percentile of the total remuneration received by the Chief Executive Officer (using the amount set out in the single total figure table shown in this Report on page 115), compared to the total remuneration received by our UK employees for whom total remuneration has been calculated on the same basis.

For the financial year ended 31 July 2025, Volution delivered strong revenue and profit growth and the CEO's single figure total is heavily influenced by incentive outturns and share price appreciation over the three-year performance period. These factors all contributed to the CEO pay ratio shown below.

CEO pay ratio	31 July 2025	31 July 2024	31 July 2023	31 July 2022	31 July 2021	31 July 2020
Method	Option A	Option A	Option A	Option A	Option A	Option A
75th percentile pay ratio	76:1	44:1	46:1	70:1	75:1	18:1
Median pay ratio	93:1	78:1	86:1	99:1	104:1	27:1
25th percentile pay ratio	107:1	83:1	98:1	109:1	123:1	34:1

## Directors' Remuneration Report continued

The salary and total pay for the individuals identified at the 25th percentile, median and 75th percentile as at 31 July 2025 are set out below:

Employees	25th percentile	Median	75th percentile
Salary	£25,137	£27,936	£35,121
Total pay and benefits	£25,137	£28,739	£35,121

The employees used for the purposes of the table above were identified as based in the UK as at 31 July 2025. Option A was chosen as it is considered to be the most accurate way of identifying the relevant employees required by The Companies (Miscellaneous Reporting) Regulations 2018. Employees have been included on a FTE basis where appropriate. No other adjustments were necessary and no elements of employee remuneration have been excluded from the pay ratio calculation.

The Board has confirmed that the ratio is consistent with the Company's wider policies on employee pay, reward and progression.

### Relative importance of the spend on pay

The following table shows the total expenditure on pay for all of the Company's employees compared to distributions to shareholders by way of dividend and share buyback. In order to provide context for these figures, adjusted operating profit is also shown.

Employees	2025 £m	2024 £m	% change
Employee remuneration costs	101.7	81.5	24.9
Distributions to shareholders	19.0	16.4	15.8
Adjusted operating profit	93.4	78.0	19.7

## Statement of implementation of Remuneration Policy for the financial year ending 31 July 2026

### Executive Director base salaries

As set out in the Committee Chair's letter, the Committee determined that an increase in base salary of 3.5% would be awarded to the Chief Executive Officer and the Chief Financial Officer. The increase took effect from 1 August 2025, increasing the base salary of the Chief Executive Officer to £600,000 per annum and the Chief Financial Officer to £411,000 per annum. Further details regarding the Committee discussions are set out in the Committee Chair's letter on pages 111 and 112.

### Pension contribution and other benefits

In line with the Policy, both the CEO and the CFO will continue to receive a pension of 5.5% of salary, aligned with the pension rates available to the wider UK workforce.

Other benefits received comprise an annual car allowance paid in cash, life assurance equivalent to four times annual salary and private medical insurance.

### Annual Bonus Plan

The maximum annual bonus opportunity for both the CEO and CFO will be 150% of salary, further detail of which is set out in the Remuneration Committee Chair's statement. One-third of the total bonus payable will be deferred into shares for three years.

The performance measures applicable to the Annual Bonus Plan will remain unchanged and the Committee continues its policy of setting stretching annual bonus targets which take into account a number of internal and external factors. The weightings will be: adjusted EPS (52%); adjusted operating profit (36%); and working capital management (12%).

The Committee reviewed the measures and weightings during the year and determined that the current measures remain aligned to our strategy and shareholder interests. The Committee considers it appropriate to retain EPS in the annual bonus as it provides a key measure of shareholder value and has ensured a strong pay for performance link and shareholder alignment to date. Retaining EPS in the annual bonus focuses management on EPS performance year-on-year, whilst retaining EPS in the LTIP provides a long-term focus on EPS performance, with growth measured over the performance period on a stretching, compound basis. The Committee will keep this under review in future years.

The targets set for the year ending 31 July 2026 will be disclosed in the next Annual Report on Remuneration, unless they remain commercially sensitive.

## Directors' Remuneration Report continued

### Long Term Incentive Plan (LTIP)

During 2025/26, the Committee intends to grant LTIP awards with a maximum opportunity of 175% of salary and 150% of salary for the CEO and CFO, respectively, further detail of which is set out in the Remuneration Committee Chair's statement.

The Committee will continue its policy of setting stretching LTIP targets which take into account a number of internal and external factors. Volution is committed to its purpose of providing "healthy air, sustainably" and to the importance of environmental, social and governance (ESG) measures in meeting its purpose and ESG measures are once again included. The measures will be: earnings per share (60%); total shareholder return (20%); and ESG targets (20%). As set out in the Remuneration Committee Chair's letter, for this award onwards Relative TSR will be measured against the FTSE 250 (excluding financial services and investment trusts). The ESG targets reflect the acquisition of Fantech which has diluted the low-carbon revenue percentage given Australasia market dynamics. The ROIC underpin at 18% will continue to be considered in determining the outturn.

A two-year holding period will apply to the Executive Directors following the end of the three-year performance period.

Measure	Threshold (25% vesting)	Maximum (100% vesting)
EPS growth (60% weighting)	6% p.a.	12% p.a.
Relative TSR (20% weighting)	Median	Upper quartile
ESG (20% weighting)	Low-carbon sales as a % of total revenue (10%)	70.1%
	Carbon intensity (10%)	11.2m tonnes of CO <sub>2</sub> for every £1m of revenue
		10.6m tonnes of CO <sub>2</sub> for every £1m of revenue

### Non-Executive Director fees

Fees of Non-Executive Directors are determined by the Board in their absence. The fees of the Chair (whose fees are determined by the Committee in his absence) were reviewed during the year and will be increased to £210,000 for the year ending 31 July 2026. The base fee for the Non-Executive Directors was increased by 5.2% for the year ending 31 July 2026.

The fees with effect from 1 August 2025 are summarised in the table below.

	From 1 August 2025	From 1 August 2024
Chair fee covering all Board duties	£210,000	£200,000
Non-Executive Director basic fee	£60,000	£57,054
Supplementary fees to Non-Executive Directors covering additional Board duties:		
– Senior Independent Director	£10,000	£10,000
– Audit Committee Chair	£10,000	£10,000
– Remuneration Committee Chair	£10,000	£10,000

## Directors' Remuneration Report continued

### Statement on shareholder voting

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes in respect of the approval of the Directors' Remuneration Report and the Remuneration Policy. In the event of a substantial vote against a resolution in relation to Directors' remuneration, the Company would seek to understand the reasons for any such vote and would set out in the following Annual Report and Accounts any actions in response to it.

The following table sets out the voting by shareholders at the AGM in December 2024 in respect of our Annual Report on Remuneration and at the AGM in 2023 in respect of our current Remuneration Policy.

Resolution	Votes cast for	% of votes cast	Votes cast against	% of votes cast	Votes withheld
Remuneration Policy (AGM 2023)	169,991,789	97.73%	3,948,373	2.27%	140,197
Remuneration Report (AGM 2024)	167,296,534	97.09%	5,008,420	2.91%	2,928

### Approval

This Directors' Remuneration Report was approved by the Board of Directors on 8 October 2025 and signed on its behalf by the Chair of the Remuneration Committee.

### Celia Baxter

Chair of the Remuneration Committee  
8 October 2025



# Directors' Report

## Introduction

The Directors present their Annual Report and the audited financial statements of the Company for the year ended 31 July 2025.

This Directors' Report includes additional information required to be disclosed under the Companies Act 2006, the 2018 UK Corporate Governance Code (the 2018 Code, which is publicly available at [www.frc.org.uk](http://www.frc.org.uk)), the Disclosure, Guidance and Transparency Rules (DTRs) and the UK Listing Rules (UKLR) of the Financial Conduct Authority.

Certain information required to be included in the Directors' Report is included in other sections of this Annual Report as follows, which is incorporated by reference into this Directors' Report:

- the Strategic Report on pages 1 to 80;
- the Governance Report on pages 81 to 128;
- information relating to financial instruments, as set out in note 22 to the consolidated financial statements; and
- related party transactions as set out in note 28 to the consolidated financial statements.

This Directors' Report also represents the Management Report for the purpose of compliance with the DTRs.

## Corporate structure

Volution Group plc is a public company limited by shares, incorporated in England and Wales. Its shares are traded within the single listing category for equity shares in commercial companies (ESCC) of the London Stock Exchange (LSE: FAN).

## Results and dividend

The Group's results for the year are shown in the statement of comprehensive income on page 136.

An interim dividend of 3.4 pence per share was paid to shareholders on 6 May 2025 and the Directors are recommending a final dividend in respect of the financial year ended 31 July 2025 of 7.4 pence per share. If approved, the final dividend will be paid on 16 December 2025 to shareholders on the register on 21 November 2025. The total dividend paid and proposed for the year amounts to 10.8 pence per share.

## Share capital and related matters

The Company has only one class of share and the rights attached to each share are identical. Details of the rights and obligations attaching to the shares are set out in the Company's Articles of Association which are available from the Company Secretary. The Company may refuse to register any transfer of any share which is not a fully paid share. At a general meeting of the Company, every member has one vote on a show of hands and on a poll one vote for each share held. Details of the voting procedure, including deadlines for exercising voting rights, are set out in the Notice of Annual General Meeting 2025.

As at 31 July 2025 the issued share capital of the Company was 200,000,000 ordinary shares of 1 pence each. Details of the share capital as at 31 July 2025 are shown in note 24 to the consolidated financial statements.

## Powers of the Directors

The Directors may exercise all the powers of the Company including, subject to obtaining the required authority from the shareholders in general meeting, the power to authorise the issue of new shares and the purchase of the Company's shares. During the financial year ended 31 July 2025, the Directors did not exercise any of the powers to issue or purchase shares in the Company.

## Restrictions on transfer and voting rights

There are no general restrictions on the transfer of ordinary shares in the Company other than in relation to certain restrictions that are imposed from time to time by laws and regulations (for example insider trading laws). Pursuant to the Market Abuse Regulation, Directors and certain officers and employees of the Group require the approval of the Company to deal in the ordinary shares of the Company.

Each ordinary share in the capital of the Company ranks equally in all respects. No shareholder holds shares carrying special rights relating to the control of the Company.

The Company has in place certain share incentive plans. Awards under the Company's Long Term Incentive Plan and Deferred Share Bonus Plan are normally made on an annual basis and details can be found in the Directors' Remuneration Report on pages 111 to 124. An invitation under the Company's all-employee Sharesave Scheme, a three year scheme, was launched in April 2025 with a start date of 1 July 2025.

The Company also has an Employee Benefit Trust (EBT) in which to hold ordinary shares to satisfy awards under the share incentive plans. As at the date of this report, there were 2,002,224 ordinary shares held in the EBT. The trustee of the EBT has the power to exercise the rights and powers incidental to, and to act in relation to, the ordinary shares subject to the EBT in such manner as the trustee in its absolute discretion thinks fit.

The trustee of the EBT has waived the right to receive dividends on any ordinary shares held, except for a nominal amount of 1 pence, other than for those ordinary shares held in the EBT which are the beneficial property of an employee or shareholder. For further details on the EBT please see note 24 to the consolidated financial statements. The trustee does not vote ordinary shares held in the EBT, except for those ordinary shares which are the beneficial property of an employee or shareholder, which the trustee will vote in accordance with the instructions received from the beneficial owner.

## Substantial shareholdings

The Company had been notified, in accordance with the DTRs, of the following interests representing 3% or more of the voting rights in the issued share capital of the Company:

	% of total issued share capital	Date of this Report
Major shareholder	<b>31 July 2025</b>	
Baillie Gifford & Co	<b>4.99</b>	4.99
Abrdn plc	<b>5.15</b>	5.15
Aegon Limited	<b>4.99</b>	4.99
The Capital Group Companies, Inc.	<b>5.08</b>	5.08
Black Rock, Inc	<b>5.00</b>	5.00
ODIN Forvaltning AS	<b>4.43</b>	4.43
Norges Bank	<b>3.00</b>	–

This information was correct at the date of notification. It should be noted that these holdings may have changed since they were notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed.

# Directors' Report continued

## Directors

The Directors of the Company during the year and at the date of this Report, and their biographies, are set out on pages 86 to 87. Their interests in the ordinary shares of the Company are shown in the Directors' Remuneration Report on page 119.

## Appointment and removal of Directors

Directors may be appointed by ordinary resolution of the Company or by the Board.

All Directors continuing in service will stand for election or re-election on an annual basis, in line with the recommendations of the 2018 Code.

In addition to any powers of removal conferred by the Companies Act 2006, the Company may by special resolution remove any Director before the expiration of his period of office.

## Employees

Volution is committed to sustainable development (meeting the needs of the present without compromising the ability of future generations to meet their own needs) as well as encouraging equality, diversity and inclusion amongst our workforce, and eliminating unlawful discrimination.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled member of staff should, as far as possible, be identical to that of other employees.

A Responsible Operations Policy covering diversity and inclusion can be found on the Volution website.

## Directors' indemnities and insurance

The Articles of Association of the Company permit it to indemnify the Directors of the Company against liabilities arising from or in connection with the execution of their duties or powers to the extent permitted by law.

The Company has directors' and officers' indemnity insurance in place in respect of each of the Directors. The Company has entered into a qualifying third party indemnity (the terms of which are in accordance with the Companies Act 2006) with each of the Directors, all of which were in place during the year and at the date of the financial statements. Neither the indemnity nor insurance provides cover in the event that a Director or officer is proved to have acted fraudulently.

## Transactions with related parties

Details of the transactions entered into by the Company with parties who are related to it are set out in note 28 to the consolidated financial statements.

## Change of control

There is one significant agreement to which the Company is a party that is affected by a change of control as follows:

- The Facilities Agreement described more fully in note 22 contains provisions to enter into negotiations with the lenders to continue with the facilities set out in the agreement upon notification that there will be a change of control. Further details of the Group's banking facilities are shown in note 22 to the consolidated financial statements.

The provisions of the Company's share incentive plans may cause options and awards granted to employees under such plans to vest on takeover.

The Company does not have agreements with any Director that would provide compensation for loss of office or employment resulting from a change of control.

## Amendments to the Company's Articles of Association

The Company may alter its Articles of Association by special resolution passed at a general meeting of shareholders.

## Political donations

The Group has not made in the past, nor does it intend to make in the future, any political donations.

## Post-balance sheet events

There have been no events after the reporting period requiring disclosure.

## Going concern

The Company's statement on going concern can be found on page 47.

## Viability Statement

The Board assessed the prospects of the Group over a three-year period and the Viability Statement is set out on page 46.

## Shareholder Consultation – Dis-application of Pre-emption Rights

In its 2024 Annual General Meeting results announcement, released on 11 December 2024, the Company noted that Resolution 15, in relation to the additional dis-application of pre-emption rights, received just over 20% of votes against (with 79% of votes cast being in favour). The resolution was in line with the Statement of Principles published by the Pre-emption Group in November 2022 and the specific authority sought would have been limited to issuance of equity for cash in connection with an acquisition or specified capital investment. In line with the requirements of the UK Corporate Governance Code, the Company engaged with shareholders who voted against, to understand their views on

this resolution and an update statement was published on the Company's website accordingly. Views expressed during the consultation included reservations concerning the increased level of capital that could be raised under the new authority requested. In certain cases, the level of the authority sought conflicted with underlying shareholders' internal voting policies. The Board has discussed the results of the shareholder consultation and agreed to seek to enhance transparency and communication for the forthcoming 2025 Notice of Annual General Meeting.

## Annual General Meeting

The Annual General Meeting of the Company will take place at 12.00 noon on Wednesday 10 December 2025 at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ, United Kingdom.

The Notice of Annual General Meeting and an explanation of the items of non-routine business are set out in the explanatory circular that accompanies this Annual Report and Accounts.

## Auditor and disclosure of information to auditor

Each of the Directors in office at the date when this Annual Report and Accounts was approved confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

PwC has expressed its willingness to be re-appointed as auditor of the Company. A resolution to re-appoint PwC as the Company's independent auditor will be proposed at the forthcoming Annual General Meeting.

## Directors' Report continued

### Energy and greenhouse gas emissions reporting

The Board presents this report in order to meet the Company's obligation under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 to disclose the Group's worldwide GHG emissions attributable to human activity measured in tonnes of carbon dioxide equivalent. As stated in the sustainability section, Volution is committed to reducing and minimising its impact on the environment. Examples of actions taken to increase energy efficiency are given there. The carbon emissions data disclosed in this Report covers the same period as the Company's financial year.

Our energy and GHG emissions for 2025 were calculated using the methodology set out in the UK Government's Environmental Reporting Guidelines 2019. Activity data has been converted into GHG emissions using the UK Government's most recent GHG Conversion Factors for Company Reporting (2024) and using country-specific conversion factors for our overseas businesses from reliable sources including the Association of Issuing Bodies (AIB) and the Australian and New Zealand environment ministries. This is in line with standard industry practice and allows fair comparison with other UK businesses.

### Energy use and GHG emissions – Scope 1 and 2 – Group and UK

	2025		2024	
	Group	UK	Group	UK
Energy use – Scope 1 (kwh)	8,725,207	5,266,111	9,366,373	5,849,122
Energy use – Scope 2 (kwh)	10,883,386	6,249,413	10,109,068	6,483,928
Energy use – Scope 1 and 2 (kwh)	19,608,592	11,515,523	19,475,440	12,333,050
GHG emissions – Scope 1 (CO <sub>2</sub> e tonnes)	2,294	1,098	2,120	1,204
GHG emissions – Scope 2 (CO <sub>2</sub> e tonnes)	2,736	1,116	2,317	1,342
GHG emissions – Scope 1 and 2 (CO <sub>2</sub> e tonnes)	5,030	2,214	4,437	2,547
Intensity ratio: CO <sub>2</sub> e tonnes per £m revenue	12.0	N/A	12.8	N/A

For both energy and emissions data, we have included all subsidiaries within the Group measure, and have included all UK-based subsidiary operations within our UK measure.

Other information that is relevant to the reporting of GHG emissions, including detailed descriptions of methodology and energy efficiency actions, and which is incorporated by reference into this Report, can be located on pages 178 to 190.

By order of the Board

### Fiona Smith

Company Secretary  
8 October 2025

Volution Group plc  
Registered office: Fleming Way, Crawley, West Sussex RH10 9YX  
Company number: 09041571

# Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group and the parent company financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Directors' confirmations

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

Each of the directors, whose names and functions are listed in the Governance Report on pages 86 and 87, confirm that, to the best of their knowledge:

- the group and parent company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the group and parent company, and of the profit of the group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the group and parent company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the group's and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the group's and parent company's auditors are aware of that information.

On behalf of the Board

**Ronnie George**

Chief Executive Officer  
8 October 2025

**Andy O'Brien**

Chief Financial Officer  
8 October 2025



# Independent auditors' report to the members of Volution Group Plc

## Report on the audit of the financial statements

### Opinion

In our opinion, Volution Group plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 July 2025 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Parent Company Statements of Financial Position as at 31 July 2025; the Consolidated Statement of Comprehensive Income, the Consolidated and the Parent Company Statements of Changes in Equity and the Consolidated and the Parent Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Following the completion of the audit of the year ended 31 July 2024, it was noted that a non-PwC component auditor, whose work had been used for the purpose of the audit of the consolidated financial statements, had provided payroll administration and statutory financial statement preparation services that were routine and mechanical and permissible under the IESBA Code of Ethics and the component auditor's local rules, but which were impermissible under paragraph 5.40 of the FRC Revised Ethical Standard 2019.

Based on the nature and scope of the services provided, our opinion is that the provision of the services did not affect our professional judgments in connection with the audit of the Group's financial statements for the year ended 31 July 2024 and we remained objective and independent.

Other than the matter referred to above, and to the best of our knowledge and belief, we declare that no non-audit services prohibited by the FRC's Revised Ethical Standard 2019 were provided.

Other than those disclosed in Note 8 of the Group financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

## Our audit approach

### Context

Volution Group plc is a listed supplier of ventilation products in the residential and commercial sectors, with both public and private new build and refurbishment applications. Their primary markets are the UK, Continental Europe and Australasia with trading activity spread across these regions. The Group's financial statements are an aggregation of 73 components (including the company and consolidation adjustments which are treated as separate components).

### Overview

#### Audit scope

- Our Group audit included full scope audits of six components, including the company, as well as consolidation adjustments. Taken together, the above procedures included operations covering 71% of revenue, 72% of adjusted profit before tax and 67% of net assets.
- We also performed audit procedures over specified balances and transactions across five of the Group's remaining components, the Fantech business combination and associated fair value adjustments and performed targeted analytical procedures over other financially insignificant components.

#### Key audit matters

- Accounting for business combinations, including contingent consideration (group)
- Valuation of investments in Group undertakings (parent)

#### Materiality

- Overall group materiality: £4.2 million (2024: £3.5 million) based on 5% of adjusted profit before tax.
- Overall company materiality: £3.0 million (2024: £2.5 million) based on 1% of net assets.
- Performance materiality: £3.2 million (2024: £2.6 million) (group) and £2.3 million (2024: £1.5 million) (company).

#### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

#### Key audit matters

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

# Independent auditors' report to the members of Volution Group Plc continued

## Key audit matters continued

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

### Key audit matter

### How our audit addressed the key audit matter

#### Accounting for business combinations, including contingent consideration (Group)

Accounting for business combinations, including any associated contingent consideration, is an area of management judgement and the estimates and assumptions involved can be subject to high levels of subjectivity and uncertainty. The inputs to the models used to determine the value of acquisition related intangibles recognised are subject to management estimate and small errors could result in material misstatements. Contingent consideration is judgemental since it is dependent on the future performance of the acquired businesses, and therefore is inherently subject to uncertainty and the ability of management to accurately forecast.

In the year, the Group acquired the entire share capital of Hawthorns Newco Limited ("Fantech") for total consideration of £142.3 million, of which £29.6 million was deferred until January 2026. As a result of the acquisition the Group recognised Goodwill of £66.6 million and net fair value adjustments of £48.6 million which relate to acquisition related intangible assets, inventory, leases and deferred tax (note 15).

Management have also revalued the outstanding consideration contingently payable on previous acquisitions ("the existing acquisitions"). As a result, a liability of £4.1 million has been recognised. A total charge, including unwinding of discounting, has been recognised in the consolidated income statement of £7.8 million (note 21).

As these matters represent the more significant areas of judgement, it is where we applied the most audit effort in respect of the Group and hence why it was identified as a key audit matter.

With respect to the acquisition of Fantech, and with the support our component team in Australia who performed procedures under our instruction and supervision:

- We reviewed management's accounting papers which included the key assumptions and judgements used in the accounting for the business combination;
- Using valuation specialists, our component team tested and evaluated the appropriateness of the methodology used in valuing acquisition related intangible assets and challenged management on the key assumptions and inputs to the models, obtaining supporting evidence where applicable;
- Our component team tested other fair value adjustments made and considered the completeness of such adjustments;
- Our component team tested the consideration (initial and deferred) by agreeing details to the signed sale and purchase agreement and validating cash payments to bank statements; and
- We reviewed the completeness and accuracy of the related disclosures which included challenging the sufficiency of related sensitivity and key assumption disclosures.

With respect to the existing acquisitions:

- We have reviewed management's accounting papers which included the key assumptions and judgements used in the revaluation of contingent consideration;
- We recalculated the contingent consideration with reference to the original signed sale and purchase agreements and using latest forecasts. These have been agreed to board approved budgets and assessed for reasonableness;
- We challenged the position taken on the valuation of DVS contingent consideration, considering actual performance in the months leading up to and post 31 July 2025 and we found the cash flow forecasts were supported by the recent underlying performance of the business.
- We performed an overall assessment of management's historical forecasting accuracy;
- We evaluated the appropriateness of trading and cash flow forecasts used in management's valuation models and agreed these to board approved budgets; and
- We performed sensitivity analysis on key assumptions and obtained supporting evidence to support key judgments made by management.

We concluded that the accounting for business combinations and contingent consideration is appropriate and that management's estimates in respect of business combinations and contingent consideration fall within an acceptable range.

#### Valuation of investments in Group undertakings (parent)

The carrying value of Investments in the parent company financial statements is £199.3 million (note 5 to the parent company financial statements). The key judgement is whether the carrying value of the investments are supported by the net asset position and/ or forecast future cash flows of the underlying Group undertakings. As such it was this area where we applied the most audit effort in respect of the audit of the parent company and hence why it was identified as a key audit matter.

Audit procedures included, but were not limited to, the following:

- We assessed the net assets of the underlying investments to determine whether they were in excess of the carrying value of the parent company's investment in Group undertakings and confirmed that there were no impairment indicators;
- We confirmed that the market capitalisation of the Group as at 31 July 2025 exceeded the carrying value of the investment in Group undertakings; and
- We verified that the forecast future cash flows for the Group did not indicate an impairment.

We have no issues to report in respect of this work.

# Independent auditors' report to the members of Volution Group Plc continued

## How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group operates across three regions; the UK, Continental Europe and Australasia. Its operations and the associated financial information relating to each of these regions are disaggregated through a number of operating and non-operating legal entities which, when aggregated, form the basis for the consolidated financial statements. In total there are 72 components and a further consolidation 'entity' which we consider a component for the purposes of our scoping. It is at this component level that, for the purposes of the Group audit, we determined the nature of the work to be performed over the financial information. This was based on our assessment of audit risk and evaluation and allocation of our materiality.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate coverage of material balances in the financial statements, we considered the size of components, the risk profile, organisation structure and the control environment of the Group as well as changes in the business environment and other factors such as the impact of business combinations and recent internal audit reports. We performed full scope audits of six components, including the parent company, as well full scope procedures over the consolidation 'entity'. These were selected based on their size and risk characteristics. Our full scope procedures covered six components, two within Australia, one in each of Germany and Sweden and two in the UK (including the parent company). These represent the principal components within the Group and ensured work was performed in all three of the Group's regions.

We also performed specified audit procedures on a further five material account balances, completed by the Group and Swedish component teams, in addition to the accounting for the Fantech business combination and associated fair value adjustments, completed by one of our component audit teams. Desktop reviews and targeted analytical procedures were completed on remaining components that were not determined to be inconsequential to the consolidated financial statements.

Overall, our work including the specified audit procedures covered 71% of revenue, 72% of adjusted profit before tax and 67% of net assets.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group engagement team, or by component auditors operating under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. In addition to instructing and reviewing the reporting from our component audit teams, we conducted file reviews for all components and participated in key meetings with component audit teams and had regular dialogue with component teams throughout the year. We also conducted site visits to those components that were new to the Group in the year to meet with component audit teams and local management teams.

## The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process management adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and support the disclosures made within the "Planet" section of the Annual Report, which includes the Task Force on Climate-related Financial Disclosures.

The Group has determined that whilst it considers climate change to be a net opportunity for the Group, the most significant future risks from climate change will be from changing weather patterns that may directly damage production facilities or disrupt supply chains; investors and lenders not allocating sufficient capital to the Group and governments implementing taxes or charges which penalise the Group; and also increasing the input cost of energy, freight and materials. In addition to enquiries with management, we also:

- Read additional reporting made by the entity on climate including its Carbon Disclosure Project public submission; and
- Challenged and evaluated the completeness of management's climate risk assessment by:
  - Evaluating the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section) and ESG Data Section within the Annual Report with the financial statements and our knowledge obtained from our audit;
  - Challenging the consistency of management's climate impact assessment with internal climate plans and board minutes, including whether the time horizons management have used take account of all relevant aspects of climate change such as transition risks; and
  - Reading the entity's website and communications for details of climate related commitments, impacts and any related inconsistencies.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters as of, and for the year ended 31 July 2025.

# Independent auditors’ report to the members of Volusion Group Plc continued

## Materiality

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

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – company
Overall materiality	£4.2 million (2024: £3.5 million).	£3.0 (2024: £2.5 million).
How we determined it	5% of adjusted profit before tax	1% of net assets
Rationale for benchmark applied	Profit before tax is a generally accepted auditing benchmark for listed engagements as this is typically the primary measure of performance. The Directors also use adjusted profit before tax (adjusted for amortisation on assets acquired through business combinations, the fair value movement on financial liabilities and the cost of business combinations) as one of the primary KPI’s. These line items are adjusted as they do not represent underlying performance of the Group’s core operations, and we believe this adjusted profit before tax is the primary measure used by the other key stakeholders in assessing the performance of the Group. This is also a significant component of adjusted EPS and a key metric for management incentives.	We believe that net assets is the primary measure used by the shareholders in assessing the financial position of the holding entity, and is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £0.5 million and £3.7 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £3.2 million (2024: £2.6 million) for the group financial statements and £2.3 million (2024: £1.9 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £205,000 (group audit) (2024: £175,000) and £148,000 (parent company audit) (2024: £125,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

## Conclusions relating to going concern

Our evaluation of the directors’ assessment of the group’s and the company’s ability to continue to adopt the going concern basis of accounting included:

- We tested the mathematical accuracy of the model and the integrity of the underlying data used by management in developing their going concern assessment and agreed their forecast to the budgets approved by the Board. We concur that the model demonstrated sufficient liquidity and headroom during the going concern forecast period;
- We challenged management on the key assumptions used in the model, including agreeing to supporting evidence where appropriate, and assessing whether the sensitivities modelled in the “severe but plausible” scenario were sufficiently severe to model potential future economic downturn and had sufficient liquidity and covenant compliance headroom during the going concern forecast period;
- We considered the historical accuracy of management forecasting by comparing budgeted results to actual performance for the last two financial years and found it to be reasonable;
- We reviewed the new financing agreement entered into the period and confirmed all key terms had been completely and accurately reflected into managements assessment;
- We reviewed the covenants applicable to the Group’s borrowings facility and confirmed that the forecasts including the corresponding downsides supported ongoing compliance with the covenants in the going concern assessment period;
- We reviewed the disclosures relating to going concern made by management in the financial statements and found these to be consistent with the assessment prepared by management and the procedures we performed.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group’s and the company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group’s and the company’s ability to continue as a going concern.

In relation to the directors’ reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors’ statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.



# Independent auditors' report to the members of Volution Group Plc continued

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 July 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Director's Remuneration

In our opinion, the part of the Remuneration Committee Report to be audited has been properly prepared in accordance with the Companies Act 2006.

## Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Strategic report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

# Independent auditors' report to the members of Volution Group Plc continued

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

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

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

### Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax regulations, London Stock Exchange Listing Rules and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate manipulation of reported results through posting of fraudulent journals and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Enquiry with management, internal audit and Audit Committee regarding any litigations or claims from non-compliance with laws and regulation and whether there were any known or suspected instances of fraud;

- Review of internal audit reports and board meeting minutes for any instances of known or suspected non-compliance with laws and regulation and fraud;
- Reviewing financial statement disclosures against specific legal requirements and relevant legislation;
- Review of any employment disputes or litigation to ensure there were no broader non-compliance issues with employment laws and regulations;
- Challenging the assumptions and judgements made by management in determining their significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, including significant transactions outside the normal course of business, and evaluating their business rationale.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Independent auditors' report to the members of Volution Group Plc continued

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Remuneration Committee Report to be audited are not in agreement with the accounting records and returns; or
- a corporate governance statement has not been prepared by the company.

We have no exceptions to report arising from this responsibility.

### Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 13 December 2023 to audit the financial statements for the year ended 31 July 2024 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 31 July 2024 to 31 July 2025.

### Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

### Simon Bailey (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
8 October 2025

# Consolidated Statement of Comprehensive Income

For the year ended 31 July 2025

	Notes	2025 £000	2024 £000
<b>Revenue from contracts with customers</b>	3	<b>419,114</b>	347,611
Cost of sales		<b>(213,496)</b>	(169,344)
<b>Gross profit</b>		<b>205,618</b>	178,267
Administrative and distribution expenses		<b>(130,567)</b>	(109,545)
<b>Operating profit before separately disclosed items</b>	7	<b>75,051</b>	68,722
Costs of business combinations		<b>(3,138)</b>	(206)
Fair value movement in contingent consideration	21	<b>(4,702)</b>	1,845
<b>Operating profit</b>		<b>67,211</b>	70,361
Finance income	5	<b>306</b>	283
Finance costs	5	<b>(9,404)</b>	(6,605)
Re-measurement of financial liabilities	21	<b>(455)</b>	(870)
Unwinding of discounting on future consideration	21	<b>(3,176)</b>	(6,599)
<b>Profit before taxation</b>		<b>54,482</b>	56,570
Taxation	9	<b>(12,949)</b>	(13,773)
<b>Profit for the year</b>		<b>41,533</b>	42,797
<b>Other comprehensive loss</b>			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences arising on translation of foreign operations		<b>(2,965)</b>	(6,151)
Gain on currency loans relating to the net investment in foreign operations		<b>3,210</b>	1,124
<b>Other comprehensive loss for the year</b>		<b>245</b>	(5,027)
<b>Total comprehensive income for the year, net of tax</b>		<b>41,778</b>	37,770
<b>Earnings per share</b>			
Basic earnings per share	10	<b>21.0p</b>	21.6p
Diluted earnings per share	10	<b>20.7p</b>	21.4p



# Consolidated Statement of Financial Position

At 31 July 2025

	Notes	2025 £000	2024 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	34,010	30,193
Right-of-use assets	20	39,949	24,894
Intangible assets – goodwill	12	235,785	171,340
Intangible assets – others	14	125,246	76,902
<b>Total non-current assets</b>		<b>434,990</b>	303,329
<b>Current assets</b>			
Inventories	16	71,294	53,112
Trade and other receivables	17	77,390	55,239
Income tax assets		–	392
Cash and short-term deposits	18	18,780	18,243
<b>Total current assets</b>		<b>167,464</b>	126,986
<b>Total assets</b>		<b>602,454</b>	430,315
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	19	(71,739)	(46,653)
Refund liabilities	3	(12,806)	(10,847)
Income tax liabilities		(2,308)	(3,940)
Other financial liabilities	21	(31,597)	(22,068)
Interest-bearing loans and borrowings	22	(6,396)	(14,363)
Provisions	23	(2,133)	(1,450)
<b>Total current liabilities</b>		<b>(126,979)</b>	(99,321)

	Notes	2025 £000	2024 £000
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	22	(177,021)	(71,630)
Other financial liabilities	21	(1,500)	–
Provisions	23	(730)	(819)
Deferred tax liabilities	25	(26,236)	(12,622)
<b>Total non-current liabilities</b>		<b>(205,487)</b>	(85,071)
<b>Total liabilities</b>		<b>(332,466)</b>	(184,392)
<b>Net assets</b>		<b>269,988</b>	245,923
<b>Equity</b>			
Share capital	24	2,000	2,000
Share premium	24	11,527	11,527
Treasury shares		(2,999)	(2,250)
Capital reserve		93,855	93,855
Share-based payment reserve		6,436	5,427
Foreign currency translation reserve		(6,007)	(6,252)
Retained earnings		165,176	141,616
<b>Total equity</b>		<b>269,988</b>	245,923

The consolidated financial statements of Volution Group plc (registered number: 09041571) on pages 136 to 170 were approved by the Board of Directors and authorised for issue on 8 October 2025.

On behalf of the Board

**Ronnie George**  
Chief Executive Officer  
8 October 2025

**Andy O'Brien**  
Chief Financial Officer  
8 October 2025

# Consolidated Statement of Changes in Equity

For the year ended 31 July 2025

	Share capital £000	Share premium £000	Treasury shares £000	Capital reserve £000	Share-based payment reserve £000	Foreign currency translation reserve £000	Retained earnings £000	Total equity £000
<b>At 1 August 2023</b>	2,000	11,527	(2,390)	93,855	5,584	(1,225)	116,894	226,245
Profit for the year	-	-	-	-	-	-	42,797	42,797
Other comprehensive loss	-	-	-	-	-	(5,027)	-	(5,027)
Total comprehensive income	-	-	-	-	-	(5,027)	42,797	37,770
Purchase of own shares	-	-	(2,732)	-	-	-	-	(2,732)
Vesting of share options	-	-	2,872	-	(1,214)	-	(1,658)	-
Share-based payment including tax	-	-	-	-	1,057	-	-	1,057
Dividends paid (note 26)	-	-	-	-	-	-	(16,417)	(16,417)
<b>At 31 July 2024</b>	2,000	11,527	(2,250)	93,855	5,427	(6,252)	141,616	245,923
Profit for the year	-	-	-	-	-	-	41,533	41,533
Other comprehensive loss	-	-	-	-	-	245	-	245
Total comprehensive income	-	-	-	-	-	245	41,533	41,778
Correction to IFRS 16 lease transition*	-	-	-	-	-	-	932	932
Purchase of own shares	-	-	(3,003)	-	-	-	-	(3,003)
Vesting of share options	-	-	2,254	-	(1,659)	-	100	695
Share-based payment including tax	-	-	-	-	2,668	-	-	2,668
Dividends paid (note 26)	-	-	-	-	-	-	(19,005)	(19,005)
<b>At 31 July 2025</b>	2,000	11,527	(2,999)	93,855	6,436	(6,007)	165,176	269,988

\* The IFRS 16 item above relates to the correction of an immaterial error identified in the value of lease liabilities and corresponding retained earnings adjustment recognised on transition to IFRS 16.

# Consolidated Statement of Cash Flows

For the year ended 31 July 2025

	Notes	2025 £000	2024 £000		Notes	2025 £000	2024 £000
<b>Operating activities</b>				<b>Investing activities</b>			
Profit for the year after tax		41,533	42,797	Purchase of intangible assets	14	(2,056)	(1,918)
<b>Adjustments to reconcile profit for the year to net cash flow from operating activities:</b>				Purchase of property, plant and equipment	11	(6,568)	(5,464)
Income tax		12,949	13,773	Proceeds from disposal of property, plant and equipment and intangible assets – other		338	445
Gain on disposal of property, plant and equipment and intangible assets – other		(154)	(184)	Business combination of subsidiaries, net of cash acquired	15	(107,358)	(8,498)
Amortisation of acquired inventory fair value adjustment		7,048	–	Payment of i-Vent contingent consideration	15	–	(2,566)
Fair value movement in contingent consideration	21	4,702	(1,845)	Payment of ERI deferred consideration	15	–	(1,874)
Re-measurement of financial liabilities	21	455	870	Interest received		306	283
Unwinding of discounting on future consideration	21	3,176	6,599	<b>Net cash flow used in investing activities</b>		<b>(115,338)</b>	<b>(19,592)</b>
Finance income	5	(306)	(283)	<b>Financing activities</b>			
Finance costs	5	9,404	6,605	Repayment of interest-bearing loans and borrowings		(100,681)	(56,734)
Share-based payment expense	31	2,154	1,200	Repayment of VMI debt acquired		(248)	(237)
Depreciation of property, plant and equipment	11	4,652	4,413	Repayment of ClimaRad vendor loan		(9,463)	–
Depreciation of right-of-use assets	20	6,070	4,738	Consideration paid for ClimaRad non-controlling interest		(20,853)	–
Amortisation of intangible assets	14	13,540	11,129	Proceeds from new borrowings		198,828	28,283
<b>Working capital adjustments net of the effect of acquisitions:</b>				Issue costs of new borrowings		(1,822)	–
Increase in trade receivables and other assets		(7,060)	(2,776)	Interest paid		(7,955)	(5,321)
Decrease in inventories		6,185	5,976	Payment of principal portion of lease liabilities		(5,949)	(5,672)
Amortisation of acquired inventory fair value adjustment		(7,048)	–	Dividends paid to equity holders of the parent	26	(19,005)	(16,417)
Increase/(decrease) in trade and other payables		11,985	(670)	Purchase of own shares		(2,308)	(2,732)
Increase in provisions		389	204	<b>Net cash flow generated from/(used in) financing activities</b>		<b>30,544</b>	<b>(58,830)</b>
<b>Cash generated by operations</b>		<b>109,674</b>	<b>92,546</b>	Net increase/(decrease) in cash and cash equivalents		<b>181</b>	<b>(2,712)</b>
UK income tax paid		(5,500)	(7,019)	Cash and cash equivalents at the start of the year		<b>18,243</b>	<b>21,244</b>
Overseas income tax paid		(14,619)	(9,817)	Effect of exchange rates on cash and cash equivalents		<b>356</b>	<b>(289)</b>
Payment of ERI contingent consideration		(4,580)	–	<b>Cash and cash equivalents at the end of the year</b>	18	<b>18,780</b>	<b>18,243</b>
<b>Net cash flow generated from operating activities</b>		<b>84,975</b>	<b>75,710</b>				

Volution Group plc (the Company) is a public limited company and is incorporated and domiciled in the UK (registered number: 09041571). The share capital of the Company is listed on the London Stock Exchange. The address of its registered office is Fleming Way, Crawley, West Sussex RH10 9YX.

# Notes to the Consolidated Financial Statements

For the year ended 31 July 2025

## 1. Accounting policies

### Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards (UK-adopted IAS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements have been prepared under the historical cost convention, except for business combinations, other financial liabilities, share based payments, and derivative financial instruments measured at fair value, as referred to in the respective accounting policies below. The consolidated financial statements are presented in GBP, being the functional currency of the parent company. All values are rounded to the nearest thousand (£000), except as otherwise indicated.

### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 July 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if there are changes to the facts and circumstances indicate that there are changes to one or more of the three elements of control. The financial statements of subsidiaries are prepared for the same reporting periods using consistent accounting policies. All intercompany transactions and balances, including unrealised profits arising from intra-group transactions, have been eliminated on consolidation.

### Going concern

The financial position of the Group, its cash flows and liquidity position are set out in the financial statements. Furthermore, note 27 to the consolidated financial statements includes the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and its exposure to credit and liquidity risk.

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered external factors, including potential scenarios arising from the political and macroeconomic uncertainty that has arisen post-Covid, the invasion of Ukraine early in 2022, from conflict in the Middle east, and from the Group's other principal risks set out of page 45. Under a severe but plausible downside scenario, the Group remains comfortably within its debt facilities and the attached financial covenants within the period of assessment to 31 January 2027. The Directors therefore believe, at the time of approving the financial statements, that the Company is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are summarised below.

Our financial position remains robust with the new debt facilities of £230 million, and an accordion of a further £70 million, reducing to a £200 million facility in October 2027 and maturing in September 2028. The financial covenants on these facilities are for leverage (net debt/adjusted EBITDA) of not more than 3x and for interest cover (adjusted EBITDA/net finance charges) of not less than 4x. As at 31 July 2025, leverage was 1.2 (31 July 2024: 0.4) and interest cover was 13.6 (31 July 2024: 14.8).

Our base case scenario has been prepared using robust forecasts from each of our operating companies, with each considering the risks and opportunities the businesses face.

We have then applied a severe but plausible downside scenario, based on a more severe downturn than seen during the financial crisis and Covid pandemic, in order to model the potential concurrent impact of:

- a general economic slowdown reducing revenue by 15% compared with forecast, with a corresponding reduction in variable cost base;
- supply chain difficulties or input price increases reducing gross profit margin by 10%; and
- a 1% interest rate increase impacting cost of debt.

A reverse stress test scenario has also been modelled which shows a revenue contraction of c.26% against the base case with no mitigations would be required to breach covenants, which is considered extremely remote in likelihood of occurring. Mitigations available within the control of management include reducing discretionary capex and discretionary indirect costs.

Over the short period of our climate change assessment (aligned to our going concern assessment), we have concluded that there is no material adverse impact of climate change and hence have not included any impacts in either our base case or downside scenarios of our going concern assessment. We have not experienced material adverse disruption during periods of adverse or extreme weather in recent years, and we would not expect this to occur to a material level over the period of our going concern assessment.

The Directors have concluded that the results of the scenario testing, combined with the significant liquidity profile available under the revolving credit facility, confirm that the Group remains a going concern.

### Foreign currencies

For the purpose of presenting consolidated financial information, the assets and liabilities of the Group's foreign operations are expressed in GBP using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rate for the period. Exchange differences arising are classified as other comprehensive income and are transferred to the foreign currency translation reserve. All other translation differences are taken to profit and loss with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against Group equity investments in foreign operations, in which case they are taken to other comprehensive income together with the exchange difference on the net investment in these operations.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The key judgement, apart from any involving estimations, that has the most significant effect on the amounts recognised in the financial statements is the identification of the Group's cash generating units (CGUs) and the grouping of those CGUs for goodwill impairment testing purposes. This judgement could have a significant impact on the carrying value of goodwill and other intangible assets in the financial statements. Hence, the Directors have concluded that this is a key judgement under the scope of paragraph 122 of IAS 1. Further details can be found in note 13 (impairment assessment of goodwill).

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 1. Accounting policies continued

### Critical accounting judgements and key sources of estimation uncertainty continued

#### Valuation of Fantech acquisition intangibles

The material estimates relevant to the current financial year relate to inputs into the valuation of Fantech acquired customer relationships and trademark intangible assets. Reasonably possible changes to key estimates in the valuation of these assets would have a material impact on the carrying value of acquired intangible assets and hence the Directors have concluded that this is a material accounting estimate. Further details can be found in note 15 (business combinations).

The Directors have concluded that there are no additional major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Other judgements and estimates, which the Directors do not believe to be critical accounting judgements or key sources of estimation uncertainty under the scope of paragraph 122 or 125 of IAS1, but for which additional disclosures have been made in the relevant notes, include estimates and assumptions made related to: impairment assessment of goodwill (note 13), and assumptions relating to future performance of recent acquisitions in the valuation of various contingent financial liabilities (note 21).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Separately disclosed items

The Group discloses some items on the face of the consolidated statement of comprehensive income by virtue of their nature, size or incidence to allow a better understanding of the underlying trading performance of the Group. These separately disclosed items include, but are not limited to, significant restructuring costs and significant business combination and related integration and earn-out costs.

#### Revenue from contracts with customers (note 3)

##### Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the buyer, usually on the delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties and volume rebates). In determining the transaction price for the sale of ventilation products, the Group considers the effects of variable consideration (if any).

##### Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained, other than with respect to volume rebates, based on its historical experience, business forecasts and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short timeframe.

At the reporting date, the Directors make estimates of the amount of rebate that will become payable by the Group under these agreements; to estimate the variable consideration for the expected future rebates, the Group applies the expected value method for contracts with more than one volume threshold. Where the respective customer has been engaged with the Group for a number of years, historical settlement trends are also used to assist in ensuring an appropriate estimate is recorded at the reporting date and that appropriate internal approvals and reviews take place before rebates are recorded.

The sales rebate provision is recognised within refund liabilities, rather than trade receivables, as a significant proportion of the agreements across the Group do not provide for credit notes to be raised against receivable balances. Rather, cash payment of the rebate amount due is expected. Furthermore, the majority of rebate agreements do not contain a clause which provides a legally enforceable right to offset invoiced amounts.

#### Installation services

The Group provides installation services that are bundled together with the sale of equipment to a customer.

Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on an estimate of the relative standalone selling prices of the equipment and the residual approach for installation services.

The Group recognises revenue from installation services at a point in time after the service has been performed; this is because installation of the ventilation equipment is generally over a small timeframe, usually around one to two days.

#### Contract balances

There are no contract assets or liabilities included within the statement of financial position, as invoicing closely aligns with point of revenue recognition.

#### Segmental analysis (note 4)

The method of identifying reporting segments is based on internal management reporting information that is regularly reviewed by the Chief Operating Decision-Maker, which is considered to be the Chief Executive Officer of the Group.

In identifying its operating segments, management follows the Group's market sectors. These are UK, Continental Europe (Nordics and Central Europe) and Australasia.

The measure of revenue reported to the Chief Operating Decision-Maker to assess performance is total revenue for each operating segment. The measure of profit reported to the Chief Operating Decision-Maker to assess performance is adjusted operating profit (see note 33 for definition) for each operating segment. Gross profit and the analysis below segment profit is additional voluntary information and not 'segment information' prepared in accordance with IFRS 8.

Finance revenue and costs are not allocated to individual operating segments as the underlying instruments are managed on a Group basis.



# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 1. Accounting policies continued

### Segmental analysis (note 4) continued

Total assets and liabilities are not disclosed as this information is not provided by operating segment to the Chief Operating Decision-Maker on a regular basis.

### Finance income and costs (note 5)

Net financing costs comprise interest income on funds invested, changes in the fair value of financial instruments and interest expense on borrowings. Interest income and expense is recognised as it accrues in the statement of comprehensive income using the effective interest method.

### Staff costs (note 6)

#### Pension

Contributions to defined contribution schemes are recognised in the statement of comprehensive income in the period they become payable. The cost charged to the statement of comprehensive income of providing retirement pensions for employees represents the amounts paid by the Group to various defined contribution pension schemes operated by the Group in the financial period.

### Income tax (note 9)

Current income tax assets and liabilities are measured at the amount expected to be recovered from, or payable to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. The Group's deferred tax policy is disclosed separately later in this note.

### Property, plant and equipment (note 11)

Property, plant and equipment is stated at cost, net of accumulated depreciation and impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment; when significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation is charged so as to write off the cost or valuation of assets, except freehold land, over their estimated useful lives using the straight line method.

Tangible assets arising from a business combination are recognised initially at fair value at the date of acquisition.

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

Freehold buildings	–	30–50 years
Plant and machinery	–	5–10 years
Fixtures, fittings, tools, equipment and vehicles	–	4–10 years

Depreciation is charged to either cost of sales or administrative expenses based on how the asset is used within the business.

### Goodwill (note 12)

Goodwill is initially recognised at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. During the measurement period (12 months from the date of acquisition) adjustments could be made to goodwill as a result of new information relating to events or circumstances relating to the acquisition date.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

### Impairment assessment of goodwill (note 13)

Goodwill is required to be tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, where the recoverable amount is the higher of the asset's fair value less costs of disposal and value-in-use.

Goodwill acquired through business combinations has been allocated, for impairment testing purposes, to a group of cash generating units (CGUs). These grouped CGUs are: UK, Central Europe, Nordics and Australasia. This is also the level at which management is monitoring the value of goodwill for internal management purposes. The identification of the Group's CGUs used for impairment testing is considered a critical judgement within the scope of paragraph 122 of IAS1.

The Group's value-in-use calculation is based on a discounted cash flow model.

### Intangible assets – other (note 14)

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the business combination date.

The fair value of patents, trademarks and customer base acquired and recognised as part of a business combination is determined using the relief-from-royalty method or multi-period excess earnings method.

### Research and development

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use or sale; its intention to complete and its ability to use or sell the asset; how the asset will generate future economic benefits; the availability of resources to complete the asset; and the ability to reliably measure the expenditure during development.

### Software costs

Software that is not integral to an item of property, plant or equipment is recognised separately as an intangible asset.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 1. Accounting policies continued

### Intangible assets – other (note 14) continued

#### Subsequent measurement of intangible assets

Intangible assets with a finite life are amortised on a straight line basis over their estimated useful lives as follows:

Development costs	10 years
Software costs	5–10 years
Customer base	5–10 years
Trademarks	10–25 years
Patents/technology	5–20 years

The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### Impairment of other non-current assets excluding goodwill

Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. At each reporting date, the Group completes an assessment of indicators of impairment impacting non-current assets excluding goodwill. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

#### Business combinations (note 15)

Business combinations are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the consideration transferred, measured at fair value on the date of the business combination. The business combination costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the business combination date.

Contingent and/or deferred consideration (note 21) resulting from business combinations is accounted for at fair value at the acquisition date as part of the business combination, and it is subsequently re-measured to fair value at each reporting date, with changes in fair value recognised in profit or loss. The key estimates and assumptions used in determining the discounted cash flows take into consideration the probability of meeting each performance target and a discount factor.

### Inventories (note 16)

Inventories are stated at the lower of cost and net realisable value.

The cost of work in progress and finished goods includes the cost of direct raw materials and labour and an appropriate portion of fixed and variable overhead expenses based on normal operating capacity but excludes borrowing costs. The cost of raw materials is purchase cost valued using a first-in, first-out basis.

Finished goods and work in progress inventories acquired as part of business combinations is valued at fair value less cost to sell. Fair value is estimated using a top down method, based on estimated product sales prices, costs to complete and estimated selling/disposal costs.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs to sell.

Provisions are made to write down slow-moving, excess and obsolete items to net realisable value, based on an assessment of technological and market developments and on an analysis of historical and projected usage with regard to quantities on hand.

### Financial instruments

The Group measures its financial assets either at amortised cost or at fair value through profit and loss, depending on the purpose for which the asset was acquired. Financial assets held at amortised cost include trade and other receivables and cash and cash equivalents. Financial assets held at fair value through profit and loss include in the money forward exchange forward contracts.

The Group measures its financial liabilities either at amortised cost or at fair value through profit and loss, depending on the purpose for which the liability was acquired. Financial liabilities held at amortised cost include trade payables and accruals, lease liabilities, interest bearing bank loans and provisions. Financial liabilities held at fair value through profit and loss include contingent and deferred consideration and out of the money forward exchange forward contracts.

### Trade and other receivables (note 17)

Trade and other receivables are carried at original invoice or contract amount less any provisions for discounts and expected credit losses (ECLs).

The Group applies a simplified approach in calculating ECLs. Receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms, including number of days past receivable due date. The expected loss rates are calculated using the provision matrix approach. The provision matrix is determined based on historical observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates.

### Cash and cash equivalents (note 18)

Cash and short-term deposits comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. Some regions of the Group have cash pooling arrangements which offsets bank overdrafts against cash balances.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 1. Accounting policies continued

### Trade payables and accruals (note 19)

Trade payables and accruals principally comprise of amounts outstanding for trade purchases and ongoing costs. These are recognised at the amounts expected to be paid.

### Leases (note 20)

The Group leases a range of assets including property, plant and equipment and vehicles. The Group's lease liabilities are included in interest-bearing loans and borrowings on the statement of financial position.

At the commencement date of the lease, the Group measures lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Leases are measured to the end of the lease term, including any extension options within Group control, unless it is considered reasonably certain that the lease will be exited at an earlier available break date.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable.

Right-of-use assets are measured based on the value of corresponding lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs, and any provision for restoration costs.

The carrying amount of lease liabilities and right-of-use assets are re-measured if there is a modification or reassessment of lease terms, including a change in the contractual or assessed lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term.

Freehold buildings	–	up to 20 years
Plant and machinery	–	3–6 years
Fixtures, fittings, tools, equipment and vehicles	–	2–5 years

Depreciation charge is split between cost of sales and administrative expenses based on estimated split of property usage between production and sales and administrative functions.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Derivative financial instruments (note 21)

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk. Instruments used are principally foreign exchange forward contracts. No derivative contracts have been designated as hedges for accounting purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the reporting date. The resulting gain or loss is immediately recognised in the statement of comprehensive income.

### Interest-bearing loans and borrowings (note 22)

Borrowings and other financial liabilities, including loans, are initially measured at fair value, net of transaction costs.

Borrowings and other financial liabilities are subsequently measured at amortised cost using the effective interest method. Finance cost includes the amortisation of initial transaction costs as well as any interest payable while the liability is outstanding.

### Provisions for warranties and property dilapidations (note 23)

Provisions for warranties are made with reference to the warranty period, recent trading history and historical warranty claim information, and the view of management as to whether warranty claims are expected.

Dilapidation provisions relate to estimated contractual restoration costs expected to be paid on exit of the lease, discounted to present value.

### Deferred tax (note 25)

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, deferred tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income.

Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 1. Accounting policies continued

### Dividends paid and proposed (note 26)

Dividends are recognised when they meet the criteria for recognition as a liability or when they are paid.

### Share-based payments (note 31)

#### Equity-settled transactions

The Group enters into equity-settled share-based payment transactions with its employees, in particular as part of the Volution Long-term Incentive Plan.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the valuation model detailed within note 31 and incorporates an assessment of relevant performance conditions. The cost is recognised in employee benefits expense (note 6), together with a corresponding increase in equity (share-based payment reserve), over the vesting period in which the service and performance conditions are fulfilled. The amount to be expensed over the vesting period is adjusted at each balance sheet date to reflect the number of awards for which conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the conditions at the vesting date. The impact of the revision of original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

### Treasury shares

The treasury shares reserve represents the cost of shares in Volution Group plc purchased in the market and held by the Volution Employee Benefit Trust to satisfy obligations under the Group's share incentive schemes. Treasury shares are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Shares are transferred out of treasury share reserve upon vesting of awards under share incentive plans.

### Capital reserve

The capital reserve is the difference in share capital and reserves arising from the use of the pooling of interest method for preparation of the financial statements in 2014. This is a non-distributable reserve.

### Share-based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to key management personnel, as part of their remuneration. Refer to note 31 for further detail of these plans.

### Foreign currency translation reserve

For the purpose of presenting consolidated financial information, the assets and liabilities of the Group's foreign operations are expressed in GBP using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rate for the period. Exchange differences arising are classified as other comprehensive income and are transferred to the foreign currency translation reserve. All other translation differences are taken to profit and loss with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against Group equity investments in foreign operations, in which case they are taken to other comprehensive income together with the exchange difference on the net investment in these operations.

## New standards or interpretations

The standards or interpretations listed below have become effective since 1 August 2024 for annual periods beginning on or after 1 January 2024 and had no material impact on these consolidated financial statements:

- Amendments to IAS 1 'Classification of liabilities as current or non-current';
- Amendments to IFRS 16 'Lease liability in a sale and leaseback';
- Amendments to IAS 1 'Non-current liabilities with covenants'; and
- Amendments to IAS 7 'Supplier finance arrangements'.

The segment analysis reporting disclosures in note 4 have been updated retrospectively following the July 2024 IFRIC agenda decision on IFRS 8 Segment reporting to include disclosure of material costs, being cost of sales, included within profit measures reported to the Chief Operating Decision-Maker.

At the date of authorisation of these consolidated financial statements, the Group has not early adopted the following new and revised IFRS Standards that have been issued but are not yet effective.

The following amendments become effective after 1 January 2027:

- Amendments to IFRS 18 'Presentation and disclosure in financial statements'.

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the Group in future periods.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 2. Adjusted earnings

The Board and key management use some Alternative Performance Measures (APMs) to track and assess the underlying performance of the business. These measures include adjusted operating profit and adjusted profit before tax. These measures are deemed helpful as they remove items that do not reflect the day-to-day trading operations of the business and therefore their exclusion is relevant to an assessment of the day-to-day trading operations, as opposed to overall annual business performance. Such alternative performance measures are not defined terms under IFRS and may not be comparable with similar measures disclosed by other companies. Likewise, these measures are not a substitute for IFRS measures of profit. A reconciliation of these measures of performance to the corresponding reported figure is shown below. For definitions of terms referred to see note 33.

	2025 £000	2024 £000
<b>Profit after tax</b>	<b>41,533</b>	42,797
<b>Add back:</b>		
Fair value movement in contingent consideration (note 21)	4,702	(1,845)
Cost of business combinations (note 15)	3,138	206
Unwinding of discounting on future consideration (note 21)	3,176	6,599
Amortisation of acquired inventory fair value adjustment (note 15)	7,048	-
Net loss/(gain) on financial instruments at fair value (note 5)	19	(144)
Amortisation of intangible assets acquired through business combinations (note 14)	11,335	9,322
Tax effect of the above	(5,341)	(1,664)
<b>Adjusted profit after tax</b>	<b>65,610</b>	55,271
<b>Add back:</b>		
Adjusted tax charge	18,290	15,437
<b>Adjusted profit before tax</b>	<b>83,900</b>	70,708
<b>Add back:</b>		
Interest payable on bank loans, lease liabilities and amortisation of financing costs (note 5)	9,385	6,605
Re-measurement of financial liabilities (note 21)	455	870
Finance income (note 5)	(306)	(139)
<b>Adjusted operating profit</b>	<b>93,434</b>	78,044
<b>Add back:</b>		
Depreciation of property, plant and equipment (note 11)	4,652	4,413
Depreciation of right-of-use assets (note 20)	6,070	4,738
Amortisation of development costs, software and patents (note 14)	2,205	1,807
<b>Adjusted EBITDA</b>	<b>106,361</b>	89,002

## 3. Revenue from contracts with customers

Revenue recognised in the statement of comprehensive income is analysed below:

	2025 £000	2024 £000
Sale of goods	413,989	341,207
Installation services	5,125	6,404
<b>Total revenue from contracts with customers</b>	<b>419,114</b>	347,611
Market sectors	2025 £000	2024 £000
<b>UK</b>		
Residential	115,196	105,039
Commercial	30,091	28,158
Export	15,691	12,130
OEM	15,132	15,448
<b>Total UK</b>	<b>176,110</b>	160,775
Nordics	45,984	47,376
Central Europe	90,638	87,016
<b>Total Continental Europe</b>	<b>136,622</b>	134,392
<b>Total Australasia<sup>1</sup></b>	<b>106,382</b>	52,444
<b>Total revenue from contracts with customers</b>	<b>419,114</b>	347,611
Refund liabilities	2025 £000	2024 £000
Arising from retrospective volume rebates	12,268	10,264
Arising from rights of return	538	583
<b>Refund liabilities</b>	<b>12,806</b>	10,847

Notes

1. Included in the Australasia revenue is £56,234,000 of inorganic revenue from the business combination of Fantech (2024: £7,801,000 of inorganic revenue from the business combination of DVS).

Of the total rebates, approximately £5.6 million (2024: £4.1 million) is non-coterminous with the year-end and is based on actual revenue recorded to 31 July 2025 and an estimate of the total revenue for the rebate period.



# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 3. Revenue from contracts with customers continued

### Geographic information

The Group operates in several geographical locations and sells on to external customers in all parts of the world. No individual country amounts to more than 5% of revenue, other than those noted below.

The following is an analysis of revenue from continuing operations by geographical destination:

Revenue from external customers by customer destination	2025 £000	2024 £000
United Kingdom	155,073	142,231
Germany	18,942	18,919
Netherlands	32,703	24,978
Sweden	22,305	26,134
Australia	74,580	25,048
New Zealand	31,673	27,698
Rest of the world	83,838	82,603
<b>Total revenue from contracts with customers</b>	<b>419,114</b>	<b>347,611</b>

### Information about major customers

Annual revenue from no individual customer accounts for more than 10% of Group revenue in either the current or prior year.

## 4. Segmental analysis

The Group's reportable segments are described below. The segmental regional structure reflects the current internal reporting provided to the Chief Operating Decision-Maker (considered to be the CEO of the Group) on a regular basis.

The segmental results include an allocation of central head office costs, where the costs are attributable to a segment. Costs of running the parent company are reported separately as central costs.

Year ended 31 July 2025	UK £000	Continental Europe £000	Australasia £000	Eliminations/ central costs £000	Total £000
<b>Revenue from contracts with external customers</b>	<b>176,110</b>	<b>136,622</b>	<b>106,382'</b>	<b>–</b>	<b>419,114</b>
Cost of sales (excluding amortisation of acquired inventory fair value adjustment)	(82,959)	(66,459)	(57,030)	–	(206,448)
<b>Adjusted segment EBITDA</b>	<b>50,783</b>	<b>36,814</b>	<b>25,259</b>	<b>(6,495)</b>	<b>106,361</b>
Depreciation and amortisation of development costs, software and patents	(4,917)	(3,952)	(3,380)	(678)	(12,927)
<b>Adjusted operating profit/(loss)</b>	<b>45,866</b>	<b>32,862</b>	<b>21,879</b>	<b>(7,173)</b>	<b>93,434</b>
Amortisation of intangible assets acquired through business combinations	(1,882)	(5,587)	(3,866)	–	(11,335)
Amortisation of acquired inventory fair value adjustment	–	–	(7,048)	–	(7,048)
Fair value movement on contingent consideration	–	–	–	(4,702)	(4,702)
Business combination-related operating costs	–	–	–	(3,138)	(3,138)
<b>Operating profit/(loss)</b>	<b>43,984</b>	<b>27,275</b>	<b>10,965</b>	<b>(15,013)</b>	<b>67,211</b>
<b>Unallocated expenses</b>					
Net finance cost	–	–	–	(9,098)	(9,098)
Unwinding of discounting on future consideration	–	–	–	(3,176)	(3,176)
Re-measurement of financial liabilities	–	–	–	(455)	(455)
<b>Profit/(loss) before tax</b>	<b>43,984</b>	<b>27,275</b>	<b>10,965</b>	<b>(27,742)</b>	<b>54,482</b>

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 4. Segmental analysis continued

Year ended 31 July 2024	UK £000	Continental Europe £000	Australasia £000	Eliminations/ central costs £000	Total £000
<b>Revenue from contracts with external customers</b>	160,775	134,392	52,444 <sup>1</sup>	–	347,611
Cost of sales	(78,672)	(65,932)	(24,740)	–	(169,344)
<b>Adjusted segment EBITDA</b>	45,161	35,859	13,458	(5,476)	89,002
Depreciation and amortisation of development costs, software and patents	(4,956)	(3,801)	(1,534)	(667)	(10,958)
<b>Adjusted operating profit/(loss)</b>	40,205	32,058	11,924	(6,143)	78,044
Amortisation of intangible assets acquired through business combinations	(5,634)	(2,895)	(793)	–	(9,322)
Fair value movement on contingent consideration	–	–	–	1,845	1,845
Business combination-related operating costs	–	–	–	(206)	(206)
<b>Operating profit/(loss)</b>	34,571	29,163	11,131	(4,504)	70,361
<b>Unallocated expenses</b>					
Net finance income/(cost)	–	–	24	(6,346)	(6,322)
Unwinding of discounting on future consideration	–	–	–	(6,599)	(6,599)
Re-measurement of financial liabilities	–	–	–	(870)	(870)
<b>Profit/(loss) before tax</b>	34,571	29,163	11,155	(18,319)	56,570

Note

1. Included in the Australasia revenue is £56,234,000 of inorganic revenue from the business combination of Fantech (2024: £7,801,000 of inorganic revenue from the business combination of DVS).

## Non-current asset information

The non-current assets are disclosed below based on the Group's CGU groups:

	2025 £000	2024 £000
<b>Non-current assets excluding deferred tax</b>		
United Kingdom	111,874	112,515
Europe (excluding United Kingdom and Nordics)	109,396	109,560
Nordics	30,181	30,274
Australasia	183,539	50,980
<b>Total</b>	434,990	303,329

## 5. Finance income and costs

	2025 £000	2024 £000
<b>Finance income</b>		
Net gain on financial instruments at fair value	–	144
Interest receivable	306	139
<b>Total finance income</b>	306	283
<b>Finance costs</b>		
Net loss on financial instruments at fair value	(19)	–
Interest payable on bank loans	(7,373)	(4,427)
Amortisation of finance arrangement costs	(488)	(692)
Lease interest	(1,256)	(763)
Other interest	(268)	(723)
<b>Total finance costs</b>	(9,404)	(6,605)
<b>Net finance costs</b>	(9,098)	(6,322)

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 6. Staff costs

Employee costs, including Directors' remuneration, comprise:

	2025 £000	2024 £000
<b>Staff costs</b>		
Wages and salaries	86,048	69,286
Social security costs	9,373	7,691
Defined contribution pension costs	4,174	3,303
Share-based payment charge (see note 31)	2,154	1,200
	<b>101,749</b>	<b>81,480</b>

Total contributions payable in the next financial year are expected to be at rates broadly similar to those in 2023/24 but based on actual salary levels in 2024/25.

### Average monthly number of employees in the year

	2025 Number	2024 Number
Production	1,173	1,083
Sales and administration	820	786
	<b>1,993</b>	<b>1,869</b>

### Directors' remuneration

	2025 £000	2024 £000
<b>Amounts paid in respect of qualifying services</b>		
Directors' remuneration	4,335	3,265
Non-Executive Directors' remuneration	468	414
Directors' cash payment in lieu of employer's pension contribution	54	43
Directors' pension scheme contributions	–	–

The number of Directors accruing benefits under Group money purchase pension arrangements was nil (2024: nil).

The aggregate amount of gains made by the directors on the exercise of share options was £1,329,000 (2024: £3,098,000).

The Group also incurred fees and expenses of £468,000 (2024: £414,000) in respect of Claire Tiney, Amanda Mellor, Nigel Lingwood, Margaret Amos, Jonathan Davis, Celia Baxter and Emmanuelle Dubu for their services as Non-Executive Directors.

## 7. Other operating expenses

Cost of sales, distribution costs and administrative expenses include the following:

	2025 £000	2024 £000
<b>Cost of sales</b>		
Cost of inventories recognised as expenses	163,658	125,858
Depreciation of property, plant and equipment	2,651	2,171
Depreciation of right-of-use assets	3,593	2,904
Amortisation of intangible assets	164	172
<b>Administrative and distribution expenses</b>		
Research and development costs	6,228	5,220
Depreciation of property, plant and equipment	2,001	2,242
Depreciation of right-of-use assets	2,477	1,834
Amortisation of intangible assets	13,376	11,015
Net foreign exchange differences	158	(27)
Gain on disposal of property, plant and equipment, and intangible assets – other	(154)	(184)

## 8. Auditor's remuneration

The Group paid the following amounts to its auditors, PwC, and its member firms in respect of the audit of the financial statements and for other services provided to the Group.

	2025 £000	2024 £000
<b>Audit services</b>		
Fees for the audit of the parent and Group financial statements	839	851
Fees for local statutory audits of subsidiaries	97	36
<b>Non-audit services</b>		
Fees payable for interim review	123	106
<b>Total</b>	<b>1,059</b>	<b>993</b>

In addition to the above, tax compliance services were provided by PwC to Fantech in the 3 month transition window post acquisition. The cost of these services of £6,000 was borne by the previous owners of Fantech and is therefore not included in the table above.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 9. Income tax

### (a) Income tax charges against profit for the year

	2025 £000	2024 £000
<b>Current income tax</b>		
Current UK income tax expense	6,623	5,571
Current foreign income tax expense	11,719	10,278
Tax credit relating to the prior year	(803)	(80)
<b>Total current tax</b>	<b>17,539</b>	<b>15,769</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(5,044)	(2,224)
Effect of changes in the tax rate	(134)	58
Tax charge relating to the prior year	588	170
<b>Total deferred tax</b>	<b>(4,590)</b>	<b>(1,996)</b>
<b>Net tax charge reported in the consolidated statement of comprehensive income</b>	<b>12,949</b>	<b>13,773</b>

### (b) Income tax recognised in equity for the year

	2025 £000	2024 £000
(Increase)/decrease in deferred tax asset on share-based payments	(514)	380
Translation differences	121	(212)
<b>Net tax (credit)/charge reported in equity</b>	<b>(393)</b>	<b>168</b>

### (c) Reconciliation of total tax

	2025 £000	2024 £000
<b>Profit before tax</b>	<b>54,482</b>	<b>56,570</b>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	13,621	14,143
Adjustment in respect of previous years	(215)	89
Expenses not deductible for tax purposes	781	2,738
Effect of changes in the tax rate	(134)	58
Effect of overseas tax rates	875	(931)
Patent-related tax relief	(930)	(719)
Share exercise	(1,163)	(1,407)
Other	114	(198)
<b>Net tax charge reported in the consolidated statement of comprehensive income</b>	<b>12,949</b>	<b>13,773</b>

Our reported effective tax rate for the period was 23.8% (2024: 24.4%). Our underlying effective tax rate, on adjusted profit before tax, was 21.8% (2024: 21.8%).

The effect of overseas tax rates relates to the Group's profits from subsidiaries which are subject to tax jurisdictions with a blended lower average rate of tax compared to the standard rate of corporation tax in the UK (see note 29 for subsidiary locations).

We expect our medium-term reported effective tax rate to be in the range of 29% to 35% of the Group's reported profit before tax and our underlying effective tax rate to be in the range of 22% to 25% of the Group's adjusted profit before tax.

In June 2023, the UK Government substantively enacted legislation introducing a global minimum corporate income tax rate, to have effect from 2024 in line with the OECD's Pillar Two model framework on large multinational enterprises with a consolidated group revenue of €750 million plus. The Group has performed an assessment of its potential exposure to Pillar Two income taxes and based on an assessment of the most recent information available regarding the financial performance of the constituent entities in the Group, we do not expect to be within the scope of Pillar Two and therefore do not expect it to have a material impact on the Group's tax rate or tax payments.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 10. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2025 £000	2024 £000
<b>Statutory profit attributable to ordinary equity holders</b>	<b>41,533</b>	42,797
<b>Adjusted profit attributable to ordinary equity holders</b>	<b>65,610</b>	55,271
	<b>Number</b>	Number
Weighted average number of ordinary shares for basic earnings per share	<b>197,962,762</b>	197,739,417
Effect of dilution from:		
Share options	<b>2,712,502</b>	2,143,783
Weighted average number of ordinary shares for diluted earnings per share	<b>200,675,264</b>	199,883,200
<b>Earnings per share</b>		
Basic	<b>21.0p</b>	21.6p
Diluted	<b>20.7p</b>	21.4p
<b>Adjusted earnings per share</b>		
Basic	<b>33.1p</b>	28.0p
Diluted	<b>32.7p</b>	27.6p

The weighted average number of ordinary shares has increased as a result of a reduction in the treasury shares held by the Volution Employee Benefit Trust (EBT) during the year (see note 24 for details). The shares are excluded when calculating the reported and adjusted EPS.

Adjusted profit attributable to ordinary equity holders has been reconciled in note 2, Adjusted earnings. See note 33, Glossary of terms, for an explanation of the adjusted basic and diluted earnings per share calculation.

## 11. Property, plant and equipment

	Freehold land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools, equipment and vehicles £000	Total £000
<b>2025</b>				
<b>Cost</b>				
At 1 August 2023	18,009	19,440	14,080	51,529
On business combinations	31	88	66	185
Additions	423	1,561	3,424	5,408
Disposals	(12)	(242)	(1,283)	(1,537)
Net foreign currency exchange differences	(164)	(137)	(183)	(484)
At 31 July 2024	18,287	20,710	16,104	55,101
On business combinations	–	<b>794</b>	<b>627</b>	<b>1,421</b>
Additions	<b>1,220</b>	<b>1,995</b>	<b>3,353</b>	<b>6,568</b>
Transfer from leased assets	–	–	<b>504</b>	<b>504</b>
Disposals	<b>(78)</b>	<b>(839)</b>	<b>(2,294)</b>	<b>(3,211)</b>
Net foreign currency exchange differences	<b>367</b>	<b>192</b>	<b>329</b>	<b>888</b>
<b>At 31 July 2025</b>	<b>19,796</b>	<b>22,852</b>	<b>18,623</b>	<b>61,271</b>
<b>Accumulated depreciation</b>				
At 1 August 2023	5,436	7,859	8,786	22,081
Charge for the year	526	1,906	1,981	4,413
Disposals	(12)	(241)	(1,107)	(1,360)
Net foreign currency exchange differences	(44)	(22)	(160)	(226)
At 31 July 2024	5,906	9,502	9,500	24,908
Charge for the year	<b>555</b>	<b>1,934</b>	<b>2,163</b>	<b>4,652</b>
Transfer from leased assets	–	–	<b>224</b>	<b>224</b>
Disposals	<b>(78)</b>	<b>(778)</b>	<b>(2,171)</b>	<b>(3,027)</b>
Net foreign currency exchange differences	<b>110</b>	<b>209</b>	<b>185</b>	<b>504</b>
<b>At 31 July 2025</b>	<b>6,493</b>	<b>10,867</b>	<b>9,901</b>	<b>27,261</b>
<b>Net book value</b>				
At 31 July 2024	12,381	11,208	6,604	30,193
<b>At 31 July 2025</b>	<b>13,303</b>	<b>11,985</b>	<b>8,722</b>	<b>34,010</b>



# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 12. Intangible assets – goodwill

Goodwill	£000
<b>Cost and net book value</b>	
At 1 August 2023	168,988
On the business combination of DVS	5,037
Net foreign currency exchange differences	(2,685)
At 31 July 2024	171,340
On the business combination of Fantech	66,621
Net foreign currency exchange differences	(2,176)
<b>At 31 July 2025</b>	<b>235,785</b>

## 13. Impairment assessment of goodwill

	UK £000	Nordics £000	Central Europe £000	Australasia £000
<b>31 July 2025</b>				
Carrying value of goodwill	61,000	18,985	64,277	91,523
CGU value-in-use headroom <sup>1</sup>	332,851	115,035	104,391	44,966
<b>31 July 2024</b>				
Carrying value of goodwill	61,000	18,151	62,827	29,362
CGU value-in-use headroom <sup>1</sup>	249,557	49,409	66,028	45,101

Note:

1. Headroom is shown at the date of impairment testing, and is calculated by comparing the value-in-use of a group of CGUs to the carrying amount of its asset, which includes the net book value of fixed assets (tangible and intangible), goodwill and operating working capital (current assets and liabilities).

### Impairment review

Under IAS 36 'Impairment of assets', the Group is required to complete an impairment review of goodwill at least annually. The recoverable amounts for each CGU group are based on value-in-use, which has been derived from discounted cash flow (DCF) calculations.

The value-in-use headroom for each CGU group has been set out above; in all CGUs it was concluded that the carrying amount was in excess of the value-in-use and all CGUs had positive headroom.

When assessing for impairment of goodwill, we have considered the impact of climate change, particularly in the context of the risks and opportunities identified in the TCFD disclosure in the Annual Report. We have not identified any material short-term and medium-term impacts from climate change that would impact the carrying value of goodwill. Over the long term, the risks and opportunities are more uncertain and we will continue to assess these risks at each reporting period.

### Assumptions in the value-in-use calculation

The calculation of value-in-use for all CGUs is most sensitive to the following assumptions:

- cash flow projections based on financial budgets approved by the Board covering the next financial period;
- cash flows beyond the budget period are extrapolated over years 2–5 using specific growth rates. Growth rates for each of the CGU groups are based on historical growth rates, market expectations and the stated Group strategic goals;
- long-term growth rates of 2% (2024: 2%) for all CGUs have been applied to the period beyond which budgets and forecasts do not exist, based on historical macroeconomic performance and projections for the geographies in which the CGUs operate; and
- discount rates are calculated based on the CGU weighted average cost of capital and reflects the current market assessment of the risks specific to each operation. The pre-tax discount rates used for each CGU are:
  - UK 13.5% (2024: 13.5%);
  - Nordics: 11.3% (2024: 12.2%);
  - Central Europe: 13.4% (2024: 12.4%); and
  - Australasia: 14.3% (2024: 15.0%).

Australasia headroom has decreased as a proportion of the carrying value of Australasia goodwill due to the sizeable acquisition of Fantech, where assets and liabilities acquired were measured at fair value at the date of acquisition (note 15). Therefore, carrying value of Fantech net assets as at 31 July 2025 remains reasonably equivalent to their fair value.

We have tested the sensitivity of our headroom calculations in relation to the above assumptions, including severe performance downside scenarios aligned with the Group going concern assessment, and the Group does not consider that reasonably possible changes in these assumptions could cause the carrying value of the CGUs to materially exceed their recoverable value.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 14. Intangible assets – other

	Development costs £000	Software costs £000	Customer base £000	Trademarks £000	Patents/ technology £000	Other £000	Total £000
<b>2025</b>							
<b>Cost</b>							
At 1 August 2023 as previously stated	12,732	10,277	160,841	55,260	3,417	1,163	243,690
Reclassification of brought forward balances*	–	184	1,301	2,488	80	(207)	3,846
At 1 August 2023 reclassified	12,732	10,461	162,142	57,748	3,497	956	247,536
Additions	1,578	318	–	–	–	–	1,896
On business combinations	–	35	1,667	2,309	–	–	4,011
Disposals	(21)	(75)	(84)	–	–	–	(180)
Net foreign currency exchange differences	(288)	176	(1,544)	(554)	(61)	–	(2,271)
<b>At 31 July 2024 reclassified</b>	<b>14,001</b>	<b>10,915</b>	<b>162,181</b>	<b>59,503</b>	<b>3,436</b>	<b>956</b>	<b>250,992</b>
Additions	<b>1,619</b>	<b>437</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,056</b>
On business combinations	<b>–</b>	<b>74</b>	<b>41,058</b>	<b>21,603</b>	<b>–</b>	<b>–</b>	<b>62,735</b>
Disposals	<b>(49)</b>	<b>(756)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(956)</b>	<b>(1,761)</b>
Net foreign currency exchange differences	<b>264</b>	<b>(98)</b>	<b>(668)</b>	<b>(518)</b>	<b>60</b>	<b>–</b>	<b>(960)</b>
<b>At 31 July 2025</b>	<b>15,835</b>	<b>10,572</b>	<b>202,571</b>	<b>80,588</b>	<b>3,496</b>	<b>–</b>	<b>313,062</b>
<b>Accumulated amortisation</b>							
At 1 August 2023 as previously stated	3,266	7,158	118,929	27,132	2,179	1,163	159,827
Reclassification of brought forward balances*	–	159	7,656	(4,086)	324	(207)	3,846
At 1 August 2023 reclassified	3,266	7,317	126,585	23,046	2,503	956	163,673
Charge for the year	847	1,035	6,333	2,718	196	–	11,129
Disposals	(21)	(75)	–	–	–	–	(96)
Net foreign currency exchange differences	(186)	8	(17)	(361)	(60)	–	(616)
<b>At 31 July 2024 reclassified</b>	<b>3,906</b>	<b>8,285</b>	<b>132,901</b>	<b>25,403</b>	<b>2,639</b>	<b>956</b>	<b>174,090</b>
Charge for the year	<b>1,145</b>	<b>1,060</b>	<b>7,424</b>	<b>3,712</b>	<b>199</b>	<b>–</b>	<b>13,540</b>
Disposals	<b>(49)</b>	<b>(756)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(956)</b>	<b>(1,761)</b>
Net foreign currency exchange differences	<b>420</b>	<b>120</b>	<b>1,130</b>	<b>310</b>	<b>(33)</b>	<b>–</b>	<b>1,947</b>
<b>At 31 July 2025</b>	<b>5,422</b>	<b>8,709</b>	<b>141,455</b>	<b>29,425</b>	<b>2,805</b>	<b>–</b>	<b>187,816</b>
<b>Net book value</b>							
<b>At 31 July 2024 reclassified</b>	<b>10,095</b>	<b>2,630</b>	<b>29,280</b>	<b>34,100</b>	<b>797</b>	<b>–</b>	<b>76,902</b>
<b>At 31 July 2025</b>	<b>10,413</b>	<b>1,863</b>	<b>61,116</b>	<b>51,163</b>	<b>691</b>	<b>–</b>	<b>125,246</b>

\* The brought forward balances have been reclassified between asset categories to correct a historical misallocation of movements. There is no impact on total intangible asset value brought forward or on the prior year income statement.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 14. Intangible assets – other continued

The Group has the following individually material intangible assets with definite useful lives:

	Carrying amount 2025 £000	Remaining amortisation period 2025 Years
<b>Customer base</b>		
Simx Limited	4,481	8
ClimaRad BV	6,694	3
ERI	8,021	6
Fantech	37,249	14
<b>Trademark</b>		
Volution Holdings Limited and its subsidiaries	14,327	12
Fantech	19,959	24

## 15. Business combinations

### Business combinations in the year ended 31 July 2025

#### Fantech

On 29 November 2024, Volution Group acquired Fantech, a market leading position in commercial and residential ventilation in Australasia. The acquisition of Fantech is in line with the Group's strategy to grow by selectively acquired value-adding businesses in new and existing markets and geographies.

Total consideration for the purchase of Fantech is AUD\$281 million (£142.3 million), with initial consideration of AUD\$221 million (£112.7million) on a debt-free, cash-free basis, with further non-contingent consideration of AUD\$60 million (£29.6 million) payable 12 months after the completion date.

Transaction costs relating to professional fees associated with the business combination in the period ending 31 January 2025 were £2,376,000 and have been expensed as cost of business combinations separately disclosed on the face of the consolidated statement of comprehensive income above operating profit.

The fair values of the acquired assets and liabilities recognised in our financial statements are provisional, as they are based on the information available at the acquisition date; adjustments may be required if additional relevant information becomes available within the measurement period, which extends up to 12 months from the acquisition date.

The fair value of the net assets acquired is set out below:

	Book value £000	Fair value adjustments £000	Fair value £000
Intangible assets	1,127	61,608	62,735
Property, plant and equipment	1,421	–	1,421
Right of use assets	11,654	1,065	12,719
Inventory	19,648	5,078	24,726
Trade and other receivables	15,462	–	15,462
Trade and other payables	(13,406)	–	(13,406)
Lease liabilities	(14,362)	1,448	(12,914)
Income tax	(684)	–	(684)
Provisions	(186)	–	(186)
Deferred tax	1,069	(20,601)	(19,532)
Cash and cash equivalents	5,370	–	5,370
<b>Total identifiable net assets</b>	<b>27,113</b>	<b>48,598</b>	<b>75,711</b>
Goodwill on the business combination			66,621
<b>Discharged by:</b>			
Cash consideration			112,728
Deferred consideration			29,604

Goodwill of £66,621,000 reflects certain intangibles that cannot be individually separated and reliably measured due to their nature. These items include the value of expected synergies arising from the business combination and the experience and skill of the acquired workforce.

The fair value of the acquired tradenames and customer relationships was identified and included in intangible assets.

#### Assumptions in the intangibles valuation calculation

The valuation of Fantech acquired intangible assets involve a number of estimates and assumptions. Customer relationships was valued using the multi-period excess earnings method and tradename using a relief from royalty method. These estimates are inherently uncertain and changes in these assumptions could materially impact the carrying values of intangible assets, goodwill and amortisation expenses.

Key inputs where reasonably possible changes would materially impact the valuation of Fantech intangibles are:

- Discount rate 13.2%;
- Royalty rate (tradename only) between 0.5% and 4%;
- Attrition rate (customer relationships only) 6.7%; and
- Contributory asset charges (customer relationships only) 4.5%.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 15. Business combinations continued

### Business combinations in the year ended 31 July 2025 continued

#### Fantech continued

An increase of 1% to the discount rate would reduce intangibles valuation by £3.6 million; a decrease of 1% would increase the valuation by £4.0 million.

A change of 1% in royalty rate would change the valuation of trademarks by £6.1 million.

An increase of 1% to the attrition rate would decrease the customer relationships asset valuation by £4.5 million; a decrease of 1% would increase the value by £4.9 million.

An increase of 1% to the contributory asset charges would decrease the trademarks asset valuation by £4.8 million; a decrease of 1% would increase the value by £4.3 million.

The gross amount of trade and other receivables is £15,462,000. All of the trade receivables are expected to be collected in full.

Inventories recorded on the business combination were recognised at fair value. The fair value uplift for inventory included an additional obsolescence provision of £1,970,000 and an unrealised profit uplift of £7,048,000. The fair value uplift has been released to gross profit over a period of four months from the date of acquisition, reflecting the expected period of sale of the uplifted inventory.

Fantech generated revenue of £64,042,000 and generated a profit after tax of £4,980,000 in the period from acquisition to 31 July 2025.

If the combination had taken place at 1 August 2024, the Group's revenue would have been £29,650,000 higher and profit before tax from continuing operations would have been £5,030,000 higher than reported.

### Business combinations in the year ended 31 July 2024

#### DVS

On 4 August 2023, Volution Group acquired the trade and assets of Proven Systems Limited (DVS), a market leading supplier and installer of home ventilation solutions in New Zealand. The acquisition of DVS is in line with the Group's strategy to grow by selectively acquired value-adding businesses in new and existing markets and geographies.

Total consideration for the purchase of the trade and assets of DVS was £8.5 million (NZ\$17.7 million), net of cash acquired, with further contingent cash consideration of up to NZ\$9 million based on stretching targets for the financial results for the 12 months ended 3 August 2024 and the 12 months ended 31 March 2026. Contingent consideration was assessed at the time of acquisition based on the current estimate of the future performance of the business for the 12 months ended 3 August 2024 as £nil, with NZ\$3 million payable if EBITDA exceeds NZ\$3 million, and for the 12 months ended 31 March 2026 as NZ\$nil with a range of NZ\$nil to NZ\$9 million based on EBITDA performance from NZ\$3.5 million to NZ\$4 million.

The fair value of contingent consideration is calculated by estimating the future cash flows for the company based on management's knowledge of the business and how the current economic environment is likely to impact performance. If acquisition date EBITDA estimates for each period for which contingent consideration is measured was 10% higher than expected, contingent consideration would remain £nil at acquisition. Subsequent valuations of contingent consideration do not impact acquisition accounting; refer to note 21 for further detail as to the year-end fair value assessment.

Transaction costs relating to professional fees associated with the business combination in the year ending 31 July 2024 were £31,000 and have been expensed as cost of business combinations separately disclosed on the face of the consolidated statement of comprehensive income above operating profit.

The fair value of the net assets acquired is set out below:

	Book value £000	Fair value adjustments £000	Fair value £000
Intangible assets	35	3,976	4,011
Property, plant and equipment	185	–	185
Inventory	875	–	875
Trade and other receivables	130	–	130
Trade and other payables	(627)	–	(627)
Deferred tax liabilities	–	(1,113)	(1,113)
<b>Total identifiable net assets</b>	<b>598</b>	<b>2,863</b>	<b>3,461</b>
Goodwill on the business combination			5,037
<b>Discharged by:</b>			
Cash consideration			8,498

Goodwill of £5,037,000 reflects certain intangibles that cannot be individually separated and reliably measured due to their nature. These items include the value of expected synergies arising from the business combination and the experience and skill of the acquired workforce. The fair value of the acquired tradename and customer base was identified and included in intangible assets.

DVS generated revenue of £7,801,000 and generated a profit after tax of £280,000 in the period from acquisition to 31 July 2024. If the combination had taken place at 1 August 2023, the Group's revenue and profit before tax would have been materially the same as reported, as the acquisition took place on 4 August 2023.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 15. Business combinations continued

### Business combination cash outflows

Cash outflows arising from completed acquisitions are as follows:

	2025 £000	2024 £000
<b>Fantech</b>		
Cash consideration	112,728	–
Less cash acquired with the business	(5,370)	–
<b>ClimaRad</b>		
Contingent consideration	20,853	–
<b>DVS</b>		
Cash consideration	–	8,498
<b>I-Vent</b>		
Contingent consideration	–	2,566
<b>ERI</b>		
Deferred payment	–	1,874
Contingent consideration	4,580	–
<b>Total</b>	<b>132,791</b>	<b>12,938</b>

Cash outflows arising from cost of business combinations are as follows:

	2025 £000	2024 £000
Fantech	2,376	–
ClimaRad	56	–
VMI	–	35
I-Vent	–	45
DVS	–	31
Other potential or aborted business combinations	706	95
<b>Total</b>	<b>3,138</b>	<b>206</b>

## 16. Inventories

	2025 £000	2024 £000
Raw materials and consumables	25,316	25,231
Work in progress	2,406	2,257
Finished goods and goods for resale	43,572	25,624
	<b>71,294</b>	<b>53,112</b>

During 2025, £1,460,000 (2024: £1,320,000) was recognised as cost of sales for inventories written off in the year.

Inventories are stated net of an allowance for excess, obsolete or slow-moving items which totalled £8,633,000 (2024: £5,855,000). This provision was split amongst the three categories: £5,697,000 (2024: £3,363,000) for raw materials and consumables; £178,000 (2024: £195,000) for work in progress; and £2,758,000 (2024: £2,297,000) for finished goods and goods for resale.

## 17. Trade and other receivables

	2025 £000	2024 £000
Trade receivables	68,620	45,694
Allowance for expected credit loss	(400)	(514)
	<b>68,220</b>	<b>45,180</b>
Other debtors	2,078	5,532
Prepayments	7,092	4,527
<b>Total</b>	<b>77,390</b>	<b>55,239</b>

Movement in the allowance for expected credit losses is set out below:

	2025 £000	2024 £000
At the start of the year	(514)	(521)
On business combinations	(55)	–
Credit/(charge) for the year	154	(22)
Amounts utilised	20	32
Foreign currency adjustment	(5)	(3)
<b>At the end of the year</b>	<b>(400)</b>	<b>(514)</b>



# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 17. Trade and other receivables continued

Net trade receivables are aged as follows:

	2025 £000	2024 £000
<b>Current</b>	<b>58,150</b>	41,711
<b>Past due</b>		
Overdue 0–30 days	7,985	2,123
Overdue 31–60 days	1,151	465
Overdue 61–90 days	240	74
Overdue more than 90 days	694	807
<b>Total</b>	<b>68,220</b>	45,180

The credit quality of trade receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available; otherwise, historical information relating to counterparty default rates are used. The Group continually assesses the recoverability of trade receivables and the level of provisioning required.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Gross trade receivables are denominated in the following currencies:

	2025 £000	2024 £000
Sterling	27,994	24,466
US Dollar	1,227	926
Euro	12,091	9,216
Swedish Krona	3,289	2,830
New Zealand Dollar	4,635	2,720
Australian Dollar	18,103	4,029
Other	1,281	1,507
<b>Total</b>	<b>68,620</b>	45,694

## 18. Cash and cash equivalents

	2025 £000	2024 £000
<b>Cash and cash equivalents</b>	<b>18,780</b>	18,243

Cash and cash equivalents are denominated in the following currencies:

	2025 £000	2024 £000
Sterling	4,130	4,933
Euro	7,748	7,102
US Dollar	2,925	485
Swedish Krona	(4,150)	(1,942)
New Zealand Dollar	2,194	2,105
Australian Dollar	2,689	2,183
Other	3,244	3,377
<b>Total</b>	<b>18,780</b>	18,243

The Swedish Krona overdraft balance above is presented within the cash balance as it is offset by other currency balances within the same entity under a master pooling arrangement.

## 19. Trade and other payables

	2025 £000	2024 £000
Trade payables	39,821	21,224
Social security and staff welfare costs	2,031	2,030
Sales tax payable	5,797	4,940
Accrued expenses	24,090	18,459
<b>Total</b>	<b>71,739</b>	46,653

Trade payables are non-interest bearing and are normally settled on 60-day terms.

The presentation of sales tax payable has been updated in the current year, having been included within accrued expenses in the previous financial statements.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 20. Leases

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools, equipment and vehicles £000	Total £000
<b>Right-of-use assets</b>				
<b>Cost</b>				
At 1 August 2023	36,741	66	4,683	41,490
Additions	897	–	776	1,673
Modifications and other	(790)	–	–	(790)
Expiration and disposal of leases	(869)	(29)	(535)	(1,433)
Net foreign currency exchange differences	(893)	(6)	(259)	(1,158)
<b>At 31 July 2024</b>	<b>35,086</b>	<b>31</b>	<b>4,665</b>	<b>39,782</b>
Additions	<b>1,665</b>	<b>77</b>	<b>1,075</b>	<b>2,817</b>
On business combinations	<b>12,052</b>	<b>264</b>	<b>403</b>	<b>12,719</b>
Modifications and other	<b>6,619</b>	<b>–</b>	<b>2</b>	<b>6,621</b>
Expiration and disposal of leases	<b>(5,251)</b>	<b>(7)</b>	<b>(341)</b>	<b>(5,599)</b>
Transferred to owned assets	<b>–</b>	<b>–</b>	<b>(504)</b>	<b>(504)</b>
Net foreign currency exchange differences	<b>(586)</b>	<b>(15)</b>	<b>36</b>	<b>(565)</b>
<b>At 31 July 2025</b>	<b>49,585</b>	<b>350</b>	<b>5,336</b>	<b>55,271</b>
<b>Accumulated depreciation</b>				
At 1 August 2023	9,737	31	1,820	11,588
Charge for the period	3,881	13	844	4,738
Expiration and disposal of leases	(869)	(29)	(535)	(1,433)
Net foreign currency exchange differences	(33)	(2)	30	(5)
<b>At 31 July 2024</b>	<b>12,716</b>	<b>13</b>	<b>2,159</b>	<b>14,888</b>
Charge for the period	<b>5,001</b>	<b>51</b>	<b>1,018</b>	<b>6,070</b>
Expiration and disposal of leases	<b>(4,897)</b>	<b>(7)</b>	<b>(293)</b>	<b>(5,197)</b>
Transferred to owned assets	<b>–</b>	<b>–</b>	<b>(224)</b>	<b>(224)</b>
Net foreign currency exchange differences	<b>(185)</b>	<b>1</b>	<b>(31)</b>	<b>(215)</b>
<b>At 31 July 2025</b>	<b>12,635</b>	<b>58</b>	<b>2,629</b>	<b>15,322</b>
<b>Net book value</b>				
<b>At 31 July 2024</b>	<b>22,370</b>	<b>18</b>	<b>2,506</b>	<b>24,894</b>
<b>At 31 July 2025</b>	<b>36,950</b>	<b>292</b>	<b>2,707</b>	<b>39,949</b>

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools, equipment and vehicles £000	Total £000
<b>Lease liabilities 2025</b>				
At 1 August 2023	29,174	33	2,001	31,208
Additions	897	–	776	1,673
Modifications and other	(790)	–	–	(790)
Interest expense	721	2	40	763
Lease payments	(4,516)	(15)	(1,141)	(5,672)
Foreign exchange movements	(859)	(4)	(290)	(1,153)
<b>At 31 July 2024</b>	<b>24,627</b>	<b>16</b>	<b>1,386</b>	<b>26,029</b>
Additions	<b>1,665</b>	<b>77</b>	<b>1,075</b>	<b>2,817</b>
On business combinations	<b>12,052</b>	<b>277</b>	<b>585</b>	<b>12,914</b>
Modifications and other	<b>4,531</b>	<b>–</b>	<b>2</b>	<b>4,533</b>
Disposal	<b>(295)</b>	<b>–</b>	<b>–</b>	<b>(295)</b>
Interest expense	<b>1,134</b>	<b>16</b>	<b>106</b>	<b>1,256</b>
Lease payments	<b>(5,826)</b>	<b>(93)</b>	<b>(1,286)</b>	<b>(7,205)</b>
Foreign exchange movements	<b>(418)</b>	<b>(13)</b>	<b>87</b>	<b>(344)</b>
<b>At 31 July 2025</b>	<b>37,470</b>	<b>280</b>	<b>1,955</b>	<b>39,705</b>
<b>Analysis</b>				
Current	3,522	8	1,228	4,758
Non-current	21,105	8	158	21,271
<b>At 31 July 2024</b>	<b>24,627</b>	<b>16</b>	<b>1,386</b>	<b>26,029</b>
Current	<b>5,321</b>	<b>97</b>	<b>978</b>	<b>6,396</b>
Non-current	<b>32,149</b>	<b>183</b>	<b>977</b>	<b>33,309</b>
<b>At 31 July 2025</b>	<b>37,470</b>	<b>280</b>	<b>1,955</b>	<b>39,705</b>

The following are amounts recognised in the statement of comprehensive income:

	2025 £000	2024 £000
Right-of-use asset depreciation charged to cost of sales	<b>3,593</b>	2,904
Right-of-use asset depreciation charged to administrative expenses	<b>2,477</b>	1,834
Interest expense	<b>1,256</b>	763

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 21. Other financial liabilities

	Foreign exchange forward contracts £000	Deferred consideration Fantech £000	Contingent consideration DVS £000	Contingent consideration ClimaRad BV £000	Contingent consideration ERI £000	Total £000
<b>2025</b>						
At 1 August 2024	192	–	–	16,346	5,530	22,068
Additional liabilities	–	29,604	–	–	–	29,604
Re-measurement of financial liabilities	–	–	–	455	–	455
Fair value movement	–	–	2,572	2,023	107	4,702
Unwinding of discount	–	749	–	1,998	429	3,176
Consideration paid	–	–	–	(20,853)	(4,580)	(25,433)
Fair value adjustment	19	–	–	–	–	19
Foreign exchange	4	(1,543)	–	31	14	(1,494)
<b>At 31 July 2025</b>	<b>215</b>	<b>28,810</b>	<b>2,572</b>	<b>–</b>	<b>1,500</b>	<b>33,097</b>
<b>Analysis</b>						
Current	215	28,810	2,572	–	–	31,597
Non-current	–	–	–	–	1,500	1,500
<b>Total</b>	<b>215</b>	<b>28,810</b>	<b>2,572</b>	<b>–</b>	<b>1,500</b>	<b>33,097</b>

	Foreign exchange forward contracts £000	Contingent consideration ClimaRad BV £000	Contingent consideration I-Vent £000	Contingent consideration ERI £000	Total £000
<b>2024</b>					
At 1 August 2023	330	8,877	4,115	7,720	21,042
Re-measurement of financial liabilities	–	870	–	–	870
Re-measurement of contingent consideration	–	6,599	(1,529)	(316)	4,754
Consideration paid	–	–	(2,566)	(1,874)	(4,440)
Fair Value adjustment	(138)	–	–	–	(138)
Foreign exchange	–	–	(20)	–	(20)
<b>At 31 July 2024</b>	<b>192</b>	<b>16,346</b>	<b>–</b>	<b>5,530</b>	<b>22,068</b>
<b>Analysis</b>					
Current	192	16,346	–	5,530	22,068
Non-current	–	–	–	–	–
<b>At 31 July 2024</b>	<b>192</b>	<b>16,346</b>	<b>–</b>	<b>5,530</b>	<b>22,068</b>

### Consideration liabilities

The fair value of contingent consideration is calculated by estimating the future cash flows for the acquired company. These estimates are based on management's knowledge of the business and how the current economic environment is likely to impact performance. The relevant future cash flows are dependent on the specific terms of the sale and purchase agreement. The assessed contingent liability is discounted to present value using the discount rates for the relevant CGU (note 13).

#### Fantech

The deferred consideration liability of £28,692,000, being AUD\$60,000,000 (2024: nil) in relation to the current year acquisition has been updated since the acquisition date value to reflect the unwinding of the discount amount to present value and changes in foreign exchange rates between acquisition and year-end. This amount is due to be paid in December 2025.

#### DVS

The fair value of DVS contingent consideration at 31 July 2025 was assessed as £2,572,000, NZ\$5.8 million (2024: £nil), being the estimated payment for the earnout period for the year ending 31 March 2026. Contingent consideration for this period ranges from NZD0 to NZD9 million based on an EBITDA range of NZD3.5 million – NZD4.0 million. The expected payout has increased due to much improved forecast EBITDA performance in the latter half of this financial year, which is expected to be maintained throughout the remaining earnout period and beyond. The maximum present value of DVS contingent consideration is £4,000,000 and therefore there can be no material variation to the value of the year-end liability as a result of fluctuations in EBITDA performance.

#### ERI

The contingent consideration at 31 July 2024 was assessed as £5,530,000, with a range from €0 to €12,400,000, based on EBITDA performance from €4,500,000 to €8,500,000 for year ended 31 December 2024. This earnout was settled in the year.

In December 2024, the original contingent consideration from the acquisition of ERI was extended to include a potential payment of €0 to €6,000,000 based on EBITDA performance for the year ending 31 December 2029, with the threshold set at €10,000,000 and the maximum payable at €11,000,000. Based on current expectations, a liability of £1,500,000 has been recognised based on estimated EBITDA performance in the assessment period, discounted to present value. The maximum present value of ERI contingent consideration is £4,400,000 and therefore there can be no material variation to the value of the year-end liability as a result of fluctuations in EBITDA performance.

#### I-Vent

On 22 June 2023, the Group acquired the entire share capital of I-Vent. The share purchase agreement included contingent cash consideration based on the estimated future performance for three years post-acquisition for a combined total of up to €15,000,000. The contingent consideration at 31 July 2025 related to the acquisition of I-Vent remains at £nil (2024: £nil). The performance target for the year ended 31 December 2024 was not met in the year. The Group continues to expect that performance in the final assessment year to fall below the earnout threshold. The year 3 contingent consideration range is from €0 to €7,000,000 for the year ending 31 December 2025, based on EBITDA performance from €5,280,000 to €7,500,000. There would be no material variation to the value of the liability should EBITDA performance vary by 10%.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 21. Other financial liabilities continued

### Consideration liabilities continued

#### ClimaRad

On 17 December 2020, the Group acquired 75% of the issued share capital of ClimaRad Holding B.V. and subsidiaries (ClimaRad). Total consideration for the purchase of 75% of the issued share capital was €41,100,000 (£37,100,000) with a commitment to purchase the remaining 24.35% on or before 28 February 2025. The future consideration for the purchase of the remaining 24.35% was set at 24.35% of 13 times the EBITDA of ClimaRad for the financial year ended 31 December 2024, plus the non-controlling interest share of profits earned in the periods up to and including 31 December 2024, less interest and principal on the Vendor loan already paid, subject to a cap of €100 million.

The contingent consideration and purchase of the remaining 24.35% was settled in the year, with actual results being above the previous year estimate. Therefore, the liability is nil as at 31 July 2025 (2024: £16,346,000 liability based on estimated EBITDA performance, discounted to present value).

### Foreign exchange forward contract liabilities

The foreign exchange forward contracts are carried at their fair value with the gain or loss being recognised in the Group's consolidated statement of comprehensive income. Refer to note 27 for the fair value hierarchy the Group uses to determine the fair value of financial instruments.

## 22. Interest-bearing loans and borrowings

	2025		2024	
	Current £000	Non-current £000	Current £000	Non-current £000
<b>Unsecured – at amortised cost</b>				
Borrowings under the revolving credit facility (maturing 9 September 2027)	–	144,730	–	49,794
Cost of arranging bank loan	–	(1,335)	–	–
	–	143,395	–	49,794
Lease liabilities (note 20)	6,396	33,309	4,758	21,271
Other loans	–	317	–	565
ClimaRad vendor loan	–	–	9,605	–
<b>Total</b>	<b>6,396</b>	<b>177,021</b>	<b>14,363</b>	<b>71,630</b>

### Revolving credit facility – at 31 July 2025

Currency	Amount outstanding £000	Termination date	Repayment frequency	Rate %
GBP	–	9 September 2027	One payment	SONIA + margin%
Euro	65,997	9 September 2027	One payment	EURIBOR + margin%
Australian Dollar	63,248	9 September 2027	One payment	AUD-BBSY + margin%
Swedish Krona	15,485	9 September 2027	One payment	STIBOR + margin%
<b>Total</b>	<b>144,730</b>			

### Revolving credit facility – at 31 July 2024

Currency	Amount outstanding £000	Termination date	Repayment frequency	Rate %
GBP	–	2 December 2025	One payment	SONIA + margin%
Euro	49,794	2 December 2025	One payment	EURIBOR + margin%
Swedish Krona	–	2 December 2025	One payment	STIBOR + margin%
<b>Total</b>	<b>49,794</b>			

The interest rate on borrowings includes a margin that is dependent on the consolidated leverage level of the Group in respect of the most recently completed reporting period. For the year ended 31 July 2025, Group leverage was 1.2:1 and therefore the margin will remain at 1.50% from the rate at 31 January 2025. (31 July 2024: Group leverage was below 1.0:1 with the margin at 1.25%).

The Group remained comfortably within its banking covenants, which are tested semi-annually. As at 31 July 2025, the multiple of EBITDA to net finance charges was 13.6 (31 July 2024: 14.8), against a covenant minimum ratio of 4.0, and the multiple of net borrowings to EBITDA (leverage) was 1.2 (31 July 2024: 0.4), against a covenant maximum ratio of 3.0.

On 10 September 2024, the Group refinanced its bank debt. The old facility was repaid in full. The Group now has in place a £230 million multi-currency 'Sustainability Linked Revolving Credit Facility', together with an accordion of up to £70 million. The facility was due to mature in September 2027, with the option to extend for up to two additional years. In August 2025, the Group took the option to extend its multi-currency 'Sustainability Linked Revolving Credit Facility', together with an accordion of up to £70 million, by a period of 12 months, revising the maturity date to September 2028 and the maximum facility to £200 million.

At 31 July 2025, the Group had £85,270,000 (2024: £100,200,000) of its multi-currency revolving credit facility unutilised, plus an unutilised accordion of up to £70,000,000.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 22. Interest-bearing loans and borrowings continued

Changes in liabilities arising from financing activities

	1 August 2024 £000	Cash flows £000	Foreign exchange movement £000	New/ other £000	Interest payable £000	31 July 2025 £000
Non-current interest-bearing loans and borrowings (excluding lease liabilities)	49,794	90,094	(3,211)	(455)	7,173	143,395
Debt related to the business combination of VMI	565	(248)	–	–	–	317
Lease liabilities	26,029	(7,205)	(344)	19,969	1,256	39,705
ClimaRad vendor loan	9,605	(9,663)	(142)	–	200	–
<b>Total liabilities from financing activities</b>	<b>85,993</b>	<b>72,978</b>	<b>(3,697)</b>	<b>19,514</b>	<b>8,629</b>	<b>183,417</b>

The ClimaRad vendor loan was repaid in full in December 2024.

	1 August 2023 £000	Cash flows £000	Foreign exchange movement £000	New/ other £000	Interest £000	31 July 2024 £000
Non-current interest-bearing loans and borrowings (excluding lease liabilities)	79,369	(28,451)	(1,124)	–	–	49,794
Debt related to the business combination of VMI	802	(237)	–	–	–	565
Lease liabilities	31,208	(5,672)	(1,153)	883	763	26,029
ClimaRad vendor loan	9,771	–	(166)	–	–	9,605
<b>Total liabilities from financing activities</b>	<b>121,150</b>	<b>(34,360)</b>	<b>(2,443)</b>	<b>883</b>	<b>763</b>	<b>85,993</b>

The ClimaRad vendor loan was at 5.0% fixed rate of interest.

## 23. Provisions

	Product warranties £000	Property dilapidations £000	Total £000
<b>2025</b>			
At 1 August 2024	1,796	473	2,269
On business combinations	186	–	186
Arising during the year	1,684	256	1,940
Utilised	(1,511)	–	(1,511)
Foreign currency adjustment	(22)	1	(21)
<b>At 31 July 2025</b>	<b>2,133</b>	<b>730</b>	<b>2,863</b>

### Analysis

Current	1,752	381	2,133
Non-current	381	349	730
<b>Total</b>	<b>2,133</b>	<b>730</b>	<b>2,863</b>

### 2024

	Product warranties £000	Property dilapidations £000	Total £000
At 1 August 2023	1,625	467	2,092
Arising during the year	1,869	6	1,875
Utilised	(1,674)	–	(1,674)
Foreign currency adjustment	(24)	–	(24)
<b>At 31 July 2024</b>	<b>1,796</b>	<b>473</b>	<b>2,269</b>

### Analysis

Current	1,400	50	1,450
Non-current	396	423	819
<b>Total</b>	<b>1,796</b>	<b>473</b>	<b>2,269</b>

### Product warranties

A provision is recognised for warranty costs expected to be incurred in the following 12 months on products sold during the year and in prior years. Product warranties are typically one to two years; however, based on management's knowledge of the products, claims in relation to warranties after more than 12 months are rare and highly immaterial.



# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 24. Authorised and issued share capital and reserves

	Number of ordinary shares issued and fully paid	Ordinary shares £000	Share premium £000
At 31 July 2024 and 31 July 2025	200,000,000	2,000	11,527

The 200,000,000 authorised ordinary shares of £0.01p each.

At 31 July 2025, a total of 2,012,770 (2024: 2,151,214) ordinary shares in Volution Group plc were held by the Volution EBT, all of which were unallocated and available for transfer to participants of the Long Term Incentive Plan, Deferred Share Bonus Plan and Sharesave Plan on exercise. During the year, 515,000 ordinary shares in Volution Group plc were purchased by the trustees (2024: 700,000) and 653,444 (2024: 1,019,886) were released by the trustees at £3,694,058 (2024: £3,942,724). The market value of the shares at 31 July 2025 was £13,485,559 (2024: £11,767,140).

The Volution EBT has agreed to waive its rights to dividends.

## 25. Deferred tax liabilities

	1 August 2024 £000	Charged/(credited) to income £000	Credited to equity £000	Translation difference £000	On business combinations £000	31 July 2025 £000
<b>2025</b>						
<b>Temporary differences</b>						
Depreciation in advance of capital allowances	2,832	258	–	–	–	3,090
Fair value movements of derivative financial instruments	(71)	–	–	–	–	(71)
Development costs, customer base, trademark and patents	14,228	(2,381)	–	(950)	18,821	29,718
Unutilised tax losses	(28)	28	–	–	–	–
Other temporary differences	(1,316)	(1,743)	–	136	711	(2,212)
Share-based payments	(3,023)	(752)	(514)	–	–	(4,289)
<b>Deferred tax liabilities</b>	<b>12,622</b>	<b>(4,590)</b>	<b>(514)</b>	<b>(814)</b>	<b>19,532</b>	<b>26,236</b>

	1 August 2023 £000	Charged/(credited) to income £000	Charge to equity £000	Translation difference £000	On business combinations £000	31 July 2024 £000
<b>2024</b>						
<b>Temporary differences</b>						
Depreciation in advance of capital allowances	2,896	(64)	–	–	–	2,832
Fair value movements of derivative financial instruments	(123)	52	–	–	–	(71)
Development costs, customer base, trademark and patents	15,147	(1,816)	–	(216)	1,113	14,228
Unutilised tax losses	(1)	(27)	–	–	–	(28)
Other temporary differences	(1,275)	(45)	–	4	–	(1,316)
Share-based payments	(3,307)	(96)	380	–	–	(3,023)
<b>Deferred tax liabilities</b>	<b>13,337</b>	<b>(1,996)</b>	<b>380</b>	<b>(212)</b>	<b>1,113</b>	<b>12,622</b>

At 31 July 2025, the Group had not recognised a deferred tax asset in respect of gross tax losses of £5,195,000 (2024: £5,195,000) relating to management expenses, capital losses of £4,098,000 (2024: £4,098,000) arising in UK subsidiaries and overseas gross tax losses of £nil (2024: £nil), as there is insufficient evidence that the losses will be utilised. These losses are available to be carried indefinitely.

At 31 July 2025, the Group had no deferred tax liability (2024: £nil) to recognise for taxes that would be payable on the remittance of certain of the Group's overseas subsidiaries' unremitted earnings. Deferred tax liabilities have not been recognised as the Group has determined that there are no undistributed profits in overseas subsidiaries where an additional tax charge would arise on distribution.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 26. Dividends paid and proposed

	2025 £000	2024 £000
<b>Cash dividends on ordinary shares declared and paid</b>		
Interim dividend for 2025: 3.40 pence per share (2024: 2.80 pence)	6,727	5,538
<b>Proposed dividends on ordinary shares</b>		
Final dividend for 2025: 7.40 pence per share (2024: 6.20 pence)	14,651	12,278

An interim dividend payment of £6,727,000 is included in the consolidated statement of cash flows (2024: £5,538,000).

A final dividend payment of £12,278,000 is included in the consolidated statement of cash flows relating to 2024 (2024: £10,879,000 relating to 2023).

Total dividend payments of £19,005,000 is included in the consolidated statement of cash flows (2024: £16,417,000).

The proposed final dividend on ordinary shares is subject to approval at the Annual General Meeting and is not recognised as a liability at 31 July 2025.

There are no income tax consequences attached to the payment of dividends in either 2025 or 2024 by the Group to its shareholders.

## 27. Risk management

As a result of entering into financial instruments, the Group is exposed to market risk, credit risk, foreign exchange risk and liquidity risk.

The Group's principal financial instruments are:

- interest-bearing loans and borrowings;
- trade and other receivables, trade and other payables, cash and short-term deposits; and
- foreign exchange forward contracts.

### Derivative financial instruments

The Group uses forward foreign currency contracts to reduce exposure to foreign exchange risk.

### Forward foreign currency contracts

The Group's purchases in foreign currencies, net of Group sales in those currencies, represent approximately 16% (2024: 7%) of total material and component purchases. Each quarter the Group enters into forward exchange contracts for the purchase of the budgeted monthly net expenditure in US Dollars for the following rolling 12–15 months. Hedge accounting is not applied for these derivatives.

The Group's criteria for entering into a forward foreign currency contract would require that the instrument must:

- be related to anticipated foreign currency commitment;
- involve the same currency as the foreign currency commitment; and
- reduce the risk of foreign currency exchange movements on the Group's operations.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks, such as equity price risk and commodity risk.

The Group's exposure is primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into derivative financial instruments to manage its exposure to these risks when appropriate.

At 31 July 2025, the Group had commitments under forward foreign exchange contracts with varying settlement dates to 6 July 2026 (2024: 3 July 2025). See note 21 for fair values.

### Sensitivity analysis

The Group recognises that movements in certain risk variables (such as interest rates or foreign exchange rates) might affect the value of its derivatives and also the amounts recorded in its equity in the overseas entities and its statement of comprehensive income for the period. Therefore the Group has assessed:

- what would be reasonably possible changes in the risk variables at the end of the reporting period; and
- the effects on profit or loss and equity if such changes in the risk variables were to occur.

### Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's floating rate loans and borrowings which at the relevant reporting dates are not hedged. With all other variables being constant the Group's profit before tax is affected through the impact on floating rate borrowings as follows. There is only an immaterial impact on the Group's equity.

	Increase in basis points	Effect on profit before tax £000
<b>31 July 2025</b>		
<b>Sterling</b>	+25	–
<b>Swedish Krona</b>	+25	(39)
<b>Australian Dollar</b>	+25	(158)
<b>Euro</b>	+25	(165)

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 27. Risk management continued

	Increase in basis points	Effect on profit before tax £000
31 July 2024		
Sterling	+25	–
Swedish Krona	+25	–
Euro	+25	(124)

The assigned movement in basis points for interest rate sensitivity analysis is based upon the currently observable market environment.

The Group's cash balances are held in bank current accounts and earn immaterial levels of interest. Management has concluded that any changes in the SONIA and STIBOR rates will have an immaterial impact on interest income earned on the Group's cash balances. No interest rate sensitivity has been included in relation to the Group's cash balances.

### Foreign currency risk

The Group's exposure to foreign exchange risk primarily arises when revenue and expenses are denominated in a different currency from the Group's presentational currency and translated into GBP for consolidation into the Group's results. Foreign exchange risk also arises when the individual entities enter into transactions that are not denominated in their functional currency.

The following tables illustrate the impact of several changes to the spot GBP/USD, GBP/EUR, GBP/SEK, GBP/NZ\$ and GBP/AUD exchange rates of +5% weakening of GBP. The tables below reflect the impact on profit before tax and equity if those changes were to occur. Only the impact of changes in the SEK, USD, EUR, NZD and AUD denominated balances has been considered as these are the most significant non-GBP denominations used by the Group.

	Change in GBP vs USD/ SEK/EUR/DKK/ NZD/AUD rate	Effect on profit before tax	
		2025 £000	2024 £000
Swedish Krona	5%	528	519
US Dollar	5%	(226)	(255)
Euro	5%	1,492	642
New Zealand Dollar	5%	246	261
Australian Dollar	5%	521	294

	Change in GBP vs USD/ SEK/EUR/DKK/ NZD/AUD rate	Effect on equity	
		2025 £000	2024 £000
Swedish Krona	5%	(593)	(752)
Euro	5%	728	582
New Zealand Dollar	5%	(793)	(232)
Australian Dollar	5%	59	(38)

### Hedge of net investments in foreign operations

The Euro, Swedish Krona and Australian Dollar denominated loans at 31 July 2025, which can be found in note 22, have been designated as a hedge of the net investments in the subsidiaries in Nordics, Europe and Australia. The borrowing is being used to hedge the Group's exposure to the foreign exchange risk on these investments. Gains or losses on the retranslation of this borrowing are transferred to other comprehensive income to offset any gains or losses on translation of the net investments in the subsidiaries.

There is an economic relationship between the hedged items and the hedging instrument as the net investments create a translation risk that will match the foreign exchange risk on the borrowing. The underlying risk of the hedging instrument is identical to the hedged risk component. The hedging gain recognised in other comprehensive income before tax is equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss and we do not expect there to be any.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 27. Risk management continued

### Liquidity risk

Liquidity risk for the Group arises from the management of working capital commitments and meeting its financial obligations as they fall due. The Group's policy is to regularly review cash flow forecasts/projections as well as information regarding cash balances to ensure that it has significant cash to allow it to meet its liabilities when they become due.

The Group reviews its long-term funding requirements in parallel with its long-term strategy, with an objective of aligning both in a timely manner. At the reporting date, forecasts indicate that the Group is expected to have sufficient liquidity to meet its financial obligations for at least the next three years.

The table below summarises the maturity profile of the Group's significant undiscounted financial liabilities at 31 July 2025.

At 31 July 2025	Less than one year £000	Between one and five years £000	More than five years £000	Total £000
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings (excluding interest and lease liabilities)	–	144,730	–	144,730
Lease liabilities	7,858	21,485	17,999	47,342
Forward foreign currency exchange outflow	18,178	–	–	18,178
Forward foreign currency exchange inflow	(17,962)	–	–	(17,962)
Deferred consideration – Fantech	29,191	–	–	29,191
Contingent consideration – DVS	4,015	–	–	4,015
Contingent consideration – ERI	–	1,788	–	1,788
Trade and other payables and other accrued expenses	63,910	–	–	63,910
	105,190	168,003	17,999	291,192

The table below summarises the maturity profile of the Group's significant undiscounted financial liabilities at 31 July 2024.

At 31 July 2024	Less than one year £000	Between one and five years £000	More than five years £000	Total £000
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings (excluding interest and lease liabilities)	–	49,794	–	49,794
Lease liabilities	5,196	12,274	10,708	28,178
ClimaRad vendor loan	9,605	–	–	9,605
Forward foreign currency exchange outflow	17,127	–	–	17,127
Forward foreign currency exchange inflow	(16,935)	–	–	(16,935)
Contingent consideration – ClimaRad BV	18,054	–	–	18,054
Contingent consideration – ERI	5,900	–	–	5,900
Trade and other payables and other accrued expenses	44,623	–	–	44,623
	83,570	62,068	10,708	156,346

### Fair values of financial assets and financial liabilities

There are no material differences between the book values and fair values for any of the Group's financial instruments carried at amortised cost. Derivative financial instruments have been valued using other techniques, for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Group is mainly exposed to credit risk from its operating activities (primarily for trade receivables – credit sales) and from cash and cash equivalents and deposits with banks and financial institutions and other financial instruments.

### Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by credit insurance obtained from reputable banks and other financial institutions.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 27. Risk management continued

### Trade receivables continued

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating, and coverage by credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset disclosed in note 17. The Group does not hold collateral as security. The credit insurance is considered an integral part of trade receivables and considered in the calculation of impairment.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	Current £000	<30 days £000	30–60 days £000	61–90 days £000	>91 days £000	Total £000
<b>31 July 2025</b>						
Expected credit loss rate	0.1%	0.8%	5.2%	10.4%	21.7%	
Estimated total gross carrying amount at default	58,201	8,051	1,214	268	886	68,620
Expected credit loss	51	66	63	28	192	400
	Current £000	<30 days £000	30–60 days £000	61–90 days £000	>91 days £000	Total £000
<b>31 July 2024</b>						
Expected credit loss rate	<0.2%	<0.1%	1.1%	8.6%	35.0%	
Estimated total gross carrying amount at default	42,089	2,125	470	81	1,241	46,006
Expected credit loss	66	2	5	7	434	514

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. The Group deposits cash with reputable financial institutions, from which management believes the possibilities of loss to be remote. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 July 2025 and 2024 is the carrying amount. The Group's maximum exposure to derivative financial instruments is noted in either note 21 or in the liquidity tables included under liquidity risk.

### Capital risk management

The primary objective of the Group's capital management policy is to ensure that it has the capital required to operate and grow the business at a reasonable cost of capital without incurring undue financial risks. The Board periodically reviews its capital structure to ensure it meets changing business needs. The Group defines its capital as its share capital (excluding treasury shares), share premium account, foreign currency translation reserves and retained earnings. In addition, the Directors consider the management of debt to be an important element in controlling the capital structure of the Group. The Group may carry significant levels of long-term structural and subordinated debt to fund acquisitions and has arranged debt facilities to allow for fluctuations in working capital requirements. There have been no changes to the capital management policy in the current period. Management manages capital on an ongoing basis to ensure that covenant requirements on third party debt are met.

### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 – other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 – techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments carried at fair value comprise the derivative financial instruments in note 21 and the contingent consideration in notes 15 and 21.

For hierarchy purposes derivative financial instruments are deemed to be Level 2 as external valuers are involved in the valuation of these contracts. Their fair value is measured using valuation techniques including the DCF model. Inputs to this calculation include the expected cash flows in relation to these derivative contracts and relevant discount rates. Contingent consideration is deemed to be Level 3, with the unobservable inputs being forecast future performance; see note 21 for details on the valuation techniques used to measure the fair value.

## 28. Related party transactions

Transactions between Volution Group plc and its subsidiaries, and transactions between subsidiaries, are eliminated on consolidation and are not disclosed in this note. A breakdown of transactions between the Group and its related parties is disclosed below.

No related party loan note balances exist at 31 July 2025 or 31 July 2024.

There were no material transactions or balances between the Company and its key management personnel or members of their close family other than the compensation shown below. At the end of the period, key management personnel did not owe the Company any amounts.

The Companies Act 2006 and the Directors' Remuneration Report Regulations 2013 require certain disclosures of Directors' remuneration. The details of the Directors' total remuneration are provided in the Directors' Remuneration Report (see pages 111 to 124).



# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 28. Related party transactions continued

### Compensation of key management personnel

	2025 £000	2024 £000
Short-term employee benefits	4,802	4,888
Share-based payment charge (see note 31)	1,018	904
<b>Total</b>	<b>5,820</b>	<b>5,792</b>

Key management personnel is defined as the CEO, the CFO and the 10 (2024: 15) individuals who report directly to the CEO. Due to the internal senior management restructure the CEO has less direct reports as there are now three senior regional leads compared with 8 in the prior year.

The Group also incurred fees and expenses of £468,000 (2024: £414,000) in respect of Claire Tiney, Amanda Mellor, Nigel Lingwood, Margaret Amos, Jonathan Davis, Celia Baxter and Emmanuelle Dubu for their services as Non-Executive Directors.

## 29. Group structure details

At 31 July 2025, Volution Group plc held 100% of the voting shares of the following subsidiaries:

Group company	Principal activity	Country of incorporation
<b>Direct</b>		
Windmill Topco Limited <sup>1</sup>	Dormant	England
Volution Holdings Limited <sup>1</sup>	Intermediate holding company	England
Energy Technique Limited <sup>1</sup>	Dormant	England
<b>Indirect</b>		
Windmill Midco Limited <sup>1</sup>	Dormant	England
Windmill Cleanco Limited <sup>1</sup>	Dormant	England
Windmill Bidco Limited <sup>1</sup>	Dormant	England
Manrose Manufacturing Limited <sup>1</sup>	Non-trading	England
Volution Ventilation Group Limited <sup>1</sup>	Intermediate holding company	England
Torin-Sifan Limited <sup>1</sup>	Original equipment manufacturer	England
Anda Products Limited <sup>1</sup>	Non-trading	England
Axia Fans Limited <sup>1</sup>	Non-trading	England
Roof Units Limited <sup>1</sup>	Non-trading	England
Torin Limited <sup>1</sup>	Non-trading	England
Vent-Axia Limited <sup>1</sup>	Non-trading	England
Vent-Axia Clean Air Systems Limited <sup>1</sup>	Non-trading	England
Vent-Axia Group Limited <sup>1</sup>	HR services to Group	England
ET Environmental Limited <sup>1</sup>	Non-trading	England

Group company	Principal activity	Country of incorporation
Diffusion Environmental Systems Limited <sup>1</sup>	Non-trading	England
NVA Services Limited <sup>1</sup>	Non-trading	England
SW National Ventilation Limited <sup>1</sup>	Non-trading	England
Airtech Humidity Controls Limited <sup>1</sup>	Non-trading	England
Sens-Air Limited <sup>1</sup>	Non-trading	England
Breathing Buildings Limited <sup>1</sup>	Non-trading	England
Volution Ventilation UK Limited <sup>1</sup>	Ventilation products	England
Volution Holdings Sweden AB <sup>2</sup>	Intermediate holding company	Sweden
Volution Sweden AB <sup>2</sup>	Ventilation products	Sweden
VoltAir System AB <sup>3</sup>	Ventilation products	Sweden
Volution Norge AS <sup>4</sup>	Ventilation products	Norway
inVENTer GmbH <sup>5</sup>	Ventilation products	Germany
Volution Management Holdings GmbH <sup>5</sup>	Intermediate holding company	Germany
Volution Deutschland Real Estate GmbH <sup>5</sup>	Property holding company	Germany
Ventilair Group International <sup>6</sup>	Intermediate holding company	Belgium
Ventilair Group Belgium BVBA <sup>6</sup>	Ventilation products	Belgium
Ventilair Group Netherlands B.V. <sup>7</sup>	Ventilation products	Netherlands
Vent-Axia B.V. <sup>7</sup>	Ventilation products	Netherlands
Simx Limited <sup>8</sup>	Ventilation products	New Zealand
Volution Ventilation New Zealand Limited <sup>8</sup>	Intermediate holding company	New Zealand
Oy Pamon Ab <sup>9</sup>	Ventilation products	Finland
Air Connection ApS <sup>10</sup>	Ventilation products	Denmark
Ventair Pty Limited <sup>11</sup>	Ventilation products	Australia
Volution Ventilation Australia Limited <sup>11</sup>	Ventilation products	Australia
Volution Ventilation Holdings B.V. <sup>12</sup>	Intermediate holding company	Netherlands
ClimaRad Holding B.V. <sup>12</sup>	Intermediate holding company	Netherlands
ClimaRad BV <sup>12</sup>	Ventilation products	Netherlands
ClimaRad d.o.o. <sup>13</sup>	Ventilation products	Bosnia
ERI Corporation DOO Bitola <sup>13</sup>	Ventilation products	North Macedonia
ERI Corporation SRL <sup>14</sup>	Ventilation products	Italy
Energy Recovery Industries Trading SLU <sup>15</sup>	Ventilation products	Spain
Energy Recovery Industries Corporation Limited <sup>1</sup>	Ventilation products	England
Ventilairsec <sup>16</sup>	Ventilation products	France
Neosfair <sup>17</sup>	Ventilation products	France
I-VENT doo <sup>18</sup>	Ventilation products	Slovenia

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 29. Group structure details continued

Group company	Principal activity	Country of incorporation
Lunos Hrvatska d.o.o. <sup>19</sup>	Ventilation products	Croatia
DVS <sup>8</sup>	Ventilation products	New Zealand
Hawthorns Newco Limited <sup>20</sup>	Intermediate holding company	Jersey
Les Creux Australia Pty <sup>21</sup>	Intermediate holding company	Australia
Fantech Group Pty Ltd <sup>21</sup>	Intermediate holding company	Australia
The Ventilation Warehouse Pty Ltd <sup>21</sup>	Non-trading	Australia
Idealair Group Pty Ltd <sup>21</sup>	Ventilation products	Australia
FanShack Pty Ltd <sup>21</sup>	Non-trading	Australia
Major Air Pty Ltd <sup>21</sup>	Non-trading	Australia
NCS Acoustics Ltd <sup>22</sup>	Ventilation products	New Zealand
The Ventilation Warehouse (NZ) Ltd <sup>23</sup>	Non-trading	New Zealand
Fantech (NZ) Ltd <sup>23</sup>	Ventilation products	New Zealand
Burra Sheetmetal Pty Ltd <sup>21</sup>	Ventilation products	Australia
Systemaire Pty Ltd	Non-trading	Australia
Fantech Pty Ltd <sup>21</sup>	Ventilation products	Australia
Air Design Pty <sup>21</sup>	Non-trading	Australia
Fantech Services Pty <sup>21</sup>	Ventilation products	Australia

### Registered offices

1. Fleming Way, Crawley, West Sussex RH10 9YX.
2. Gransholmsvägen 136, 35599 Gemla, Sweden.
3. Box 7033, 12107 Stockholm-Globen, Sweden.
4. Professor Birkelands vei 24B, 1081 Oslo, Norway.
5. inVENTer-Straße 1, 07751 Löberschütz, Germany.
6. Pieter Verhaeghestraat 8, 8520 Kuurne, Belgium.
7. Kerver 16, 5521 DB Eersel, the Netherlands.
8. 1 Haliday Place, East Tamaki, Auckland, 2013, New Zealand.
9. Kesikankaantie 17, 15680 Hollola, Finland.
10. Rude Havvej 17B, DK-8300 Odder, Denmark.
11. 4 Capital Pl, Carrum Downs VIC 3201, Australia.
12. Lübeckstraat 25, 7575 EE Oldenzaal, the Netherlands.
13. Kamenolom 10, 71215 Blazuj, Sarajevo, Bosnia and Herzegovina.
14. BURSA 124 7000, Bitola, North Macedonia.
15. Via Modigliani 90 81031 Aversa, Italy.
16. Calle Pere Dezcallar I Net 11 Planta 2, 07003 Palma De Mallorca Illes Balears, Spain.
17. 16 Rue des Imprimeurs, 44220 Couëron, France.
18. Robbova ulica 2, 1000 Ljubljana, Slovenia.
19. Zagreb (Grad Zagreb), Samoborska cesta 153A, Croatia.
20. First Floor, Suite 144, Liberation Station, Esplanade, St. Helier, JE2 3AS, Jersey.
21. 63 Vision Street Dandenong South Vic 3175, Australia.
22. 112 Takanini School Road, Takanini, 2105, New Zealand.
23. 7 Lovell Court, Rosedale, Auckland, 0632, New Zealand.

Volution Group plc acquired the remaining 24.35% of the voting shares of Volution Ventilation Holdings B.V. and its subsidiaries during the year.

Torin-Sifan Limited, Volution Holdings Limited, Volution Ventilation Group Limited, Vent-Axia Group Limited and Energy Recovery Industries Corporation Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act. In accordance with Section 479C of the Companies Act 2006, the Company has provided guarantees in respect of the liabilities of these companies.

## 30. Commitments and contingencies

Commitments for the acquisition of property, plant and equipment as of 31 July 2025 are £404,000 (2024: £626,000).

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 31. Share-based payments

The Company operates a share-based incentive scheme for Directors and key employees, known as the Volution Long Term Incentive Plan (LTIP). Share options are granted each year with the latest share options being granted in October 2024; these nil-cost options normally vest after three years assuming continuing employment with the Company. The extent to which the options will vest is dependent upon the Company's performance over a three-year period set at the date of grant. The vesting of the awards will be determined by the Company's relative total shareholder return (TSR) performance, ESG performance and EPS growth. A Return on Invested Capital (ROIC) underpin will apply from FY25. The TSR element of the options granted has been valued using the Group's share price volatility, the correlation between the share price movements of TSR comparators and the relevant vesting schedule.

	2025	2024
Outstanding at 1 August	3,232,977	3,639,160
Granted during the year	491,917	696,754
Dividend equivalent added on vesting	15,244	30,409
Exercised during the year	(419,901)	(1,050,589)
Lapsed during the year	(109,822)	(82,757)
<b>Outstanding at 31 July</b>	<b>3,210,415</b>	<b>3,232,977</b>
<b>Vested and Exercisable</b>	<b>1,441,144</b>	<b>1,552,724</b>

The weighted average share price at the date of exercise of vested shares during the year was £5.65 (2024: £3.87).

The weighted average exercise price for all options is £nil.

The weighted average fair value of each option granted during the year was £4.41 (2024: £3.75).

The weighted average remaining contractual life for the share options outstanding as at 31 July 2025 was 6.7 years (2024: 7.0 years).

The following information is relevant in the determination of the fair value of options granted during the year under the LTIP:

	2025
Option pricing model used	Monte Carlo
Weighted average share price at grant date (£)	5.03
Exercise price (£)	nil
Expected dividend yield (£)	nil
Expected life (years)	2.5
Expected volatility	30.5%
Risk-free interest rate	3.8%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of share prices over a period commensurate with the expected life of the option.

The share-based remuneration expense comprises:

	2025 £000	2024 £000
Equity-settled schemes	2,154	1,200
	2,154	1,200

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

## 32. Events after the reporting period

There have been no events after the reporting period requiring disclosure.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2025

## 33. Glossary of terms

**Adjusted basic and diluted EPS:** calculated by dividing the adjusted profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the adjusted net profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of any dilutive potential ordinary shares into ordinary shares.

**Adjusted EBITA:** adjusted operating profit before amortisation.

**Adjusted EBITDA:** adjusted operating profit before depreciation and amortisation.

**Adjusted finance costs:** finance costs before net gains or losses on financial instruments at fair value and the exceptional write-off of unamortised loan issue costs upon refinancing.

**Adjusted operating cash flow:** adjusted EBITDA plus or minus movements in operating working capital, less net investments in property, plant and equipment and intangible assets.

**Adjusted operating profit:** operating profit before exceptional operating costs, fair value movement on contingent consideration and amortisation of assets acquired through business combinations.

**Adjusted profit after tax:** profit after tax before exceptional operating costs, fair value movement on contingent consideration, unwinding of discounting on contingent consideration exceptional write-off of unamortised loan issue costs upon refinancing, net gains, or losses on financial instruments at fair value, amortisation of assets acquired through business combinations and the tax effect on these items.

**Adjusted profit before tax:** profit before tax before exceptional operating costs, fair value movement on contingent consideration, unwinding of discounting on contingent consideration, exceptional write-off of unamortised loan issue costs upon refinancing, net gains, or losses on financial instruments at fair value and amortisation of assets acquired through business combinations.

**Adjusted tax charge:** the reported tax charge less the tax effect on the adjusted items.

**CAGR:** compound annual growth rate.

**Cash conversion:** calculated by dividing adjusted operating cash flow by adjusted EBITA.

**Constant currency:** to determine values expressed as being at constant currency we have converted the income statement of our foreign operating companies for the year ended 31 July 2025 at the average exchange rate for the year ended 31 July 2024. In addition, we have converted the UK operating companies' sale and purchase transactions in the year ended 31 July 2024, which were denominated in foreign currencies, at the average exchange rates for the year ended 31 July 2023.

**EBITA:** profit before net finance costs, tax and amortisation.

**EBITDA:** profit before net finance costs, tax, depreciation and amortisation.

**Net debt:** bank borrowings and lease liabilities less cash and cash equivalents.

**Operating cash flow:** EBITDA plus or minus movements in operating working capital, less share-based payment expense, less net investments in property, plant and equipment and intangible assets.

**ROIC:** measured as adjusted operating profit for the year divided by average net assets adding back net debt, acquisition-related liabilities, and historic goodwill and acquisition-related amortisation charges (net of the associated deferred tax).

# Parent Company Statement of Financial Position

At 31 July 2025

	Notes	2025 £000	2024 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	81	110
Investments	5	199,322	199,322
Deferred tax asset	6	4,357	3,423
<b>Total non-current assets</b>		<b>203,760</b>	202,855
<b>Current assets</b>			
Other receivables and prepayments	7	266,259	121,937
Cash and short-term deposits		222	469
<b>Total current assets</b>		<b>266,481</b>	122,406
<b>Total assets</b>		<b>470,241</b>	325,261
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	(30,702)	(24,291)
Other current financial liabilities	8	(283)	(313)
<b>Total current liabilities</b>		<b>(30,985)</b>	(24,604)
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	10	(143,395)	(49,794)
<b>Total non-current liabilities</b>		<b>(143,395)</b>	(49,794)
<b>Total liabilities</b>		<b>(174,380)</b>	(74,398)
<b>Net assets</b>		<b>295,861</b>	250,863

	Notes	2025 £000	2024 £000
<b>Capital and reserves</b>			
Share capital	11	2,000	2,000
Share premium		11,527	11,527
Treasury shares		(2,999)	(2,250)
Share-based payment reserve		6,209	5,200
Capital reserve		(273)	(273)
Retained earnings		279,397	234,659
<b>Total equity</b>		<b>295,861</b>	250,863

As permitted by Section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements.

The Company's profit for the year ended 31 July 2025 was £63.6 million (2024: £33.4 million).

The financial statements on pages 171 to 177 of Volution Group plc (registered number: 09041571) were approved by the Board of Directors and authorised for issue on 8 October 2025.

On behalf of the Board

**Ronnie George**  
Chief Executive Officer  
8 October 2025

**Andy O'Brien**  
Chief Financial Officer  
8 October 2025



# Parent Company Statement of Changes in Equity

For the year ended 31 July 2025

	Share capital £000	Share premium £000	Treasury shares £000	Share-based payment reserve £000	Capital reserve £000	Retained earnings £000	Total £000
<b>At 1 August 2023</b>	2,000	11,527	(2,390)	5,357	(273)	219,365	235,586
Profit for the year	-	-	-	-	-	33,370	33,370
Total comprehensive income	-	-	-	-	-	33,370	33,370
Share-based payment	-	-	-	1,056	-	-	1,056
Purchase of own shares	-	-	(2,732)	-	-	-	(2,732)
Vesting of share options	-	-	2,872	(1,213)	-	(1,659)	-
Dividends paid	-	-	-	-	-	(16,417)	(16,417)
<b>At 31 July 2024</b>	2,000	11,527	(2,250)	5,200	(273)	234,659	250,863
Profit for the year	-	-	-	-	-	<b>63,643</b>	<b>63,643</b>
Total comprehensive income	-	-	-	-	-	<b>63,643</b>	<b>63,643</b>
Share-based payment	-	-	-	<b>2,668</b>	-	-	<b>2,668</b>
Purchase of own shares	-	-	<b>(3,003)</b>	-	-	-	<b>(3,003)</b>
Vesting of share options	-	-	<b>2,254</b>	<b>(1,659)</b>	-	<b>100</b>	<b>695</b>
Dividends paid	-	-	-	-	-	<b>(19,005)</b>	<b>(19,005)</b>
<b>At 31 July 2025</b>	<b>2,000</b>	<b>11,527</b>	<b>(2,999)</b>	<b>6,209</b>	<b>(273)</b>	<b>279,397</b>	<b>295,861</b>

# Parent Company Statement of Cash Flows

For the year ended 31 July 2025

	Notes	2025 £000	2024 £000		Notes	2025 £000	2024 £000
<b>Operating activities</b>				<b>Investing activities</b>			
Profit for the year after tax		63,643	33,369	Purchase of property, plant and equipment	4	(4)	(5)
<b>Adjustments to reconcile profit for the year to net cash flow from operating activities:</b>				Proceeds from disposal of property, plant and equipment		–	3
Income tax for the year		(4,152)	(3,258)	Interest received		155	–
Finance income		(185)	(639)	<b>Net cash flow generated from/(used in) investing activities</b>		151	(2)
Finance costs		7,661	5,126	<b>Financing activities</b>			
Effect of exchange on foreign denominated loans		(3,211)	(1,124)	Interest paid		(6,231)	(4,598)
Share-based payment expense		2,154	1,200	Repayment of interest-bearing loans and borrowings		(100,681)	(56,734)
Depreciation of property, plant and equipment	4	33	33	Proceeds from new borrowings		198,828	28,283
<b>Working capital adjustments:</b>				Issue costs of new borrowings		(1,822)	–
(Increase)/Decrease in other receivables and prepayments		(140,589)	16,842	Dividend paid to equity holders	12	(19,005)	(16,417)
Increase in trade and other payables		5,467	2	Purchase of own shares		(2,308)	(2,732)
<b>Net cash flow (used in)/generated from operating activities</b>		(69,179)	51,551	<b>Net cash flow generated from/(used in) financing activities</b>		68,781	(52,198)
				Net (decrease) in cash and cash equivalents		(247)	(649)
				Cash and cash equivalents at the start of the year		469	1,118
				<b>Cash and cash equivalents at the end of the year</b>		222	469

# Notes to the Parent Company Financial Statements

For the year ended 31 July 2025

## 1. General information

These financial statements were approved and authorised for issue by the Board of Directors of Volution Group plc (the Company) on 8 October 2025.

The Company is a public limited company and is incorporated and domiciled in the UK (registered number: 09041571). The share capital of the Company is listed on the London Stock Exchange. The address of its registered office is Fleming Way, Crawley, West Sussex RH10 9YX.

## 2. Accounting policies

### Basis of preparation

The financial statements are prepared in accordance with UK-adopted international accounting standards (IFRS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements are presented in GBP (£), rounded to the nearest thousand (£000) unless otherwise stated. They have been prepared under the historical cost convention.

The policies applied by the Company are consistent with those set out in the notes to the consolidated financial statements. The following additional policies are also relevant to the Company financial statements.

### Investments (note 5)

Investments in subsidiary undertakings are valued at cost, being the fair value of the consideration given and including directly attributable transaction costs. The carrying value is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

### Dividends received

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

### Financial instruments

For detailed disclosures of financial instruments refer to note 27 of the Group financial statements.

### New standards and interpretations

The standards or interpretations listed below have become effective since 1 August 2024 for annual periods beginning on or after 1 January 2024 and had no material impact on these financial statements.

- Amendments to IAS 1 'Classification of liabilities as current or non-current';
- Amendments to IFRS 16 'Lease liability in a sale and leaseback';
- Amendments to IAS 1 'Non-current liabilities with covenants'; and
- Amendments to IAS 7 'Supplier finance arrangements'.

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

The following amendments become effective after 1 January 2027:

- Amendments to IFRS 18 'Presentation and disclosure in financial statements'.

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the Company in future periods.

### Accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The Directors have concluded that there are no key judgements or major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 3. Staff costs

	2025 £000	2024 £000
Wages and salaries	5,271	5,047
Social security costs	414	379
Share-based payment charge	2,154	1,200
Defined contribution pension costs	94	92
	7,933	6,718

Total contributions payable in the next financial year are expected to be at rates broadly similar to those in 2024/25 but based on actual salary levels in 2025/26.

### Average monthly number of employees in the year

	2025 Number	2024 Number
Administration	20	19

### Directors' remuneration

	2025 £000	2024 £000
<b>Amounts paid in respect of qualifying services</b>		
Directors' remuneration	4,335	3,265
Non-Executive Directors' remuneration	468	414
Directors' cash payment in lieu of employer's pension contribution	54	43
Directors' pension scheme contributions	–	–

The number of Directors accruing benefits under Company money purchase pension arrangements was £nil (2024: £nil).

The aggregate amount of gains made by the directors on the exercise of share options was £1,329,000 (2024: £3,098,000).

# Notes to the Parent Company Financial Statements continued

For the year ended 31 July 2025

## 3. Staff costs continued

The Company also incurred fees and expenses of £468,000 (2024: £414,000) in respect of Claire Tiney, Amanda Mellor, Nigel Lingwood, Margaret Amos, Jonathan Davis, Celia Baxter and Emmanuelle Dubu for their services as Non-Executive Directors.

## 4. Property, plant and equipment

	Fixtures, fittings, and equipment £000	Total £000
<b>2025</b>		
<b>Cost</b>		
At 1 August 2023	302	302
Additions	5	5
Disposals	(21)	(21)
<b>At 31 July 2024</b>	<b>286</b>	<b>286</b>
Additions	4	4
Disposals	(1)	(1)
<b>At 31 July 2025</b>	<b>289</b>	<b>289</b>
<b>Accumulated depreciation</b>		
At 1 August 2023	162	162
Disposals	(19)	(19)
Charge for the year	33	33
At 31 July 2024	176	176
Disposals	(1)	(1)
Charge for the year	33	33
<b>At 31 July 2025</b>	<b>208</b>	<b>208</b>
<b>Net book value</b>		
At 31 July 2024	110	110
<b>At 31 July 2025</b>	<b>81</b>	<b>81</b>
<b>5. Investments</b>	<b>£000</b>	
<b>Cost and net book value</b>		
<b>At 31 July 2024 and 31 July 2025</b>	<b>199,322</b>	

For a list of the subsidiaries in which Volution Group plc held 100% of the voting shares as at 31 July 2025, see note 29 of the Group financial statements.

The Company has considered whether there is objective evidence that the investment in subsidiaries is impaired. Considering models and assumptions consistent with those used for the Group goodwill impairment testing (see note 13 of the Group financial statements), no indicator of impairment has been identified.

## 6. Deferred tax assets

Deferred tax assets and liabilities arise from the following:

	1 August 2024 £000	Charged to income £000	Credit to equity £000	31 July 2025 £000
<b>Deferred tax asset</b>				
Temporary differences	3,423	420	514	4,357
	1 August 2023 £000	Credit to income £000	Credit to equity £000	31 July 2024 £000
<b>Deferred tax asset</b>				
Temporary differences	3,417	386	(380)	3,423

## 7. Other receivables and prepayments

	2025 £000	2024 £000
Amounts owed by Group undertakings	265,272	121,141
Prepayments	987	796
	<b>266,259</b>	<b>121,937</b>

Refer to note 13 for more details on the terms of the amounts owed by Group undertakings. The Group has considered the recoverability of the amounts owed by Group undertakings. Consideration was given to the different scenarios for the recovery of the intercompany loan receivables, the possible credit losses that could arise and the probabilities for these scenarios. Based on this assessment, the amounts owed by Group undertakings are considered fully recoverable and therefore no provision for expected credit loss has been recognised.

## 8. Other financial liabilities

	2025 Current £000	2024 Current £000
<b>Financial liabilities</b>		
Foreign exchange forward contracts	283	313
	<b>283</b>	<b>313</b>

The foreign exchange forward contracts are carried at their fair value with the gain or loss being recognised in the Company's statement of comprehensive income. Refer to note 27 within the Group's financial statements for the fair value hierarchy the Company uses to determine the fair value of financial instruments.

# Notes to the Parent Company Financial Statements continued

For the year ended 31 July 2025

## 9. Trade and other payables

	2025 £000	2024 £000
Trade payables	564	390
Other payables	1,205	251
Accruals	4,296	3,019
Amounts owed to Group undertakings	24,637	20,631
	<b>30,702</b>	<b>24,291</b>

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

## 10. Interest-bearing loans and borrowings

	2025		2024	
	Current £000	Non-current £000	Current £000	Non-current £000
<b>Unsecured – at amortised cost</b>				
Borrowings under the revolving credit facility (maturing 2025)	–	144,730	–	49,794
Cost of arranging bank loan	–	(1,335)	–	–
	–	<b>143,395</b>	–	<b>49,794</b>

### Revolving credit facility – at 31 July 2025

Currency	Amount outstanding £000	Termination date	Repayment frequency	Rate %
GBP	–	9 September 2027	One payment	SONIA + margin%
Euro	65,997	9 September 2027	One payment	EURIBOR + margin%
Australian Dollar	63,248	9 September 2027	One payment	AUD-BBSY + margin%
Swedish Krona	15,485	9 September 2027	One payment	STIBOR + margin%
<b>Total</b>	<b>144,730</b>			

### Revolving credit facility – at 31 July 2024

Currency	Amount outstanding £000	Termination date	Repayment frequency	Rate %
GBP	–	2 December 2025	One payment	SONIA + margin%
Euro	49,794	2 December 2025	One payment	EURIBOR + margin%
Swedish Krona	–	2 December 2025	One payment	STIBOR + margin%
<b>Total</b>	<b>49,794</b>			

The interest rate on borrowings includes a margin that is dependent on the consolidated leverage level of the Group in respect of the most recently completed reporting period. For the year ended 31 July 2025, Group leverage was 1.2:1 and therefore the margin will remain at 1.50% from the rate at 31 January 2025 (31 July 2024: Group leverage was below 1.0:1 with the margin at 1.25%).

The Group remained comfortably within its banking covenants, which are tested semi-annually. As at 31 July 2025, the multiple of EBITDA to net finance charges was 13.6 (31 July 2024: 14.8), against a covenant minimum ratio of 4.0, and the multiple of net borrowings to EBITDA (leverage) was 1.2 (31 July 2024: 0.4), against a covenant maximum ratio of 3.0.

On 10 September 2024, the Group refinanced its bank debt. The old facility was repaid in full. The Group now has in place a £230 million multi-currency 'Sustainability Linked Revolving Credit Facility', together with an accordion of up to £70 million. The facility was due to mature in September 2027, with the option to extend for up to two additional years. In August 2025, the Group took the option to extend its multi-currency 'Sustainability Linked Revolving Credit Facility', together with an accordion of up to £70 million, by a period of 12 months; revising the maturity date to September 2028 and the maximum facility to £200 million.

At 31 July 2025, the Group had £85,270,000 (2024: £100,200,000) of its multi-currency revolving credit facility unutilised, plus an unutilised accordion of up to £70,000,000.

### Reconciliation of movement in financial liabilities

	2025 £000	2024 £000
At 1 August	49,794	79,369
Additional loans	198,828	28,283
Repayment of loans	(100,681)	(56,734)
Interest charge	7,173	4,427
Interest paid	(7,173)	(4,427)
Foreign exchange	(3,211)	(1,124)
<b>At 31 July</b>	<b>144,730</b>	<b>49,794</b>

### Changes in liabilities arising from financing activities

	1 August 2024 £000	Cash flows £000	Foreign exchange movement £000	Interest charge £000	Other £000	31 July 2025 £000
Non-current interest-bearing loans and borrowings	49,794	90,094	(3,211)	7,173	(455)	143,395



# Notes to the Parent Company Financial Statements continued

For the year ended 31 July 2025

## 10. Interest-bearing loans and borrowings (continued)

	1 August 2023 £000	Cash flows £000	Foreign exchange movement £000	Other £000	31 July 2024 £000
Non-current interest-bearing loans and borrowings	79,369	(28,451)	(1,124)	–	49,794

## 11. Share capital and share premium

The movement in called-up share capital and share premium accounts is set out below:

	Number of ordinary shares issued and fully paid	Share capital £000	Share premium £000
At 31 July 2024 and 31 July 2025	200,000,000	2,000	11,527

## 12. Dividends paid and proposed

	2025 £000	2024 £000
<b>Cash dividends on ordinary shares declared and paid</b>		
Interim dividend for 2025: 3.40 pence per share (2024: 2.80 pence)	6,727	5,538
<b>Proposed dividends on ordinary shares</b>		
Final dividend for 2025: 7.40 pence per share (2024: 6.20 pence)	14,651	12,278

The interim dividend payment of £6,727,000 is included in the consolidated statement of cash flows (2024: £5,538,000).

A final dividend payment of £12,278,000 is included in the consolidated statement of cash flows relating to 2024 (2024: £10,879,000 relating to 2023).

Total dividend payments of £19,005,000 is included in the consolidated cash flows (2024: £16,417,000).

The proposed dividend on ordinary shares is subject to approval at the Annual General Meeting and is not recognised as a liability at 31 July 2025.

## 13. Related party transactions

The following table provides the total amount of transactions that have been entered into with subsidiary undertakings for the relevant financial period.

	2025		2024	
	Amounts owed by related parties £000	Amounts owed to related parties £000	Amounts owed by related parties £000	Amounts owed to related parties £000
Related parties				
Volution Ventilation Group Limited	142,344	19,901	75,673	19,966
Volution Holdings Limited	117,069	–	39,511	–
Volution Ventilation Australia Limited	2,324	–	–	–
Volution Ventilation UK Limited	–	2,000	–	–
Torin Sifan Limited	–	2,000	–	–
DVS	3,535	–	5,957	–
Ventilairsec	–	736	–	665
	265,272	24,637	121,141	20,631

Sales made to Volution Holdings Limited of £5,113,000 (2024: £4,340,000) relate to management fees; the settlement of these management fees occurs in cash. Outstanding loan balances at the year-end are unsecured and interest free.

No sales were made to Volution Ventilation Group Limited; the outstanding loan balances at the year-end are unsecured and interest free..

A recharge of business combination costs was made to Volution Ventilation Australia Limited of £2,324,000 in the year; the settlement will occur in cash.

No sales were made to DVS; the outstanding loan balance at the year-end is unsecured and incurs interest at a rate of 7.5%.

### Compensation of key management personnel

The Executive and Non-Executive Directors are deemed to be key management personnel of Volution Group plc. It is the Board that has responsibility for planning, directing and controlling the activities of the Group. Please refer to note 3 for details of the Executive and Non-Executive Directors' remuneration.

There were no material transactions or balances between the Company and its key management personnel or members of their close family. At the end of the year, key management personnel did not owe the Company any amounts.

## 14. Share-based payments

For detailed disclosures of share-based payments granted to employees, refer to note 31 of the Group financial statements.

# ESG Annex

## Basis of preparation

### Unless otherwise stated

All sustainability-related data within this report represents the actual data collected between August 2024 and June 2025 (11 months); with remaining data extrapolated to cover the 12-month period.

The scope of reporting covers all companies within the Group as all are considered to be in operational control. A list of all companies and operating locations within the Group can be found on pages 167 and 168.

## Emissions and target recalculation policy and process

### Base year

2023 has been selected as the base year for all carbon accounting, being the first year where reliable data for our full carbon inventory for all scopes across the Group was available.

The base year included all businesses within the Group except for the then recently acquired I-vent, VMI and DVS, which together did not represent a material proportion of the Groups energy use or carbon emissions. In addition, the base year does not include our most recent acquisition, Fantech.

In line with our SBTi commitments the 2023 base year is used as the basis for our carbon reduction targets. We will review the base year as necessary and consider changing the base year as a result of acquisitions which materially increase the size of our Group, when appropriate. As a result of the acquisition of Fantech, the Groups largest acquisition to date, it is likely that the base year will be recalculated in the next 2 years to enable more appropriate tracking against our targets.

### Recalculation Policy

All carbon accounting is aligned to the GHG Protocol, with organisational boundaries aligned to all activity within operational control.

We will review data annually, to ensure high quality and to ensure targets remain valid.

We have adopted a significance threshold of 5%, meaning changes in data +/- 5% of published values will trigger recalculation of previously published emissions, including previously stated annual emissions and our base year used for target setting (2023).

Items that will trigger a recalculation include; identified data errors, changes in methodology and changes to external methodology recommendations (e.g. the GHG Protocol, SBTi)

Items that may not trigger a recalculation include; acquisitions that did not exist as an entity at our base year, organic growth, and changes in emission factors.

## ESG Annex continued

### SFDR Principal Adverse Indicators (PAI)

We are reporting on principal adverse indicators to help investors with their reporting for the EU Sustainable Finance Disclosure Regulation (SFDR).

Adverse sustainability indicator	Indicator/Metric	Volution response
<b>GHG emissions</b>		
1	Scope 1, 2 and 3 emissions	Excluding Fantech: Scope 1: 2,057 tCO <sub>2</sub> , Scope 2: 2,210 tCO <sub>2</sub> , Scope 3: 768,488 tCO <sub>2</sub> (pages 185 to 186) Including Fantech: Scope 1: 2,294 tCO <sub>2</sub> , Scope 2: 2,736 tCO <sub>2</sub> , Scope 3: 1,210,312 tCO <sub>2</sub> (pages 185 to 186)
2	Carbon footprint	Excluding Fantech: Total emissions: 772,715 tCO <sub>2</sub> (page 185) Including Fantech: Total emissions: 1,215,342 tCO <sub>2</sub> (page 185)
3	Carbon intensity	Excluding Fantech: Scope 1 and 2 location based intensity 11.8 tCO <sub>2</sub> /£1m revenue (page 187) Including Fantech: Scope 1 and 2 location based intensity 12.0 tCO <sub>2</sub> /£1m revenue (page 187)
4	Exposure to companies in the fossil fuel sector	Volution does not operate in fossil fuel sector
5	Share of non renewable energy consumption	Excluding Fantech: 87.9% of energy used was from renewable sources or tariffs, 12.1% non-renewable Including Fantech: 80.8% of energy used was from renewable sources or tariffs, 19.2% non-renewable
6	Energy consumption in GWh per €1 revenue	Excluding Fantech: Scope 1 and 2 energy consumption: 17.79 Gwh = 0.049 Gwh/€1m Revenue (page 186) Including Fantech: Scope 1 and 2 energy consumption: 19.61 Gwh = 0.047 Gwh/€1m Revenue (page 186)
<b>Biodiversity</b>		
7	Activities negatively affecting biodiversity	Our operations do not have a significant impact on biodiversity
8	Emissions to water	We do not discharge solid, liquid or contaminants into bodies of water
9	Hazardous waste	We use a non-material amount of hazardous waste that is properly recycled or disposed (12,560kg)
<b>Social and employee</b>		
10	Violations of UK Global Compact principles and OECD GME	We are not aware of any violations of the UNGC principles or OECD GME
11	Lack of processes and compliance mechanisms	We joined the UN Global Compact in FY22 and have since signed the CEO water mandate and continue to engage. We have comprehensive policies in place aligned with principles of the UNGC and OECD Guidelines including Anti-corruption, Anti-modern slavery, Ethical tax, etc.
12	Unadjusted gender pay gap	We publish gender pay gap data for the UK only
13	Board gender diversity	At 31 July 2025 c.40% of the Board was female (page 78)
14	Exposure to controversial weapons	Volution is not involved in the manufacture or sales of weapons

## ESG Annex continued

### The Sustainability Accounting Standards Board (SASB)

The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organisation. Volution provides information in alignment with SASB reporting guidelines for its sector (electrical and electronic equipment). The below table shows the reported topics and metrics and where further detail can be found within this report.

Accounting metric and SASB code	Response/data/reference
<b>Energy management</b>	
Total energy consumed (RT-EE-130a.1)	Our total energy consumption across the Group during the year was 17,792 MWh (including Fantech 19,608 MWh) representing all electricity and heat and direct fuel use across all of our facilities, of which 55.5% was electricity sourced from the grid. Globally, 1% of all energy used was self-generated from solar arrays. Of the electricity consumed 87.9% (including Fantech 80.8%) was from renewable sources, including renewable tariffs and on-site generation.
Percentage of grid electricity (RT-EE-130a.1)	
Percentage renewable (RT-EE-130a.1)	
<b>Hazardous waste management</b>	
Amount of hazardous waste generated, percentage recycled (RT-EE-150a.1)	We produce a non-material (12,560kg) amount of hazardous waste which is properly recycled or disposed.
Number and aggregate quantity of reportable spills and quantity recovered (RT-EE-150a.2)	Zero reportable spills.
<b>Product safety</b>	
Number of product recalls issued, total units recalled (RT-EE-250a.1)	Zero product recalls related to product safety.
Monetary losses from legal proceedings associated with product safety (RT-EE-250a.2)	No monetary losses as a result of product safety issues.
<b>Product lifecycle management</b>	
Percentage of products, by revenue, that contain IEC 62474 declarable substances (RT-EE-410a.1)	We manufacture a large proportion of our products ourselves and use no IEC 62474 declarable substances in the production process. We are continuing to review supply chain products for relevant substances and will report in future if necessary.
Percentage of eligible products, certified to an energy efficiency certification (RT-EE-410a.2)	All products eligible for energy efficiency certification are under review for certification.
Revenue from renewable energy-related and energy efficiency-related products (RT-EE-410a.3)	Revenues derived from products that are low carbon account for 71.2% of total revenue including Fantech, 77.3% on an organic like-for-like basis (2024: 74.6%) of total revenue (see page 43).
<b>Materials sourcing</b>	
Description of the management of risks associated with the use of critical materials (RT-EE-440a.1)	Our suppliers make a vital contribution to our performance and engaging with our carefully selected, high-quality supply chain ensures we can maintain security of supply. Reviews and supplier audits are carried out to ensure compliance with our Code of Conduct and our policies on the prevention of bribery, corruption and modern slavery. The Group is exposed to fluctuations in the price of raw materials and has implemented procedures to limit exposure to rising prices, including hedging of foreign currencies.
<b>Business ethics</b>	
Description of policies and practices for prevention of bribery, corruption and anti-competitive behaviour (RT-EE-510a.1)	Volution is committed to complying with all applicable laws and regulations in the countries in which we operate. Our policies are available on our website.
Monetary losses from legal proceedings re bribery or corruption (RT-EE-510a.2)	No legal proceedings and no monetary losses.
Monetary losses from legal proceedings re anti-competitive behaviour (RT-EE-510a.3)	No legal proceedings and no monetary losses.
<b>Activity measures</b>	
Number of units produced by product category (RT-EE-000.A)	A breakdown of revenues by activity is shown on page 146.
Number of employees (RT-EE-000.B)	Workforce statistics are shown on page 78. The number of employees was 2,338 (2024: 1,869).
Reportable accident frequency rate	Accident frequency rates are shown on page 73. We report frequency rates per 100,000 hours worked, representing an approximation of the hours worked during a person's lifetime, and allowing comparability across our business units and with other companies. The Frequency rate in 2025 was 0.17 (2024: 0.20).
Minor accident frequency rate	Minor accidents per 100,000 hours worked in 2025 was 0.19. (2024: 0.18).
Fatalities	Zero fatalities occurred during the year.

## ESG Annex continued

### TCFD/Companies act reference – where to find disclosures

#### Disclosure & ref

<b>Governance</b> <ul style="list-style-type: none"> <li>Board oversight (pages 59 and 181) CA s414CB(a)</li> <li>Management's role (pages 59 and 181) CA s414CB(a)</li> </ul>	<ul style="list-style-type: none"> <li>Our governance structure provides clear oversight and ownership of the Group's sustainability strategy, climate risk and opportunity.</li> <li>In 2021, we established the Group Management Sustainability Committee and Senior Independent Non-Executive Board member Amanda Mellor assumed Board oversight responsibility for Volution's sustainability strategy.</li> </ul>
<b>Strategy</b> <ul style="list-style-type: none"> <li>Climate-related risks and opportunities (pages 58, 70 to 71 and 181 to 182) CA s414CB(d)</li> <li>Impact on strategy (page 70 to 71) CA s414CB(e)</li> <li>Resilience (page 70 to 71 and 184) CA s414CB(f)</li> </ul>	<p>Our purpose is to provide healthy indoor air, sustainably and this commitment to sustainability is integral to everything we do. Our business model is underpinned by our sustainability pillars of Product, Planet and People.</p> <ul style="list-style-type: none"> <li>Our sustainability ambition is to champion the energy-saving potential of our products and solutions and we are well positioned to seize the opportunities that regulatory tailwinds bring us.</li> <li>We have identified transition risks related to reputation, policy and regulation, and technology but have not assessed any of these risks as high under either scenario under the short, medium or long term.</li> <li>We have undertaken a review of our major production and warehouse locations, and have concluded we are not exposed to significant risk.</li> <li>In preparing the Group's financial statements, we have considered the impact of climate-related risks and have not identified any material adverse impact on the financial statements or judgements within</li> </ul>
<b>Metrics and targets</b> <ul style="list-style-type: none"> <li>Metrics (pages 43 and 184) CA s414CB(h)</li> <li>Scope 1, 2, 3 emissions (pages 184 to 186) CAs414CB(h)</li> <li>Targets (page 66 and 185) CA s414CB(g)</li> </ul>	<p>We developed two key metrics in 2020 to measure our progress against our net zero ambitions: the percentage of revenue derived from low-carbon products, and the percentage of recycled plastic used in our manufactured products, in 2024 we added carbon intensity as a key metric.</p> <ul style="list-style-type: none"> <li>In 2021 we set out our ambition to be a carbon net zero business and received SBTi approval of our net zero targets in 2025.</li> <li>We have set detailed forecasts and targets for the short, medium and long term, aligned to our net zero ambitions for Scope 1, 2 and 3</li> <li>We have provided details of our Scope 1, 2 and 3 emissions on both a location and market basis</li> </ul>
<b>Risk</b> <ul style="list-style-type: none"> <li>Risk processes (pages 44 to 45, 70 and 181) CA s414CB(b)</li> <li>Risk management (pages 44 to 45, 70 and 181) CAs414CB(c)</li> </ul>	<ul style="list-style-type: none"> <li>We have continued to embed climate risk into our broader risk management framework and have integrated climate change into our principal risks.</li> <li>Our risk review consider the risks and opportunities under the short, medium and long term, as well as over our chosen climate scenarios</li> </ul>

### TCFD pillar – Governance

Climate change is embedded in the governance structure of the Group through a decentralised local ownership, overseen by Group leadership and under the ultimate oversight of the Board. The Board is collectively responsible for promoting the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The principal way that climate change is embedded into this governance structure is shown in the diagram on page 59 and described in more detail in section a) and b) below.

#### a. Board oversight of climate-related risks and opportunities

The Board has ultimate oversight and responsibility for climate change. The Board receives a review of the Group's risks and opportunities twice per year, including an assessment of climate-related risks and opportunities. The Board assessed those risks and approved the principal risks presented on pages 48 to 53. The Board considered whether climate change should be disclosed as an individual standalone principal risk, but concluded it was more appropriate to embed the specific impacts of climate change risks within existing principal risks – a 'cross cutting' approach. The Group does not believe the any individual or collection of climate change risks are themselves material to the financial prospects of the Group. See pages 44 to 45 for description of the Group's risk management process).

The Board received updates each month on key sustainability KPIs, and during the year (twice in FY25) received a more detailed review of performance against the sustainability targets and the Group's disclosures relating to TCFD. Once per year, the complete set of emissions data, performance against targets, and setting of new targets where relevant is received by the Audit Committee and Board for review and approval to be published externally. The performance of the Executives against their sustainability-related incentives is reviewed by the Remuneration Committee (pages 116 to 117).

The Board and certain individual Board members kept up to date on climate-related issues through attending external seminars and discussing with Group advisers. Board Members' relevant experience is described on pages 86 to 87.



## ESG Annex continued

### b. Management's role in assessing and managing climate-related risks and opportunities

The Group Management Sustainability Committee is responsible for assessing and managing climate-related risks and opportunities and co-ordinating with the Group RICC to ensure that climate-related risks are fully integrated into the risk management process. The Board representative on the Committee communicates the activities of the Group Management Sustainability Committee to the Board.

The Group Management Sustainability Committee met twice during FY25. The members of the Committee include Amanda Mellor (Senior Independent Non-Executive Director providing Board oversight), Ronnie George (CEO) and Andy O'Brien (CFO), the Managing Directors of each business and Group ESG subject-matter experts.

Environment	Group Business Development Director
	Group Financial Controller
Social	Group HR Director
Governance	Group Company Secretary
Overall ESG	Group ESG Analyst

The Managing Director of each business unit is responsible for assessing the specific climate risks and opportunities within their business, submitting to the Group Management Risk Committee and delivering any mitigation or management actions.

The Group Management Sustainability Committee enables relevant issues to be discussed and to exchange information and best practice. The Committee this year focused on our carbon-reduction plan and the risks and opportunities of climate change and delivering our climate-reduction targets.

The ESG subject-matter experts are responsible for ensuring they keep up to date with changes in reporting and relevant standards to provide assistance to local business management.

### The Remuneration Committee

The LTIPs of the Executives have, since FY20, included ESG measures that focus on two targets that are linked to our 2025 goals for optimising recycled plastics used in our manufactured products and increasing the low-carbon credentials in the product portfolio measured as a percentage of revenue.

Since FY24 LTIPs have included a measure directly linked to our SBTi-aligned carbon intensity targets.

The measures have a 20% weighting in the LTIPs with a maximum pay-out that is aligned to the targets shown on page 43

### TCFD pillars – Strategy and Risk

Our strategy sets out our response to the transition to a net zero economy and limiting the effects of climate change (see pages 58 to 59 and 70 to 71).

Our sustainability ambition is to champion the energy-saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. The regulatory tailwinds should significantly increase demand for our sustainable and innovative ventilation solutions, while our leading position in the UK, Continental Europe and Australasia ventilation markets means that we are well positioned to seize this opportunity.

### a. Climate-related risks and opportunities the organisation has identified in the short, medium and long term

#### Methodology and risk ratings

We carry out a full risk management process each year (see pages 44 to 53) including a separate but integrated bottom-up climate-related risk review. The climate-related risk process followed the same process as the wider risk management process considering both the likelihood and the potential impact of each risk. The climate-related risks are reviewed each year and submitted to the Volution Group RICC each year. A full bottom-up assessment of climate risk was carried out in 2025 (see pages 70 to 71) This year, we have again concluded that climate change represents a net opportunity to Volution through our ability to continue to drive growth from the regulatory and market tailwinds.

#### Modelling methodology

All climate risks have been modelled using a bespoke methodology, based on NGFS climate scenarios with assumptions informed by government and industry risk assessments and adaption plans, including the European Climate Risk Assessment and UK Climate Adaption plans. Assumptions are largely the same across all scenarios, with impacts driven by scenarios assessed accordingly (e.g. the speed at which regulations are implemented).

Assumptions include that

1. Government adaption plans will increase the rate of retrofit solutions enabled by increasing regulations
2. all building adaptation scenarios will include requirements for insulation and consequently considerations for ventilation and indoor air quality management
3. global GHG reduction initiatives will continue to require reduction in energy usage and will continue to focus on the electrification of heat
4. transition to low-carbon economies will continue across all regions and further opportunities for green-enabled growth will be identified
5. increased urbanisation will result in reduced options for sole reliance on nature based solutions

We have given clear emphasis to both our transition and physical risks and opportunities.

We have adopted the same approach to the materiality of these risks and opportunities as for our principal risks and uncertainties.

## ESG Annex continued

### Volution products support the transition to a low-carbon, climate-resilient economy

Buildings are responsible for around 34% of total CO<sub>2</sub> emissions and 32% of total energy demand. If we are to hit global net zero targets, we must deal with the existing building stock, as well as building new compliant buildings. With 80% of the buildings we have today expected to be still standing by 2050, and a current refurbishment rate of just 1% per year, we need new initiatives. To deliver net-zero-ready buildings, we must make them air-tight, insulate them well and decarbonise the heating source. These actions will impact the indoor environment, and ventilation will be even more important for both health and comfort. Doing that without losing heat, and therefore energy, will require energy-efficient ventilation solutions including Heat recovery.

If we are successful and reduce the energy demand in buildings by 80% by 2050, we will save more than 25% of our total energy needs. To achieve this, we need to at least triple the rate of existing building stock renovation, to 3% a year.

As a structural growth driver, in March 2023, the European Parliament passed a comprehensive revision of the 2010 Energy Performance of Buildings Directive (EPBD IV) to cover existing buildings for the first time. These regulations will stimulate the renovation market in the EU, as they will trigger a wave of renovations and create a greater demand for energy-efficient upgrades. Similar regulatory drivers exist in all our markets and are fully described on pages 61 to 62. These responses to climate change will increase demand for our low-emission products and services.

### b. The impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

We have identified physical risks to some of our locations and supply chains and transitional risks related to reputation, policy and regulation. However, our sustainability ambition is to champion the energy savings potential of our products and solutions, and we are well positioned to seize the opportunities that regulatory tailwinds bring us.

The opportunities that are available to us are a key driver to our Sustainable Growth Model. Our organic growth is driven by our local businesses taking the opportunities available to them in each market, driven in part by the local regulatory tailwinds (see pages 61 to 62). Our drive to innovate and develop new products ensures that we are able to maintain a leadership position in low-carbon and heat recovery products (see pages 60 to 63).

We have concluded that we do not expect the risks of climate change to have a material impact on our financial prospects over the short, medium or long term, and hence those risks have not materially impacted our strategy nor financial planning.

Climate related commitment/target/action	Financial impact assessment
2022 – transition of UK procured electricity to 100% renewable sources.	Multi-year agreements in place for UK, and total Group renewable sourcing now at 87.9%.
2025 – 70% of our sales are low-carbon products. 2026 – 75% of our sales are low-carbon products.	Our original FY25 target was surpassed in FY24. Sales of low carbon products reached 77.3% in FY25 on an organic like-for-like basis.
2025 – 90% of the plastic processed in our factories are from recycled sources.	We have made significant progress and our use of recycled plastic in our products averaged 83.9% for FY25. This was below our target of 90%. We will continue to focus on this important initiative in FY26.
We will operate an all-electric fleet.	We have a small fleet, mainly of automobiles, which are being replaced by hybrid and ultimately electric as they become due, at no significant incremental costs over fossil fuel cars. Emissions from fleet vehicles decreased 13% in FY25 from FY24 (excluding Fantech).
We will work with our supply chain and industry to increase the use of new and sustainable products and inputs.	Building mutually beneficial relationships, with no significant direct cost to Volution.
We will delivery energy net gain through our product portfolio.	Our target to increase Heat Recover product sales will deliver net benefit through up-selling to higher value products.
We will close the loop on the circular economy, recovering our end-of-life products, recycling and re-using.	We will roll out an end-of-life recovery programme when an economically efficient process is confirmed. No programme has yet been developed.

## ESG Annex continued

### c. The resilience of the organisation, taking into consideration different future climate scenarios

The Directors have concluded that Volution is expected to be resilient to the impacts of climate change across the three scenarios that have been assessed. Moreover, we are well placed to take the opportunities that climate change brings.

In 2022, we carried out a detailed review of physical climate risks (acute and chronic) to ensure we understand the resilience of our critical properties to climate change. Climate change poses a physical risk to the buildings that we occupy including offices, factories and warehouses. Four sites have been assessed as having a moderate to high exposure to flood from flood-defended rivers in the current climate, with only one more site at a high risk as a result of climate change by 2050. In the long term, in the 2050s and beyond, drought and heat stress could have an increased potential impact, including water scarcity, higher risk of fires and an impact on operations, safety and wellbeing. None of our significant manufacturing sites are expected to be at risk of significant impact from climate change under the 1.5°C or 2.0°C scenarios under the short, medium or long term, or under the 4°C scenario under the short or medium term.

The locations at most risk are typical locations in our decentralised structure, and none of them represent a material portion of the Group operating profits or assets. The impact of any one of these locations being closed for a sustained period as a result of flooding for example, would not have a material impact on the long-term resilience of the Group.

Our decentralised structure also enables us to remain close to local regulation and policy transition risks and we work with industry bodies and regulators in each market. Over the longer term, our combination of centralised technical support and local market knowledge ensures our product development process will deliver products that regulators will require. In the 1.5°C scenario, demand for products that improve energy efficiency of buildings will increase as governments seek to ensure that target is met.

We have considered whether our strategy may need to change to address potential climate-related risks and opportunities and have concluded that our strategy is appropriate to take the opportunities that climate change presents, and resilient against the potential risks, and we do not envisage any need to change our strategy.

### TCFD pillar – Metrics and Targets

#### a. The metrics used by the organisation to assess climate-related risks and opportunities

Our metrics for the % of our total revenue that is from low-carbon and heat recovery products tracks the extent to which we are utilising the opportunities that climate change brings. The success of our investments and capital allocation, both in terms of plant and equipment and in the acquisition of low-carbon businesses, is reflected in increased sales from these products.

We have aligned our revenue with the EU Taxonomy and continue to report under the FTSE Russell Green Economy taxonomy.

We believe these externally reported metrics allows us to demonstrate the success of our continued delivery against our sustainable growth strategy.

### b. Scope 1, Scope 2 and Scope 3 greenhouse gas emissions

We disclose all Scope 1, 2 and 3 carbon emissions, in total and by business. We have set detailed annual targets for emissions aligned to the science based methodologies, which have been approved by SBTi in 2025.

For the first time in FY23, we disclosed all material Scope 1, 2 and 3 emissions, including the emissions from the use of our products. This year, we have further improved our measurement and conversion methods to better align with best practice.

Full details of our emissions are shown on pages 185 to 186. Our Scope 1 and 2 emissions are not material to our total emissions, representing just 3% of operational emissions (excluding emissions from use of our products). The most significant Scope 1 and 2 emission sources in FY25 are electricity (64%, FY24: 51%), gas (11% FY24: 15%) and vehicle fuel (33%, FY24: 25%). The most significant Scope 3 emission sources in FY24 are from the use of products (83%, FY24: 91%), distribution (2% FY24: 2%), purchased products (13% FY24: 10%) and other 2%.

Our perimeter includes all companies and subsidiaries in the Group under our financial or operational control. Our base year for target-setting aligned with SBTi is 2023. As we grow in part through acquisition, the base level will be re-assessed when appropriate and targets will be adjusted accordingly.

### c. The targets used by the organisation to manage climate-related risks and opportunities and performance against targets

This year, our short and long term net zero targets were approved by the SBTi.

Our targets have been developed with the help of an external consultant, and contain a combination of active reductions – specific actions that we will take as a business, as well as an independent assessment of the passive reductions that will occur in our industry, supply chain, and in terms of grid decarbonisation. The combination of these active and passive carbon reductions, should they be delivered, will enable us to achieve the targets we have set.

Our total absolute Scope 1, 2 and 3 market based emissions totalled 771,203tCO<sub>2</sub>, which is 16% higher than FY24. The increase is largely driven by use of our sold products, which is the most significant source of emissions across all Scopes, and varies year-on-year due to product sales mix, although continues on a general downward trend as our proportion of low carbon product sales increases. Including Fatench our total emissions were 1,213,814 tCO<sub>2</sub>, representing the increase of the size of the business since the acquisition of Fatench, and the relatively high emissions from the use of sold products in that business as a result of a lower proportion of low carbon sales.

Our chosen measure of carbon intensity (Scope 1 and 2 emissions per £ million of revenue) has decreased to 12.0 tCO<sub>2</sub>/£m revenue (FY24 12.8t CO<sub>2</sub>/£m revenue). The decrease is driven by increasing our EV fleet, a reduced use of gas for on-site heating and other efficiency measures (page 68).

## ESG Annex continued

### Energy use, emissions and targets – Scope 1 and 2<sup>1</sup>

	Organic - excluding Fantech							Including Fantech - Actual	
	Actual		Targets <sup>2</sup>						
	2024	2025	2025	2034	2050	2025	2025		
Scope 1	tCO <sub>2</sub> e	MWh	tCO <sub>2</sub> e	MWh	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	MWh
Gas	641	3,474	466	2,376	–	–	–	466	2,376
Other fuel	237	886	369	504	–	–	–	395	627
Vehicle fuels <sup>3</sup>	1,189	5,007	1222	4,954	–	–	–	1,405	5,722
Refrigerants <sup>4</sup>	53	0	–	–	–	–	–	28	–
<b>Total Scope 1</b>	2,120	9,366	2,057	7,834	–	–	–	2,294	8,725
Scope 2 (location based)	2,317	10,109	2,210	9,958 <sup>5</sup>	–	–	–	2,736	10,883
<b>Scope 1 &amp; 2 total (location based)</b>	4,437	19,475	4,267	17,792	–	–	–	5,030	19,608
Scope 2 (market based)	642	10,109	698	9,958 <sup>5</sup>	–	–	–	1,207	10,883
<b>Scope 1 &amp; 2 total (market based)</b>	2,762	19,475	2,755	17,792	2,502	1,027	280	3,501	19,608
<b>Carbon intensity (location based)</b>	12.8	–	11.8	–	12.3	10.2	4.7	12.0	
<b>Energy intensity</b>	–	56	–	49					47

- GHG emissions have been assessed against the GHG Protocol Methodologies using the most up to date emission factors from DEFRA emission factors for the UK and local specific electricity emission factors from the Carbon Data Initiative (CaDi). Scope 1 and 2 emissions are calculated from 11 months of actual consumption, extrapolated to 12 months based on average usage. Fantech data includes 8 months of actual consumption, from acquisition date.
- Our Scope 1, 2 and 3 targets are aligned to the SBTi principles.
- EV fleet emissions are included in Scope 2 emissions.
- Emissions from refrigerant use are updated and calculated based on top-up value as opposed to system capacity.
- Gross KWh energy usage reported, of which 121.1 MWh, (97.9MWh including Fantech) was self-generated

### Energy use, emissions and targets – Scope 3<sup>6</sup>

	Organic - excluding Fantech					Including Fantech - Actual
	Actual		Targets			
	2024	2025	2025	2034	2050	2025
Upstream Scope 3	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e
Category 1 – Purchased goods & services <sup>7 8</sup>	67,530	101,924	–	–	–	124,562
Category 2 – Capital goods	4,552	6,026	–	–	–	6,170
Category 3 – Energy-related activities <sup>9</sup>	1,955	448	–	–	–	513
Category 4 – Upstream distribution <sup>10</sup>	12,185	13,999	–	–	–	16,443
Category 5 – Waste generated in operations	39	99	–	–	–	99
Category 6 – Business travel	279	159	–	–	–	239
Category 7 – Employee commuting <sup>11</sup>	555	1,063	–	–	–	1,249
Category 8 – Upstream leased assets <sup>15</sup>	–	–	–	–	–	-
Downstream Scope 3						
Category 9 – Downstream distribution <sup>10</sup>	–	–	–	–	–	-
Category 10 – Processing of sold products <sup>12</sup>	–	129	–	–	–	129
Category 11 – Use of sold products <sup>13</sup>	570,398	644,143	–	–		1,060,383
Category 12 – End-of-life of products <sup>14</sup>	113	458	–	–	–	525
Category 13 – Downstream leased assets <sup>15</sup>	–	–	–	–	–	-
Category 14 – Franchises <sup>15</sup>	–	–	–	–	–	-
Category 15 – Investments <sup>15</sup>	–	–	–	–	–	-
Total Scope 3 emissions	657,605	768,448	663,897	262,182	–	1,210,312
Total Scope 1, 2 and 3 emissions (location based)	662,043	772,715	695,350	462,609	74,707	1,215,342

- Calculated from 11 months of actual data, extrapolated to 12 months based on average usage.
- DEFRA Government spend and activity emission factors used for consistency across the Group.
- Hybrid methodology using activity data for plastics and spend data for all other calculations. Plastics activity data and UK spend data are based on 12 months actuals.
- Transport and distribution losses not included in Scope 2, including fleet and business travel.
- Emissions for category 4 and 9 have been aggregated into category 4. It is not currently possible to accurately separate upstream & downstream emissions.
- Includes assumptions for Group extrapolated from UK average data.
- Assumes factory energy usage for the insertion of non-final products by customers.
- Emissions calculated from energy use of sold products, with usage profiles assumed at a product group level. Assumes that all products are used in the country of sale with emissions based on location emission factors.
- Using weight of sold products, determined using product weight data where available and extrapolated.
- Not relevant for group operations.

## ESG Annex continued

### Carbon emissions by country

tCO <sub>2</sub> e	Scope 1	Scope 1 and 2 Location based	Scope 1 and 2 Market based	Total Scope 3
United Kingdom	1,098	2,214	1,098	249,505
Sweden	343	361	343	130,551
Norway	0	0	0	60
Finland	17	40	29	8,028
Denmark	21	30	30	1,305
Germany	92	193	185	9,362
Netherlands	108	137	124	8,637
Belgium	13	30	16	11,779
Bosnia and Herzegovina	11	290	298	10,540
North Macedonia	29	573	263	194,123
France	81	87	81	4,558
Slovenia	75	82	81	1,186
New Zealand	104	128	143	15,704
Australia	65	102	64	123,110
Total organic	<b>2,057</b>	<b>4,267</b>	<b>2,755</b>	<b>768,448</b>
Fantech	<b>238</b>	<b>763</b>	<b>747</b>	<b>441,864</b>
Including Fantech	<b>2,295</b>	<b>5,030</b>	<b>3,502</b>	<b>1,210,312</b>

### Energy consumption

Mwh	FY21	FY22	FY23	FY24	<b>FY25</b>
Scope 1	11,133	9,169	9,674	9,366	<b>7,834</b>
Scope 2	9,109	9,578	9,327	10,109	<b>9,958</b>
Total organic	20,243	18,747	19,001	19,475	<b>17,792</b>
Including Fantech					<b>19,608</b>

Scope 1 energy use covers all direct energy use from the business, including all vehicle fuels, gas and heating fuels.

Scope 2 energy use covers all purchased energy with data obtained from energy supply bills, using 12 months of data where possible and extrapolated out using average usage for 11 months where data gaps exist to cover the full 12 months of usage. From 2023, energy consumption is reported gross including all self-generated electricity.

The GHG inventory perimeter for each year includes 100% of the businesses within the Group that have been within the Group for at least one complete year, including all businesses that are within financial or operation control. Acquisitions made during the year are not included in that year's figures

### % of our electricity from renewables

	FY21	FY22	FY23	FY24	<b>FY25</b>
	N/A	73.7	86.5	86.7	<b>87.9%</b>

The percentage of total Scope 2 energy purchase within the business from renewable sources including self generated and renewable tariffs/products as a proportion of overall Scope 2 energy purchased. Renewable energy use is 80.8% including Fantech.

### Electricity generated on-site

	FY21	FY22	FY23	FY24	<b>FY25</b>
MWh	N/A	N/A	N/A	113.7	<b>121.1</b>

All energy generated is from renewable sources, primarily solar. Figure inclusive of Fantech.

### Carbon emissions

tCO <sub>2</sub> e	FY21	FY22	FY23	FY24	<b>FY25</b>
Scope 1	2,368	1,920	2,034	2,120	<b>2,057</b>
Scope 2 location	1,769	1,855	1,995	2,317	<b>2,210</b>
Scope 2 market	N/A	904	743	642	<b>698</b>
Scope 3	N/A	51,832	733,866	657,605	<b>768,448</b>
Total organic	4,137	52,345	737,868	662,043	<b>772,715</b>
Including Fantech					<b>1,215,342</b>

Scope 1 emissions include all direct emissions from the business, including all vehicle fuels, gas and heating fuels. All emissions are calculated using DEFRA emission factors published in the appropriate year.

Scope 2 emissions include all purchased electricity. The data is gathered primarily from energy bills, using 12 months of data where possible and extrapolated out using average usage where data gaps exist to cover 12 months of usage. All UK emissions are calculated using DEFRA emission factors published in the appropriate year with all other grid emissions sourced from the Carbon Database initiative (CaDI).

Scope 2 location based emissions are calculated with emission factors specific to the energy grid of each operating country and include EV charging.

Scope 2 Market Based emission are calculated using an emission factor that accounts the residual emissions in the energy grid and include EV charging .

Scope 3 emissions include all indirect emissions across the Group for FY25

Carbon is reported in tonnes of carbon equivalent (tCO<sub>2</sub>e) and encompass all greenhouse gasses. The GHG inventory perimeter for each year includes 100% of the businesses within the Group.



## ESG Annex continued

### Carbon intensity (tCo2e/£1m)

	FY21	FY22	FY23	FY24	FY25
Location based	15.1	12.3	12.3	12.8	12.0

Carbon intensity is calculated as Scope 1 and 2 location based carbon emissions in tonnes per £million revenue. The perimeter and calculation methodology are unchanged in each of the reported years shown. The target for FY24 was 11.6.

### Carbon avoidance

	FY21	FY22	FY23	FY24	FY25
tCO <sub>2</sub> e	N/A	N/A	2,183,455	1,872,583	1,979,945

We recognise that there is not yet a universally accepted method of measuring or reporting 'avoided emissions' (sometimes referred to as 'Scope 4' emissions), and that any measure can only ever be an estimate. The TCFD framework does not include avoided emissions within their recommendations, and together with the assumptions and uncertainties involved in the calculations this means that avoided emissions reported for FY2025 should not be considered to be at the same level of accuracy as our Group emissions reported within the TCFD section. However, we understand from our stakeholders that the energy saving potential of our products is useful information and is provided for that purpose.

The emissions calculated using our model should be assumed to be the upper limit of energy savings. The calculation is sensitive to the variables noted under 'methodology' and other limitations.

Limitations include: The domestic application baseline assumes mains gas boiler heating, heat loss due to infiltration is not adjusted for wind speed, the thermal capacity and inertia has not been considered, domestic applications are modelled on detached houses and Commercial applications are modelled on open plan offices. Adjusting the model for these limitations may either raise or lower avoided emissions calculations. Sensitivities to key assumptions include: a 1% increase in the rate of electricity decarbonisation year on year reduces avoided emissions by 4.3%, lowering the internal setpoint temperature from 21°C to 20°C reduces avoided emissions by 8.3%, and decreasing unit lifetime use from 10 to 9 years reduces avoided emissions by 8.2%

### Water

	FY23	FY24	FY25
Water usage (m <sup>3</sup> )*	14,483	16,262	20,589

Water usage is sourced from actual usage where possible. Where data cannot be collected (where water is used for water, hygiene & sanitation services only) a 10l/p/d usage assumption has been used.

	FY23	FY24	FY25
Water withdrawn from water stressed regions	N/A	64%	57%
Water withdrawn from water risk regions	N/A	10%	9%

Water stress measures the basic ratio of total water demand to available renewable surface and groundwater supplies. Water risk a more holistic measure and includes all water related risks and mitigations including; water stress, water quality, water infrastructure and risks relating to public perceptions and regulation. This figure is inclusive of Fantech.

\*A typographical error in the previously published report incorrectly labelled water consumption as 20,589 L; the correct figure is 20,589 m<sup>3</sup>. This has been corrected in the online version only.

### Waste

#### Waste by fate %

	FY23	FY24	FY25
Recycled	N/A	N/A	80%
Incinerated	N/A	N/A	11%
Landfill	N/A	N/A	9%

Wastes products in direct operations by % fate. This figure is inclusive of Fantech.

#### Waste by type (t)

	FY23	FY24	FY25
Metals	N/A	N/A	1,230
Plastic	N/A	N/A	119
Paper & wood products	N/A	N/A	977
Other	N/A	N/A	640
Hazardous	N/A	N/A	13
<b>Total</b>	N/A	N/A	<b>2,979</b>

Total weight in tonnes of waste produced in direct operations. This figure is inclusive of Fantech.

### Products

#### % recycled plastic

	FY21	FY22	FY23	FY24	FY25
	59.7%	67.2%	76.2%	78.1%	83.9%

The % recycled plastic used in our facilities' is the proportion of recycled plastic used in production in our main plastic manufacturing locations in the UK, Nordics and Bosnia Herzegovina, shown as a % of total used. The weight of the recycled plastic is shown as a proportion of the total plastic used (including virgin plastic) in manufacturing our own products. The perimeter and calculation methodology is unchanged in each of the reported years shown. The target for FY25 was 90.0%.

#### % low carbon sales

	FY21	FY22	FY23	FY24	FY25
Organic	62.1%	66.1%	70.1%	74.6%	77.3%
Including Fantech					71.2%

The % of Low carbon sales is the proportion of total Group revenue that is from the sale of products that are categorised as 'low-carbon products', shown as a % of total Group revenue. We define our low-carbon products as products that use less energy than the products they replace, or as products that are used within the local calculation methods to reduce emissions from buildings. A full definition is given on page 191. The perimeter and calculation methodology is unchanged in each of the reported years shown. The target for FY25 was 70%. FY24 was restated due to the availability of data, previously reported as 70.9%.

## ESG Annex continued

### % heat recovery sales

	FY21	FY22	FY23	FY24	FY25
Organic	30.1%	N/A	31.4%	31.7%	32.5%
Including Fantech					28.5%

The % of heat recovery sales is the proportion of total Group revenue that is from the sale of products that are categorised as 'Heat recovery products', shown as a % of total Group revenue. We define our heat recovery products as systems, and products and accessories that may be used within a system, of ventilation that collects heat from exhaust air that would otherwise be lost and re-uses such heat by transferring it to the incoming fresh air. The perimeter and calculation methodology is unchanged in each of the reported years shown. There is no target set for % heat recovery sales.

### % R&D spend for low-carbon

	FY21	FY22	FY23	FY24	FY25
	N/A	N/A	N/A	87%	85%

The % of overall R&D spend across all group companies related including all staff, capital and revenue costs aligned to products categorised as low-carbon revenue.

### People

#### Reportable accident frequency rate

	FY21	FY22	FY23	FY24	FY25
	0.20	0.25	0.30	0.20	0.17

Reportable accident frequency rates per 100,000 hours worked are calculated by dividing the number of reportable accidents recorded in the year by the total number of hours worked and multiplied by 100,000. A reportable accident is defined as a serious accident where the injured colleague is unable to work for more than 7 days, and is aligned in the UK to the HSE RIDDOR category of injury and applied elsewhere appropriately. 100,000 hours is chosen as it represents an approximation of the hours worked during a person's lifetime, and allowing comparability across our business units and with other companies.

#### Minor incidents frequency rate

	FY21	FY22	FY23	FY24	FY25
	0.61	0.43	0.50	0.18	0.19

A minor accident is defined as an accident where the injured colleague is unable to work for more than 1 day but less than 7.

### Number of colleagues

	FY21	FY22	FY23	FY24	FY25
	1,538	1,898	1,871	1,869	2,338

Average number of FTE over the financial year. This number includes all companies within the group.

### Gender diversity – total employees

	FY21	FY22	FY23	FY24	FY25
Male	1,034	1,321	1,310	1,308	1,666
Female	504	577	561	581	671
Other	0	0	0	1	1
<b>Total</b>	<b>1,538</b>	<b>1,898</b>	<b>1,871</b>	<b>1,869</b>	<b>2,338</b>

Based on average number of FTE for the financial year, from data held in company records. This number includes all companies within the group.

### Gender diversity – Board

	FY21	FY22	FY23	FY24	FY25
Male	5	5	4	4	4
Female	2	2	3	3	3
Other	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>

### Coverage of ISO certifications

	FY23	FY24	FY25
ISO14001 (Environmental management systems) % Manufacturing sites	N/A	73%	58%
ISO9001 (Quality Management Systems) % Manufacturing sites	N/A	87%	95%
ISO45001 Occupational Health and Safety (OH&S) Management Systems % Employees	N/A	54%	48%

100% of UK operations have ISO45001 certification. Inclusive of Fantech.

### % of eligible employees completed modern slavery training

	FY23	FY24	FY25
	–	–	100

Personnel who have a supplier-facing role are required to complete a Modern Slavery awareness training module and demonstrate that they have understood the dangers that modern slavery poses to the business, and the devastating impact it has on its victims.

## ESG Annex continued

### Employee engagement scores

FY21	FY22	FY23	FY24	FY25
N/A	N/A	N/A	74	75

### Employee engagement – methodology

We partnered with WeSoar, a London-based HR Technology and advisory firm to ensure a transparent and unbiased survey process. All colleagues across Volution Group (except new acquisitions in the year) were invited to participate. The survey was translated into multiple languages and was sent by email to each employee. We have a significant proportion of our colleagues who do not have a company email address, and they were sent the survey link to their personal email address. Designated computer terminals were provided on site to ensure these colleagues had easy access to the survey.

Participation rate is calculated as the total number of completed surveys divided by the total number of employees. All individual responses were confidential and reported in the aggregate subject to a minimum of four responses to protect data confidentiality. A validated and consistent Likert Scale was used for all questions.

The engagement score was calculated using five key items\* identified from a pool of 20 survey items categorized under the following factors – Purpose, Commitment, Leadership, Role, Work Environment, Innovation, Retention, Diversity & Inclusion, Advocacy, Communication, Wellbeing, Collaboration, Growth, Belonging.

These five items form the Engagement Index, which represents the overall engagement score, giving equal weightage to each question. The selected items measure critical engagement factors: Advocacy, Belonging, Commitment, and Retention. These factors are essential for modern workplace engagement as they reflect how strongly employees connect with the organization's values, their willingness to recommend it, their commitment to staying, and their overall satisfaction. This targeted approach ensures the engagement score provides an accurate measure of how aligned and committed employees feel.

- I would recommend my organisation as a great place to work.
- My organisation motivates me to contribute more than what is normally required to complete my job.
- I am proud to work for my organisation.
- I would stay even if offered a similar job at another company with comparable pay and benefits.
- I plan to be working in my organisation two years from now.

The results have been presented on page 74.

## ESG Annex continued

### How we align to the UN Sustainable Development Goals

As a member of the UN Global Compact, we also reviewed our sustainability strategy and material topics in line with the UN Sustainable Development Goals, the blueprint to achieve a better and more sustainable future for all.

#### 3. Good Health and Well-Being

3.9: 'By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.'

84.4% amount of our time is spent indoors. Our products particularly support the achievement of SDG 3.9.1 – 'Mortality rate attributed to ambient air pollution' through the provision of increased indoor comfort and air quality.

#### 7. Affordable and Clean Energy

7.3: 'By 2030, double the global rate of improvement in energy efficiency.'

With a focus on development and sales of low-carbon products, we sell product solutions targeted at reducing carbon emissions of buildings by making them more energy efficient to run. 7.3.1 – 'Energy intensity measured in terms of primary energy and GDP'.

#### 8. Decent Work and Economic Growth

8.5: 'By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.'

Volution is committed to being a diverse and inclusive employer.

#### 9. Industry, Innovation and Infrastructure

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Our low-carbon products are part of a sustainable retrofit solution for ventilation and heating, providing solutions that increase energy efficiency in buildings.

#### 12. Responsible Consumption and Production

12.5: 'By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse'

SDG target 12.5 is core to Volution's approach to sustainability and its ambition to limit its impact on the environment.

We continue to focus on the adoption of recycled material, with 78.1% of the plastic used within our own facilities from recycled sources in FY25.

#### 13. Climate Action

13.1: "Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries"

Climate change is a key consideration of our business purpose and is embedded into our ongoing sustainability journey. In 2025, our net zero carbon emission targets were validated by SBTi, highlighting our dedication to taking climate action.

13.2: "Integrate climate change measures into policies, strategies and planning."

Our products aid in the realisation of national retrofit plans to mitigate the impacts of climate-related hazards including heat and air quality.

### Our Sustainability Stakeholder Engagement Approach

Stakeholder	Approach
Customers	We maintain a continuous dialogue with our investors and customers, to understand their ongoing needs, wants and concerns.
Investors	
Supply chain	We engage with our supply chain to enable sustainable procurement. Awareness of challenges and risks related to our supply chain are identified through relevant third-party information sources.
Employees	We engage with our employees through bi-annual employee forums and townhalls

## Glossary of Technical Terms

<b>Alternating current or AC</b>	the flow of electric current which reverses direction periodically, typically at 50Hz in the UK and Europe. This is the standard type of electricity supply to domestic and commercial properties
<b>AC blowers</b>	a low-pressure fan with an AC motor
<b>AC motor</b>	an alternating current motor
<b>AHU</b>	air handling unit: a ventilation device which usually integrates air, heating and filtration into one combined unit. May also include cooling and heat recovery
<b>Decentralised heat recovery</b>	a system of ventilation that collects heat from exhaust air that would otherwise be lost and re-uses such heat by transferring it to the incoming fresh air. Decentralised heat recovery consists of multiple units supplying and extracting from around the home
<b>EC/DC</b>	electronically commutated direct current
<b>Electronically commutated or EC</b>	a type of motor which historically used a mechanical means of reversing the current flow but which now uses an electronic device to do the same, which is more reliable and more efficient
<b>Fan coil</b>	a device used to heat or cool a space which includes a water coil and fan for connection to the wider HVAC package within a building
<b>HVAC</b>	heating, ventilation and air conditioning
<b>Hybrid ventilation</b>	a method that combines both passive and mechanical means to form a mixed mode ventilation system
<b>IAQ</b>	indoor air quality
<b>Motorised impellers</b>	a motor that is supplied complete with an impeller attached to it
<b>MVHR</b>	mechanical ventilation with heat recovery: a centralised system of ventilation that collects heat from exhaust air that would otherwise be lost and re-uses such heat by transferring it to the incoming fresh air
<b>NVHR</b>	natural ventilation with heat recycling
<b>OEM</b>	original equipment manufacturer
<b>PIV</b>	positive input ventilation: this is an energy efficient method of pushing out and replacing stale, unhealthy air by gently pressurising the home with fresh, filtered air to increase the overall circulation of air in the dwelling
<b>RMI</b>	repair, maintenance and improvement
<b>Rotary heat exchanger</b>	a type of heat exchanger consisting of a circular honeycomb matrix which rotates in the airstream of a heat recovery device
<b>Plate heat exchanger</b>	a type of heat exchanger consisting of a series of plates which transfer the heat from one airstream to another
<b>Specifiers</b>	persons who may specify certain characteristics of products

### Low-carbon products – definition

We define our low-carbon revenue as a) revenue from products that are designed to be more energy efficient than the product, or method of ventilation or air movement that they replace, and/or b) revenue from products which reduce carbon emissions as verified through national calculation methodologies or recognised schemes for improving the energy efficiency of buildings. In our European businesses, this is driven by the Energy Performance of Buildings Directive (EPBD) with every local jurisdiction having their own national calculation method. In the UK, products that reduce carbon emissions are included in the Standard Assessment Procedure (SAP) and are listed on the Product Characteristics Database (PCDB) or applied in commercial buildings through the Simplified Building Energy Model (SBEM). In Germany, products that reduce carbon use calculations through DIN V 4701-10:2003-08 combined with DIN V 4108-6:2004-03 or DIN V 18599- 6:2018-09. We also include products that are listed through other schemes which recognise energy saving measures such as the Energy Technology List (ETL) in the UK, or in Australia, products that help improve the 'star rating' of a home in the Nationwide House Energy Rating Scheme (NatHERS). In addition, we include products that save energy over traditional methods such as our products with automation and our DC/EC motorised extract fans. Our low-carbon products are aligned to our accreditation with the FTSE Russell Green Economy mark where our low-carbon revenue is defined as deriving from 'green' products and services as defined by FTSE Russell's Classification System (2023), within the category of Buildings and Property EM.01.0 'revenue generating activities related to the design, development, manufacture or installation of energy efficient products or services for use in buildings'.



# Shareholder Information

## Shareholder services

For any enquiries concerning your shareholding please contact our registrar:

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA  
United Kingdom

Equiniti has a shareholder portal offering access to services and information to help manage your shareholdings and inform your important investment decisions. Please visit [www.shareview.co.uk](http://www.shareview.co.uk).

Shareholder helpline: 0371 384 2030<sup>1</sup> from the UK  
or +44 (0) 121 415 7047 from overseas.

### Note

1. Lines are open 8.30 am to 5.30 pm, Monday to Friday (excluding public holidays in England and Wales).  
You can access our Annual Report and Accounts and other shareholder communications through our website, [www.volutiongroupplc.com](http://www.volutiongroupplc.com).

## Company advisers

### External independent auditor

PricewaterhouseCoopers LLP

### Corporate brokers

Berenberg  
Jefferies International Limited

### Legal adviser

Norton Rose Fulbright

### Financial PR adviser

FTI Consulting

## Company Secretary and registered office

### Fiona Smith

### Volution Group plc

Fleming Way  
Crawley  
West Sussex  
RH10 9YX  
United Kingdom

### Registered in England and Wales

Company number: 09041571

LSE ticker code: FAN

Legal Entity Identifier: 213800EPT84EQCDHO768

Tel: +44 (0) 1293 441 662

Shareholder enquiries: [investors@volutiongroupplc.com](mailto:investors@volutiongroupplc.com)

General enquiries: [info@volutiongroupplc.com](mailto:info@volutiongroupplc.com)

Website: [www.volutiongroupplc.com](http://www.volutiongroupplc.com)

## Forward-looking statements

The Annual Report and Accounts 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 Volution Group plc and its subsidiaries is not warranted or guaranteed. These statements typically contain words such as “intends”, “expects”, “anticipates” and “estimates” and words of similar import. 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 Volution Group plc believes that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct. There are a number of factors, which may be beyond the control of Volution Group plc and could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be listed, Volution Group plc has no intention or obligation to update forward-looking statements contained herein.

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This publication is Carbon Balanced with World Land Trust. Balancing is delivered by World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked in that would otherwise be released. These protected forests are then able to continue absorbing carbon from the atmosphere, referred to as REDD (Reduced Emissions from Deforestation and forest Degradation). This is now recognised as one of the most cost-effective and swiftest ways to arrest the rise in atmospheric CO<sub>2</sub> and global warming effects. Additional to the carbon benefits is the flora and fauna this land preserves, including a number of species identified at risk of extinction on the IUCN Red List of Threatened Species.



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# volution

**Volusion Group plc**

Fleming Way  
Crawley  
West Sussex RH10 9YX  
United Kingdom

**[volutiongroupplc.com](http://volutiongroupplc.com)**