

Brighter future



EST.1845

JAMES CROPPER

Annual Report
and Accounts 2026



For 180 years

James Cropper has demonstrated innovation, adaptability and resilience.

This year, under new leadership, James Cropper sharpened its strategic focus and strengthened its financial position.

The Group delivered results ahead of the Board's expectations, driven by double-digit revenue growth in Advanced Materials and the execution of a structured business improvement programme in Paper & Packaging.

Combined with disciplined cash management, this improved operating performance reduced net debt by £4.8 million, strengthening the balance sheet and providing a solid foundation for sustainable long-term value creation.

WELCOME

to the James Cropper plc

2026 Annual Report

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Chair's letter



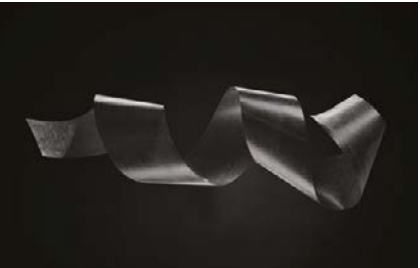
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Business model



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Advanced Materials



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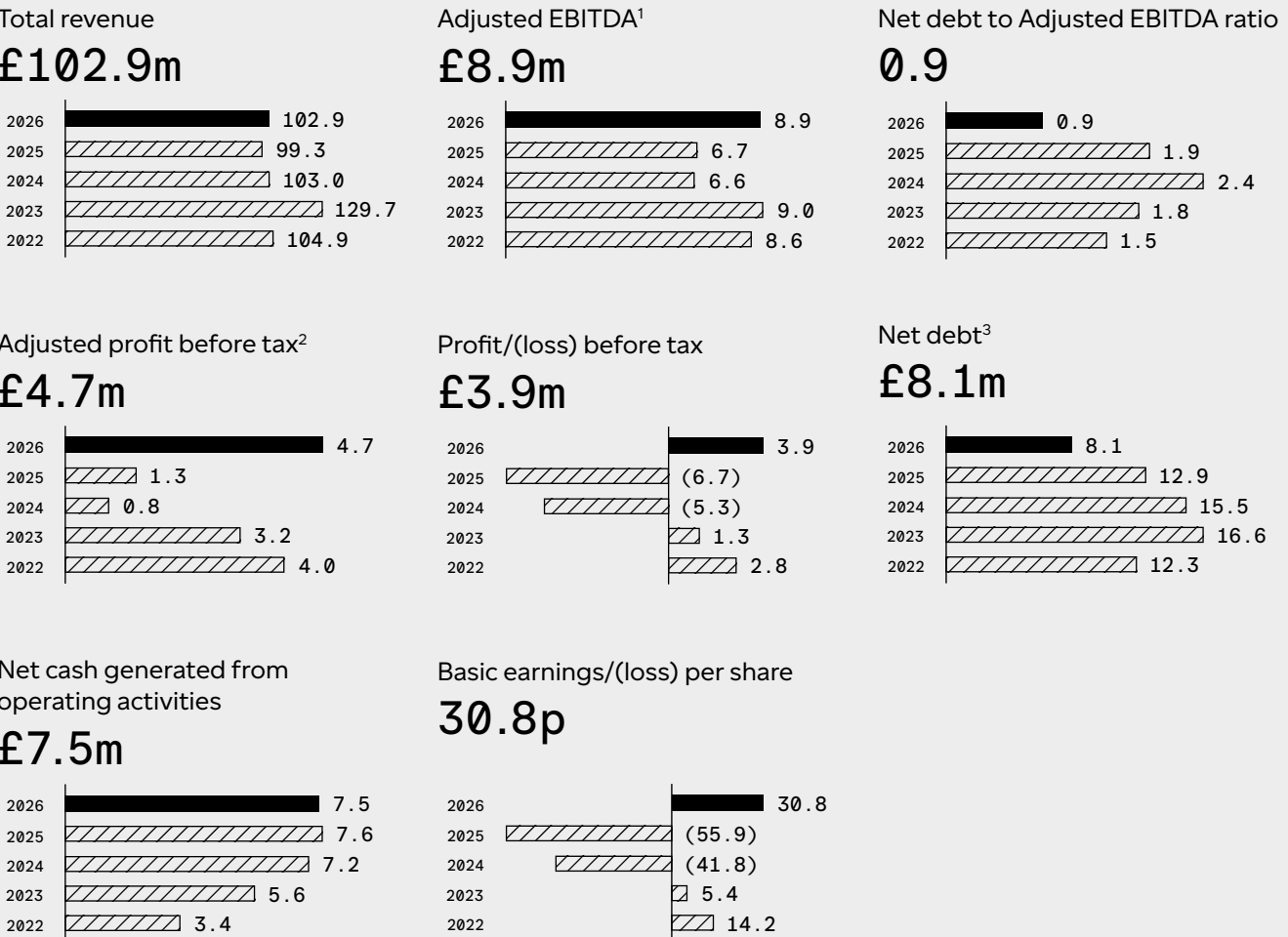
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FINANCIAL HIGHLIGHTS

GROUP PERFORMANCE

Financial year ended 28 March 2026



Non-GAAP Measures:

1 Adjusted EBITDA: EBITDA refers to profit before interest, tax, depreciation and amortisation. Adjusted EBITDA is EBITDA prior to the impact of IAS 19 and exceptional items.

2 Adjusted profit before tax equates to profit before tax excluding the impact of IAS 19 and exceptional items.

3 Net debt is calculated as total loans and borrowings less cash and cash equivalents.

AT A GLANCE

James Cropper is globally recognised for its specialist capabilities in the design and manufacture of advanced materials and paper products.

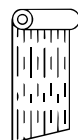
Operating through two principal businesses – Advanced Materials and Paper & Packaging – the Group serves a diverse range of customers with high-performance solutions tailored to specialised applications.

PURPOSE

Pioneering materials to safeguard our future

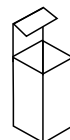
VALUES

Forward-thinking,
Caring, Responsible

**THE ADVANCED MATERIALS BUSINESS**

is at the forefront of materials science, developing state-of-the-art nonwoven materials and electrochemical coatings, which are supplied to leading innovative equipment manufacturers globally from four locations in Burnside (UK), Crewe (UK), Launceston (UK) and Schenectady (USA).

[READ MORE ON PAGE 22 →](#)

**THE PAPER & PACKAGING BUSINESS**

develops and manufactures bespoke creative papers and luxury packaging incorporating industry-leading thermoformed fibre solutions, innovative recycled fibre capabilities and colour expertise, which are supplied to some of the world's most well-known and prestigious global brands, creative paper merchants, printers and publishers from its base in Burnside (UK).

[READ MORE ON PAGE 26 →](#)

Strategic Objectives

The Group's strategy is focused on delivering sustainable value creation and strengthening long-term returns, through disciplined execution across three clear strategic pillars.

[READ MORE ON PAGE 10 →](#)

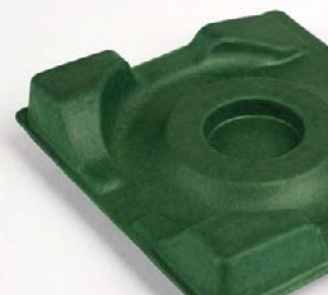
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DELIVERING SUSTAINED ORGANIC GROWTH IN THE ADVANCED MATERIALS BUSINESS



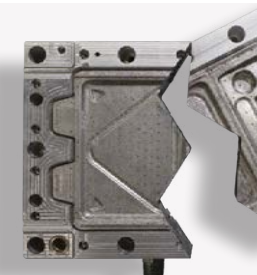
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IMPROVING PROFITABILITY IN THE PAPER & PACKAGING BUSINESS



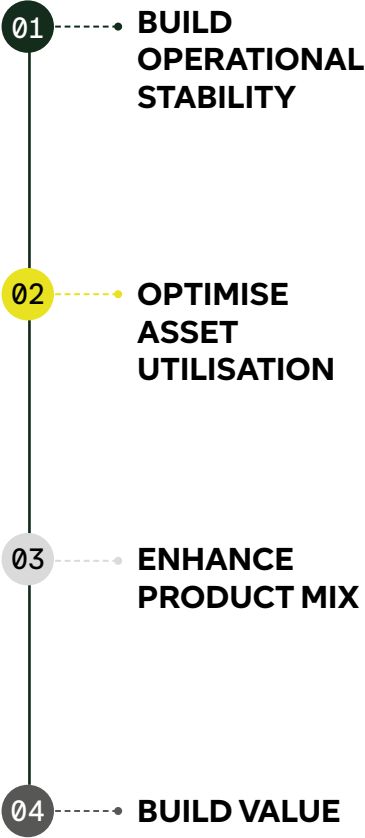
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MAINTAINING DISCIPLINE IN CASH MANAGEMENT AND CAPITAL ALLOCATION



Progress is guided by a four-stage operating framework which provides a structured pathway to advance the Board’s five-year strategic plan.

The framework recognises that different businesses, assets and product lines may be at different stages at any point in time. The focus is on sequencing improvement, ensuring that operational stability and effective asset utilisation are established early to provide a stable foundation for the development of higher-value-adding products and capabilities.



GLOBAL
REVENUE :
£102.9m

UK
REVENUE : £36.97m
36.0%
OF TOTAL REVENUE



AMERICAS
REVENUE : £29.58m
28.8%
OF TOTAL REVENUE



EUROPE
REVENUE : £28.64m
27.8%
OF TOTAL REVENUE



ASIA
REVENUE : £7.17m
7.0%
OF TOTAL REVENUE



OTHER
REVENUE : £0.58m
0.7%
OF TOTAL REVENUE



The actions taken over the past year have strengthened operational discipline and enhanced financial resilience, positioning the Group more securely to deliver sustainable long-term value for shareholders.

Mark Cropper
NON-EXECUTIVE CHAIR

CHAIR'S LETTER

A year of focused delivery

DEAR SHAREHOLDERS

The financial year ended 28 March 2026 marked an important year for James Cropper, as the Group moved with purpose to deliver its revised strategy.

STRATEGY AND EXECUTION

James Cropper has always sought to balance long-term stewardship with a willingness to adapt and evolve. Shortly after his appointment as Chief Executive Officer in February 2025, David Stirling led a comprehensive review of the Group, culminating in a refreshed strategy with three clear priorities: delivering organic growth in Advanced Materials, driving operational improvement and sustainable profitability in Paper & Packaging, and maintaining a disciplined approach to capital allocation across the Group.

PERFORMANCE OVERVIEW

With a clear strategic direction in place, the Board's focus throughout the year has been on supporting management in its implementation, and I am pleased to report that performance in FY26 was ahead of the Board's expectations, and significantly stronger than in the prior period. This included record revenues in our Advanced Materials business and a return to EBITDA profitability in our Paper & Packaging business in the second half of the year.

Group Adjusted EBITDA increased by 33% to £8.9m (FY25: £6.7m), reflecting improved sales in Advanced Materials together with the benefits of cost management and operational improvement initiatives implemented across the Group.

The Group's financial position also strengthened materially over the course of the year. Net debt reduced by £4.8m to £8.1m at the year-end (FY25: £12.9m), driven by robust cash management and a sustained focus on working capital discipline.

Further detail on the Group's performance and progress during the year is set out in the Chief Executive Officer's review.

GOVERNANCE AND BOARD OVERSIGHT

As announced at the time of the Group's full year results, Sarah Miles stepped down from the Board at the AGM in September 2025. Sarah joined the Board in November 2021 and, on behalf of the Board, I would like to thank her for her contribution to the Group during her tenure and wish her every success in the future.

Throughout the year, the Board has remained closely engaged with management, with particular emphasis on performance delivery, risk management, capital discipline and balance sheet strength.

Effective engagement with stakeholders remains central to the Board's role and the Directors seek to promote the long term success of the Group for the benefit of its members, while having regard to the interests of employees, customers, suppliers and other stakeholders.

During the year, my fellow Directors and I engaged regularly with the Group's shareholders on strategy and performance including at our Capital Markets Event in June 2025, and an investor day held in January 2026. The Board values this open and constructive dialogue and is grateful for the ongoing engagement and feedback received. We look forward to welcoming shareholders to the Annual General Meeting in September 2026.

Following the year end, we announced the appointment of Singer Capital Markets as the Company's Nominated Adviser and Broker with effect from 6 July 2026. The Board believes this appointment will support ongoing engagement with investors as the Company continues to execute the Board's strategy.

FINANCING AND DIVIDEND

On 2 July 2026, the Group announced a refinancing of its debt facilities, which included a committed invoice discounting facility of up to £15m. The new arrangements enhance liquidity and provide greater balance sheet flexibility.

As previously announced, the Board placed a temporary hold on dividends during FY26, with its capital priorities focused on strengthening the balance sheet to support delivery of the Group's strategic objectives. No final dividend will therefore be recommended at the 2026 Annual General Meeting. The position will remain under review as the business continues to progress.

LOOKING AHEAD

The Group's revised strategy provides a clear and focused framework for improving performance and reinforcing the Group's long-term prospects. The Board is encouraged by the progress made during FY26 and remains confident in the medium-term outlook for both businesses. The actions taken over the past year have strengthened operational discipline and enhanced financial resilience, positioning the Group more securely to deliver sustainable long-term value for shareholders.

Trading momentum into the new financial year has been positive even while market conditions remain uncertain. These conditions are being monitored closely while our operational improvement programme continues to progress in line with expectations.

On behalf of the Board, I would like to thank all our colleagues for their commitment, focus and hard work over the past year. Our people are central to the success of James Cropper, and their capability, dedication and shared values continue to distinguish us as a business.

We look forward to updating shareholders on further progress in the year ahead.



Mark Cropper
Non Executive Chair
14 July 2026

MARKET TRENDS

Addressing evolving markets with differentiated solutions

ADVANCED MATERIALS

ENERGY TRANSITION, ELECTRIFICATION AND HYDROGEN	MULTI FUNCTIONAL MATERIALS AND SYSTEM INTEGRATION	SUSTAINABILITY, CIRCULARITY AND RESPONSIBLE MATERIALS
<p>GLOBAL MOMENTUM FOR ELECTRIFICATION AND CLEAN ENERGY</p> <p>The global transition to low carbon energy systems continues to accelerate. Electrification, hydrogen and renewable energy infrastructure are central to national decarbonisation strategies, with governments and industry investing heavily to support energy security, emissions reduction and long-term sustainability. As a result, demand is increasing for advanced materials that enable safer, lighter and more efficient energy systems.</p> <p>HYDROGEN AND NEXT GENERATION ENERGY SYSTEMS</p> <p>Hydrogen is increasingly recognised as a critical enabler of decarbonisation across transport, industry and grid scale energy storage. While multiple energy production technologies are progressing in parallel, proton exchange membrane (PEM) electrolysis continues to attract significant investment. These systems place growing emphasis on materials that can deliver durability, efficiency and cost reduction at scale.</p>	<p>FROM SINGLE FUNCTION TO SYSTEM LEVEL PERFORMANCE</p> <p>Across multiple markets, customers are increasingly seeking materials that deliver more than one function within a single solution. Rather than specifying materials solely by weight or thickness, customers are prioritising system level performance – including electrical conductivity, EMI shielding, fire and thermal protection, structural support and enhanced processability.</p> <p>DEMAND DRIVEN BY AUTOMATION AND EFFICIENCY</p> <p>The shift towards automated manufacturing, reduced part counts and simplified assembly is accelerating the adoption of multi-functional materials. In sectors such as aerospace, construction, wind energy and industrial systems, customers are evaluating materials that can reduce manufacturing complexity while improving overall product performance and reliability.</p>	<p>SUSTAINABILITY AS A QUALIFICATION REQUIREMENT</p> <p>Sustainability has moved from a differentiator to a baseline expectation in many of our end markets. Customers are increasingly required to demonstrate reduced carbon footprints, circular material flows and responsible sourcing, driven by regulation, OEM strategy and investor expectations.</p> <p>GROWTH OF RECYCLED AND LOWER CARBON SOLUTIONS</p> <p>There is growing interest in recycled carbon fibre, bio based and PFAS free alternatives, particularly in aerospace, automotive, wind energy and construction. These programmes reflect a broader shift towards lifecycle thinking, with material choices assessed not only on performance but also on environmental impact and recyclability.</p>
<p>POSITIONED TO SUPPORT SCALE-UP</p> <p>James Cropper is strategically positioned to support this transition. Our materials are being evaluated and adopted across batteries, hydrogen and energy storage platforms, often at early design and qualification stages. While revenues are typically phased, early engagement strengthens long term customer relationships and embeds our materials into next generation platforms.</p> <p>BUILDING LONG TERM ADVANTAGE</p> <p>Our innovation strategy focuses on collaboration, enabling scalable, cost-effective energy technologies through functional nonwovens, advanced coatings and materials that improve processability, durability and system performance. These capabilities support customers’ needs as programmes move from development to commercial deployment, reinforcing our role as a long-term partner in the energy transition.</p>	<p>LEVERAGING NONWOVEN CAPABILITY</p> <p>Our expertise in engineered wet laid nonwovens enables the integration of multiple properties into lightweight, tailored material solutions. By combining functional performance with consistent quality and manufacturability, we support customers in accelerating qualification, replicating applications across programmes and reducing time to market.</p> <p>ENABLING REPEATABLE GROWTH</p> <p>This trend underpins our strategy to replicate proven applications across adjacent markets, creating quicker routes to revenue while maintaining technical differentiation. Functional nonwovens, such as our metal coated range, demonstrates clear value in one application, and performs a similar function across multiple markets, platforms and customers.</p>	<p>PERFORMANCE REMAINS CRITICAL</p> <p>While sustainability is essential, performance, consistency and scale readiness remain non-negotiable. Customers expect sustainable materials to meet or exceed incumbent solutions on quality, repeatability and processability. Our approach balances environmental benefit with industrial robustness, ensuring solutions are fit for commercial deployment.</p> <p>SUPPORTING LONG TERM MARKET ACCESS</p> <p>Through continued investment in recycled materials, circular supply chains and sustainable innovation, James Cropper is well positioned to access future facing markets. These capabilities enhance our credibility with customers and partners, support participation in funded R&D programmes, and strengthen our role in markets increasingly shaped by sustainability and regulation.</p>

PAPER & PACKAGING

LUXURY GOODS, BEAUTY AND COSMETICS	SECONDARY PACKAGING IN FOOD AND BEVERAGE	SPECIALITY CORRUGATED PACKAGING
<p>SHIFT TOWARDS SUSTAINABILITY</p> <p>The luxury goods, beauty and cosmetics packaging markets continue to be shaped by demand for more sustainable, fibre-based materials. In cosmetics, paper packaging is expected to outpace wider market growth as brands respond to consumer preference for eco-friendly options and increasing pressure to reduce environmental impact. For premium brands, the challenge is to deliver renewable, recyclable and compliant packaging without compromising appearance, tactility or performance.</p>	<p>GROWING REGULATION AND CONSUMER EXPECTATIONS</p> <p>The shift to sustainable secondary packaging is accelerating in food and beverage, particularly in premium wines and spirits where brands are seeking to replace plastic or foam inserts with recyclable, fibre-based alternatives. Demand is being driven by regulation, consumer expectations and the need for packaging that protects and presents products while reducing environmental impact.</p> <p>MONO-MATERIALS</p> <p>Moulded fibre is increasingly attractive because it offers a mono-material solution that can support recyclability, lower carbon impact and reduced reliance on conventional protective materials. For brand owners, the opportunity is to combine sustainability with premium presentation, secure product fit and distinctive design.</p>	<p>SUSTAINABLE, PROTECTIVE AND DISTINCTIVE PACKAGING</p> <p>The UK corrugated packaging market is mature but continues to grow, supported by e-commerce, food and beverage, retail and logistics demand. Sustainability is a key driver, with Extended Producer Responsibility, recyclability assessments and plastic-reduction policies increasing pressure on brands and converters to use fibre-based, recyclable materials while controlling packaging weight and cost.</p> <p>DESIGN-LED DIFFERENTIATION</p> <p>As packaging becomes a more visible part of the customer experience, brands are seeking corrugated solutions that do more than protect goods in transit. Coloured fluting and specialist liners can improve shelf appeal, support premium unboxing experiences and strengthen brand identity, while retaining the recyclability and structural performance that make corrugated board attractive. This creates opportunities for differentiated materials that combine functionality, sustainability and visual impact.</p>
<p>RYDAL PACKAGING COLLECTION</p> <p>The Rydal Packaging Collection is a premium paper range developed specifically for packaging applications. The collection combines sustainability, versatility and customisation, with a range of shades, finishes and weights across 25%, 50% and 100% recycled fibre categories. Rydal Eco White, made from 100% recycled furnish, provides a bright, premium finish with strong print performance, high rigidity and suitability for finishing techniques such as foiling. This gives brands a compliant, high-performance and visually distinctive alternative to traditional luxury packaging materials.</p> <p>SUSTAINABLE AESTHETICS</p> <p>By combining recycled content, premium aesthetics and bespoke colour and texture options, Rydal supports customers seeking to reduce packaging impact while maintaining the quality and brand expression expected in luxury, beauty and cosmetics markets.</p>	<p>MOULDED FIBRE PACKAGING SOLUTIONS</p> <p>Our moulded fibre solutions are designed for premium secondary packaging applications, including wraps, tops and bases for wines and spirits. Produced using virgin cellulose fibres or recycled content and utilising renewable solar energy, these solutions:</p> <ul style="list-style-type: none">— Provide structural integrity, product protection and design flexibility— Enable bespoke customer solutions including wraps, tops and bases that enhance presentation and brand identity— Offer recyclable, mono-material alternatives to plastic or foam inserts	<p>CREATING VALUE IN A SPECIALIST NICHE</p> <p>We are applying our colour, fibre and speciality papermaking expertise to develop differentiated materials for the corrugated sector, including recycled black fluting and liner applications. These products give converters and brands additional design flexibility within recyclable, fibre-based packaging formats. By focusing on higher-value, specialist applications rather than commodity corrugated volumes, we can broaden our Paper & Packaging portfolio, support customers’ sustainability goals and capture value from demand for distinctive, premium and circular packaging solutions.</p>

MARKET TREND

HOW JAMES CROPPER IS RESPONDING



with
David Stirling
CHIEF EXECUTIVE OFFICER

We have made strong progress over the past year in resetting the business and improving performance. Our strategic plan is now firmly embedded, with a clear focus on execution. There is more to do, but we are building momentum while maintaining the focus and discipline needed to create long-term value for our stakeholders.

David Stirling
CHIEF EXECUTIVE OFFICER

CEO STRATEGY UPDATE

Strong progress. Clear momentum. No complacency.

Q HOW WOULD YOU CHARACTERISE PROGRESS IN THE LAST 12 MONTHS?

FY26 marked the start of the Group's multi-year transition plan. The first part of the year was focused on a detailed review of the business and the development of the revised strategy, which was announced at the Capital Markets Event on 18 June 2025. FY26 thereafter gave us nine months of execution, and progress was meaningful: we improved profitability and delivered a result ahead of the Board's expectations, strengthened cash generation and significantly reduced net debt. Importantly, this was not the result of a single action, but of disciplined execution across the Group: restructuring the cost base, improving operational focus, managing working capital tightly and sharpening commercial priorities. Paper & Packaging returned to EBITDA profitability in the second half, while Advanced Materials delivered revenue growth. The business is now more focused, financially resilient and better positioned, but we remain clear that this is the start of a multi-year improvement plan rather than the end of the journey.

Q WHAT HAS BECOME CLEARER ABOUT JAMES CROPPER SINCE LAST YEAR'S STRATEGY REVIEW?

The review confirmed the strength of our specialist capabilities, but also the importance of applying them with sharper focus. In Advanced Materials, the opportunity remains attractive, particularly in established composite markets and selected nascent energy transition applications, but customer concentration, long qualification cycles and project phasing can create volatility. In Paper & Packaging, the opportunity is different: mature markets require agility, service, cost discipline and improved asset utilisation.

Across both businesses, the common theme is that performance depends on using our existing asset base more effectively, focusing on the markets where we can win, and maintaining disciplined capital allocation. The strategy is therefore deliberately practical: (i) stabilise; (ii) improve utilisation; (iii) enhance the product mix; and (iv) develop value-adding innovation.

Q WHERE IS THE STRONGEST EVIDENCE THE STRATEGY IS WORKING?

The clearest evidence is in our financial performance. Group Adjusted EBITDA increased by 33% year-on-year to £8.9m. Adjusted operating profit more than doubled to £5.9m, and Adjusted profit before tax increased from £1.3m to £4.7m.

In terms of our strategic objectives, Advanced Materials sales increased by 11% to £39.8m while Paper & Packaging delivered positive Adjusted EBITDA in the second half (representing a £1.6m improvement in Adjusted EBITDA for the Paper & Packaging business compared to FY25). At the same time, net debt reduced by £4.8m to £8.1m, bringing leverage below 1x Adjusted EBITDA. Taken together, these outcomes show that the strategy is translating into tangible financial improvement.

Q WHAT HAS BEEN MORE DIFFICULT THAN EXPECTED?

We continue to operate in specialist markets with high fixed costs and complex assets, and where customer timing and asset utilisation have a significant effect on performance. In Advanced Materials, FY26 growth was supported in particular by Hydrogen coatings, while growth across the rest of the business was mixed. While some of the nascent markets we serve

remain attractive over the medium term, these are inherently less predictable, and our performance is impacted by customer demand patterns. In Paper & Packaging, the loss of a significant merchant customer reduced expected utilisation and required a rapid operational and commercial response. The launch of Coloursource® with Winter & Co, together with revenues secured with other customers, demonstrated the agility of the business and helped mitigate the impact. We also took difficult restructuring decisions, including reducing roles and moving manufacturing to a five-day shift pattern, to reset the cost base and improve affordability. Continued progress is possible, but depends on discipline, agility and focus.

Q WHAT SHOULD SHAREHOLDERS EXPECT OVER THE NEXT 12-24 MONTHS?

Shareholders should expect continued execution. The Board's expectations for FY27 remain unchanged, supported by stronger order books in Paper & Packaging and further progress in the operational improvement programme. In Advanced Materials, we remain confident in the medium-term opportunity and continue to target underlying double-digit growth over time, but expect lower overall business unit revenues in FY27 due to reduced activity in Hydrogen Coatings following a strong performance in FY26. The priorities remain clear: sustain profitability in Paper & Packaging, grow Advanced Materials through focused customer and market opportunities, and maintain balance sheet discipline. We enter FY27 with a stronger platform, improved financial resilience and a clearer roadmap, but we will remain measured, practical and focused on long-term value creation.

01

STRATEGIC OBJECTIVE

Organic growth in the Advanced Materials business

The Advanced Materials business remains the Group's primary source of earnings and the principal platform for organic growth.

FY26 sales increased by 11% to £39.8m, supported in particular by Hydrogen Coatings, although progress across other markets was more mixed. We continue to target underlying double-digit growth over the medium term by strengthening core customer relationships, replicating proven applications into adjacent opportunities and advancing selected projects in high-specification industrial markets. However, some nascent markets remain volatile and FY27 business unit revenues are expected to be lower due to reduced activity in Hydrogen Coatings following a strong performance in FY26.

PROGRESS SO FAR

- Delivered 11% revenue growth in FY26, with sales increasing to £39.8m.
- Benefited from strong customer-specific demand in Hydrogen Coatings.
- Maintained strong profitability, with Adjusted EBITDA of £11.4m and Adjusted Operating Profit of £9.6m.
- Launched UNIMAT®, an aligned nonwoven fibre mat enabling the use of recycled fibres in high-performance composite applications.
- Increased focus on markets and supply chains with shorter product lifecycles to support improved utilisation in the short-to-medium term.

CHALLENGES DURING THE YEAR

- Growth remained influenced by a small number of major customers and customer-specific project timing.
- Nascent markets, including hydrogen electrolysis, fuel cell and battery technologies, continued to offer attractive potential but with less predictable timing.
- Long qualification cycles in markets such as aerospace and defence mean the development pipeline is stronger over the medium-to-long term than over the next 12–18 months.
- Progress outside Hydrogen Coatings was more mixed, with growth in some areas offset by declines elsewhere.

IMMEDIATE PRIORITIES

- Maintain and deepen share of business with existing customers through service, technical support and close alignment with their needs.
- Replicate proven applications into adjacent markets and customers where our technical capabilities create clear value.
- Prioritise selected growth markets where we can develop differentiated technologies and attractive returns.
- Increase activity in markets with shorter product lifecycles to support improved asset utilisation in the short-to-medium term.
- Continue advancing a limited number of niche projects with potential for meaningful medium-term growth.

LONGER-TERM PLANS

- Ensure our business has the agility to respond to changes in markets.
- Engage more closely with partners closer to OEM.
- Be positioned as 'partner of choice' in defined markets.

HOW WE WILL MEASURE SUCCESS

- Organic growth rates with targets of consistent double digit growth.
- Opportunity pipeline growth from:
 - (i) Existing customers, applications or technologies.
 - (ii) New customers, applications or technologies.

£39.8m
FY26 Revenue

11%
Revenue Growth

£11.4m
Adjusted EBITDA

02

STRATEGIC OBJECTIVE

Profitability in the Paper & Packaging business

Performance in Paper & Packaging improved significantly during FY26, reflecting strong progress against the structured business improvement programme.

Revenue was broadly in line with the prior year despite the loss of a significant merchant customer for certain coloured paper ranges, and the business delivered positive Adjusted EBITDA in the second half. The priority remains to restore sustained profitability through improved asset utilisation, product mix, service, cost efficiency and commercial discipline, with the '3 Peaks' model providing a clearer framework for balancing commodity papers, core products and technical papers over time.

PROGRESS SO FAR

- Delivered a significant improvement in FY26 performance through a structured business improvement programme.
- Achieved positive Adjusted EBITDA in the second half, creating a stronger platform for FY27.
- Maintained revenue broadly in line with the prior year despite the loss of a significant merchant customer.
- Launched the Coloursource® range and established a new exclusive supply agreement with Winter & Co to maintain availability for end-users.
- Reduced the direct and support cost base, including moving manufacturing to a five-day shift pattern.
- Improved focus on cost efficiency, product mix, service and organisational alignment.

CHALLENGES DURING THE YEAR

- Loss of a significant merchant customer reduced near-term asset utilisation and impacted revenue in the period.
- Cost inflation, operational complexity and high fixed overheads continued to constrain profitability.
- Restructuring involved difficult decisions, including around 70 redundancies across direct labour and support functions.
- Embedding the '3 Peaks' model (see page 27) required disciplined commercial execution and a clearer product and operational model.

IMMEDIATE PRIORITIES

- Continue the operational improvement programme, with sustained focus on efficiency, reliability and disciplined execution.
- Further realign the commercial offering and rebalance production across commodity and core papers.
- Improve asset utilisation through more flexible and responsive production models.
- Embed improvements in quality, service and cost efficiency to support sustainable profitability.

LONGER-TERM PLANS

- Develop technical papers that bridge into Advanced Materials.
- Expand use of recycled fibre to support circular economy goals.

HOW WE WILL MEASURE SUCCESS

- Asset utilisation and production efficiency metrics.
- Customer satisfaction and service-level improvements.
- Growth in technical and recycled-content product lines.

£63.2m
FY26 Revenue

£1.6m
Improvement in
Adjusted EBITDA

£(0.5)m
Adjusted EBITDA

03

STRATEGIC OBJECTIVE

Discipline in cash management and capital allocation

Disciplined capital allocation underpins the Board's strategy and was a key area of progress in FY26.

Improved profitability, stronger cash generation, tight control of capital expenditure and working capital, and the realisation of value from non-core assets materially reduced net debt to £8.1m. As a result, leverage improved to 0.9x Adjusted EBITDA, materially increasing financial resilience and flexibility. The priority is to maintain leverage below 2x Adjusted EBITDA over the long term while directing capital towards the areas of highest strategic value, including operational cost-saving, debottlenecking and growth opportunities. After the year-end, the Group concluded a refinancing of its banking arrangements, providing a more flexible funding platform to support delivery of the Board's medium-term strategic priorities.

PROGRESS SO FAR

- Reduced net debt to £8.1m at year end, an improvement of £4.8m compared with FY25.
- Improved net debt to Adjusted EBITDA to 0.9x, compared with 1.9x in FY25.
- Delivered Adjusted EBITDA of £8.9m, significantly ahead of the Board's original expectations.
- Maintained tight control of capital expenditure and working capital as part of the Group's focus on cash generation.
- Realised value from non-core intellectual property assets through an initial cash consideration of £1.75m, with potential royalty upside.
- Increased financial resilience and flexibility to support continued delivery of the strategic plan.
- After the year-end, completed a refinancing to provide flexible funding of up to £15m committed for at least three years.

CHALLENGES DURING THE YEAR

- Maintaining cash discipline remained essential while the Group continued to invest selectively in improvement and growth.
- Working capital required careful management in a year of operational change and customer project phasing.
- Capital allocation decisions required a clear balance between resilience, operational improvement and future growth.
- Financial flexibility remained important given market volatility, high fixed costs and the need to improve asset utilisation.

IMMEDIATE PRIORITIES

- Maintain disciplined control of capital expenditure, working capital and cash generation.
- Sustain leverage below the Board's long-term target of 2x Adjusted EBITDA.
- Prioritise capital towards the areas of highest strategic value.
- Preserve balance sheet flexibility to support continued operational improvement.

LONGER-TERM PLANS

- Align capital investment with the Group's strategic priorities and expected returns.
- Build and maintain funding headroom to support innovation, resilience and disciplined growth.
- Continue reducing financial risk while managing long-term pension obligations responsibly.
- Consider shareholder returns, including dividends, as part of a balanced capital allocation framework once appropriate.

HOW WE WILL MEASURE SUCCESS

- Net debt and net debt to Adjusted EBITDA.
- Operating cash generation and Adjusted EBITDA cash conversion.
- Capital expenditure, working capital and covenant headroom.

£4.8m

Reduction in net debt

0.9x

Net debt to Adjusted EBITDA ratio

Up to

£15m

New committed facility for at least three years

BUSINESS MODEL

We solve complex challenges for customers in demanding markets

BOTH BUSINESSES

Utilise highly bespoke equipment to manufacture materials across a technology continuum.

Leverage deep capabilities and embedded know-how in materials science, sustainability and advanced production processes.

Deliver solutions aligned with global trends such as decarbonisation, circularity and regulatory compliance.

Carry significant and reputable brands that reflect a commitment to quality and performance.

ADVANCED MATERIALS

Operating through two principal businesses, the Group serves a diverse range of customers with high-performance solutions tailored to specialised applications.

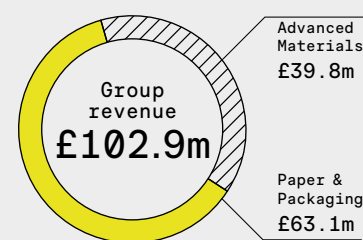
PAPER & PACKAGING

VALUE PROPOSITION

James Cropper delivers high-performance and sustainable material solutions by combining technical expertise with a commitment to innovation and adding value. With a legacy of over 180 years, the company partners with global brands and industries – from clean energy and aerospace to luxury packaging – offering bespoke solutions that meet complex functional and aesthetic demands. James Cropper stands out through its approach to innovation, end-to-end manufacturing

capabilities, and dedication to enabling a low-carbon future through recyclable, renewable and responsibly sourced materials. The Group is structured around two principal trading businesses, which are supported and empowered by specialist central functions within a framework of Group governance and controls. While serving distinct endmarkets, the Group's Advanced Materials and Paper & Packaging businesses share a common foundation of expertise and innovation.

Sources of Group Revenue in FY26



James Cropper is globally recognised for its specialist capabilities in the design and manufacture of high-performance materials that solve complex technical, aesthetic and sustainability challenges for customers in demanding end markets.

REVENUE MODEL

The Group generates revenue through the manufacture and sale of specialist materials with distinct but complementary profiles to a global customer base:

ADVANCED MATERIALS

Revenue is split between long-term supply arrangements in established markets (accounting for approximately two-thirds of business revenue), alongside exposure to nascent markets with significant growth potential such as hydrogen technologies (accounting for the remaining one-third of revenue). This creates a balance between recurring, predictable income and higher-potential but more variable growth opportunities that depend on customer programme timing and adoption rates.

PAPER & PACKAGING

Revenue reflects a deliberate mix of products designed to optimise asset utilisation. Under the Group's operational improvement plan (which in FY26 involved a rebalancing of production between 'commodity' and higher-value 'core' products), the strategy is to recover overheads through stable base volumes while growing higher-margin, bespoke and (in the longer term) technical propositions.

In both businesses, asset utilisation is a key driver of profitability, given the fixed-cost nature of the manufacturing base. The Group's strategy therefore emphasises operational stability, disciplined commercial selection and mix management to increase contribution while improving utilisation and supporting operating leverage.

STRATEGIC RISK MANAGEMENT

The Group adopts a proactive and strategic approach to the management of risks linked directly to the achievement of its strategic objectives. For more information relating to the Group's risk management framework, including the principal and emerging risks relating to the Group's business model and how these are managed, please see pages 44 to 49.

GROUP STRUCTURE

INNOVATION AND TECHNOLOGY

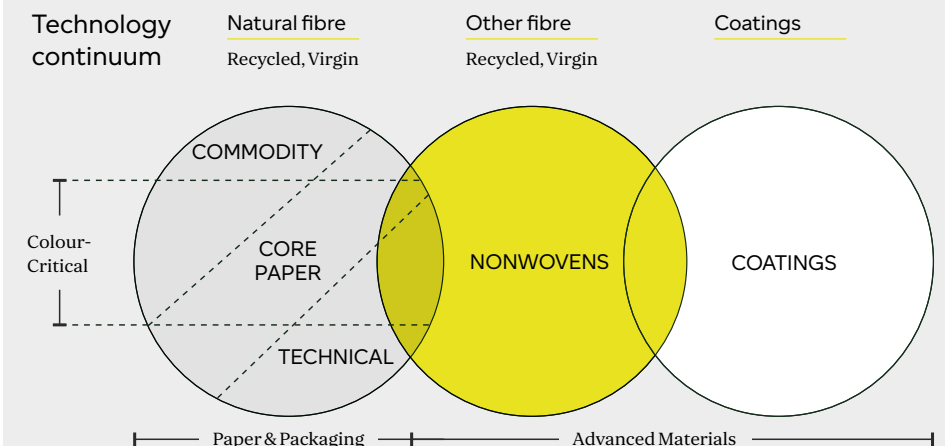
Underpinned by shared operational platforms and fibre expertise, the Advanced Materials and Paper & Packaging businesses possess deep technical knowledge and capabilities that drive product excellence and customer value across a diverse range of markets. Innovation frequently serves as the foundation for new customer collaborations and is often the root source of revenue generation.

TECHNOLOGY CONTINUUM

Our Paper & Packaging business targets three 'Peaks' of business including Commodity, Core and Technical papers. These products incorporate a mix of recycled and virgin fibres and are frequently colour-critical. Our Advanced Materials business similarly produces wet-laid nonwoven materials using recycled and virgin technical fibres. This business also produces coated nonwoven fibres, and develops and applies specialist coatings to components that enhance performance and product lifespan. The two businesses increasingly work together to develop customer-focused solutions.

STRUCTURE

In addition to the technology overlap, the Group's structure is designed to balance strategic alignment with operational focus. The Group is organised around two principal trading businesses and supported by centralised functions. This approach enables each business to focus on its distinct markets, technologies and customer needs, while leveraging shared expertise, governance and strategic alignment. Group leadership ensures that each business remains aligned with Group strategy and stakeholder interests. Group-level functions such as Finance, HR, IT, Legal and Risk Management provide consistent support and oversight, ensuring efficiency, compliance and scalability. The structure is designed to encourage cooperation and knowledge-sharing between businesses, and achieve synergies through the use of shared resource within a framework of governance including policies, practices and controls.



BUSINESS MODEL cont.

00

COMPETITIVE ADVANTAGES

The Group's competitive position is supported by several reinforcing advantages

DEEP TECHNICAL KNOW-HOW

James Cropper's expertise in fibre and materials science, wet-laid nonwovens, coatings, colour science and process control has been built up over decades and is closely tied to its equipment, operating processes and teams. This tacit knowledge is difficult to replicate without significant time, qualification effort and capital investment.

BESPOKE MANUFACTURING BASE

Both businesses rely on high-fixed-cost, specialist assets that are not easily substituted. In Advanced Materials, this supports high-specification, low-volume applications with long qualification periods, including advanced nonwovens used in aerospace and electrochemical coatings for hydrogen technologies. In Paper & Packaging, flexible legacy assets enable customised production runs (colour, texture, finish and converting requirements) that competitors with more rigid plants cannot easily match.

EMBEDDED CUSTOMER RELATIONSHIPS AND PRODUCT QUALIFICATION

In many Advanced Materials applications, products are approved through multi-year specification and qualification processes. Once embedded, switching suppliers is costly, slow and operationally risky for customers, creating natural defensibility.

01

02

03

05

DIFFERENTIATED CAPABILITIES IN ATTRACTIVE MARKETS

Long-term structural trends provide a supportive backdrop, but our success is driven by the strength of our competitive position. Differentiated technologies, specialist capabilities and an agile operating model enable us to identify and pursue attractive opportunities in niche markets where we can create value, regardless of broader market conditions.

04

END-TO-END INNOVATION CAPABILITY

The Group's ability to move from concept and development through to full-scale manufacture allows us to partner with customers early in their innovation cycles and scale successful programmes efficiently.

KEY INPUTS AND CRITICAL DEPENDENCIES

The Group's ability to execute its strategy depends on the following critical inputs and dependencies

00

01

PEOPLE AND CAPABILITY

Each business employs highly skilled technical specialists, operators and engineers who are essential to its success. Knowledge retention, succession planning and skills development are therefore critical enablers of long-term performance.

02

SPECIALIST ASSETS AND INFRASTRUCTURE

Each business depends on the reliability and performance of bespoke manufacturing equipment and other assets. Maintenance discipline, operational excellence and safety are fundamental.

03

RAW MATERIALS, ENERGY AND TARIFFS

Key inputs include recycled and virgin fibres, chemicals, energy and, in certain Advanced Materials applications, specialist coating inputs (including precious metals). Supply security, pricing volatility, traceability credentials and geopolitical/trade factors (including tariffs) are actively managed and remain important sensitivities. Where appropriate, the Group seeks to mitigate cost volatility through customer pricing mechanisms, including energy surcharges and tariff pass-through arrangements, subject to contract terms and market conditions.

05

REGULATORY, CUSTOMER AND MARKET REQUIREMENTS

Compliance with relevant industry standards and regulations is essential to operate and to supply customers in regulated value chains, particularly in our Advanced Materials business. In Paper & Packaging, customers and brand owners increasingly embed sustainability criteria into specifications, making strong governance, assurance and transparent reporting a critical dependency for market access.

04

CUSTOMER AND PARTNER RELATIONSHIPS

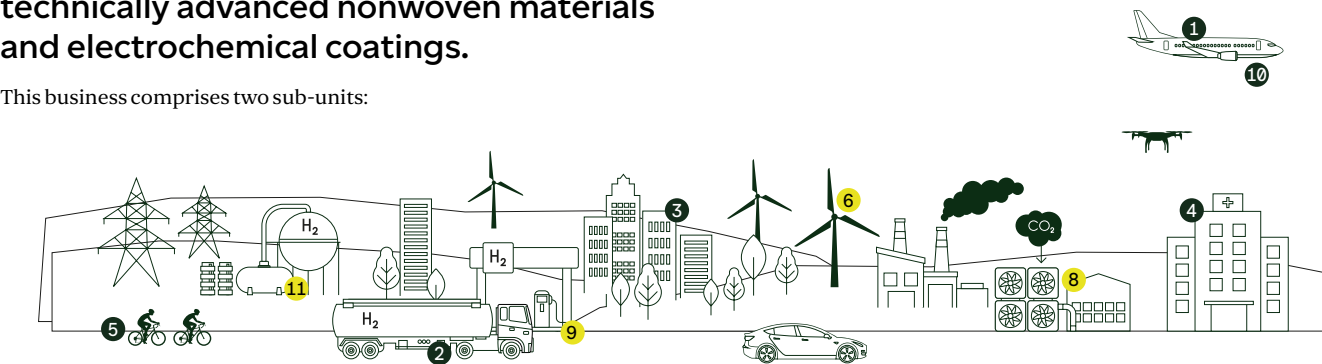
Long-term collaboration with customers, suppliers and technology partners underpins innovation pipelines and revenue visibility.

BUSINESS MODEL cont.

Advanced Materials

Our Advanced Materials business supplies technically advanced nonwoven materials and electrochemical coatings.

This business comprises two sub-units:



COMPOSITE SOLUTIONS

Our Composite Solutions business partners with innovative manufacturers worldwide to create nonwoven materials for various applications including electromagnetic shielding, carbon capture and lightweight materials for aircraft. These products are supplied into a broad range of industries including aerospace, defence, automotive and construction.

ENERGY SOLUTIONS

Our Energy Solutions business develops coatings and nonwoven materials to support the transition to clean energy. Products include glass nonwovens for battery systems, gas diffusion layer substrates for fuel cells, and coatings for proton exchange membrane electrolyzers. These products are often supplied into nascent and growing markets, including the hydrogen and battery industries.

PRODUCTS AND MARKETS

PRODUCT RANGE	MARKETS	% REVENUE FY26	MARKET CATEGORY	EXPECTED MARKET GROWTH
Nonwovens	1 Aerospace	15%	Established	<10% CAGR
	2 Automotive	2%		
	3 Construction	7%		
	4 Medical	5%		
	5 Sporting Goods	4%		
	6 Wind Energy	1%		
	7 Other	19%		
	8 Carbon Capture	1%	Nascent	10-25% CAGR
	9 Fuel Cell	8%		
Coated nonwovens	10 Defence	21%	Established	<10% CAGR
Component coatings	11 PEM Electrolysis	17%	Nascent	>25% CAGR

- Energy solutions
- Composite solutions

OUR CUSTOMERS

Our end customers are leading and innovative equipment manufacturers globally, with whom we develop close and long-standing relationships founded upon cutting-edge materials science, strong collaboration, a commitment to best-in-class solutions, and continuing excellence. We are typically positioned in Tiers 3 to 5 of global supply chains supplying materials to component and equipment manufacturers.

Our objective is to develop forward-looking and transformative technologies that best enable our customers to succeed.

COMPETITIVE ADVANTAGES

- Intellectual property: deep materials chemistry knowhow, product and process technology and trade secrets, bespoke machinery, people and expertise.
- Long-standing and trusted customer partnerships and supplier relationships.
- Collaborative approach and ability to develop bespoke solutions to meet industry challenges.
- Culture of innovation, with continued investment in the development and optimisation of product ranges.
- Strong standing, reputation and brand recognition across a broad range of established and nascent industries.



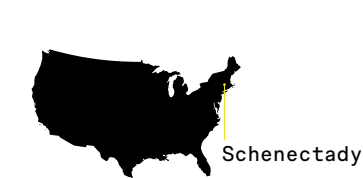
Manufacturing locations – UK



Advanced Materials
workforce

157
people

Manufacturing location – USA



ADVANCED MATERIALS CASE STUDY



Turning recycled carbon fibre into high-performance materials at industrial scale through UNIMAT® and strategic collaboration with Hexcel.



Unlocking circular value

CHALLENGE

Electrification, lightweighting and sustainability targets are placing increasing demands on composite structures to deliver both high performance and reduced environmental impact. Today, up to 30% of carbon fibre is lost as manufacturing waste, while virgin fibre carries a carbon footprint of around 24 kg CO₂ per kg. Together, these pressures are accelerating the shift towards reinforcement solutions that are more material-efficient, process-compatible and aligned with circularity.

Composites remain essential to high-performance sectors such as aerospace, automotive and renewable energy, where lightweighting directly enables efficiency gains and cost reduction. However, they also present a significant end-of-life challenge. Carbon fibre waste is difficult to reintroduce into high-value applications due to inconsistent fibre quality, poor alignment and limited compatibility with industrial manufacturing processes. As a result, much of this material is downcycled or lost entirely from the value chain—constraining both economic return and environmental benefit.

INNOVATION

James Cropper has developed UNIMAT®, an aligned nonwoven reinforcement enabled by its proprietary VECTIS® fibre alignment technology, delivering a step-change in the performance of recycled carbon fibre. By combining high fibre orientation with wet-laid nonwoven technology, UNIMAT® delivers directional stiffness and structural performance, while also enhancing handling, material stability and seamless integration into established composite manufacturing processes.

Through a strategic collaboration with Hexcel, James Cropper has paired its expertise in fibre processing and nonwoven innovation with Hexcel's strengths in composite manufacturing, testing and application development. This partnership has positioned UNIMAT® as a significant material innovation, which when measured against relevant industry performance benchmarks, opens the door to design and manufacture of high performance recycled fibre composite parts at scale.

IMPACT & OUTCOME

UNIMAT® demonstrates that recycled carbon fibre can meet the demanding performance requirements of advanced composites, establishing a credible pathway to high-value, scalable recycling. By improving fibre utilisation and reducing material waste, it enables the integration of circular material strategies without compromising manufacturability or process efficiency.

This innovation positions James Cropper at the forefront of the transition to circular composites, unlocking opportunities across high-growth sectors including aerospace, mobility and sporting goods. The collaboration with Hexcel further strengthens this position—providing a powerful platform to accelerate commercial adoption, validate performance at scale, and embed recycled materials within established industrial supply chains, driving long-term value creation.

“
For aerospace applications in particular, improved fibre alignment directly supports stiffness-driven performance, which remains central to reducing aircraft weight and fuel burn.

For airlines, fuel accounts for over 48% of the direct operating costs of an aircraft¹, making lightweighting a critical economic driver. This is exactly the kind of challenge ECCA exists to address through industry-wide collaboration.”

David Tilbrook,
Senior Technical Fellow at Hexcel and Chair of the Aerospace and Defence Working Group for the European Composites Circular Alliance

1 EUROCONTROL (n.d.) Aircraft operating costs. In: EUROCONTROL Standard Inputs for Economic Analyses, Edition I2. Available at: https://ansperformance.eu/economics/cba/standard-inputs/latest/chapters/aircraft_operating_costs.html (Accessed: 1 June 2026).

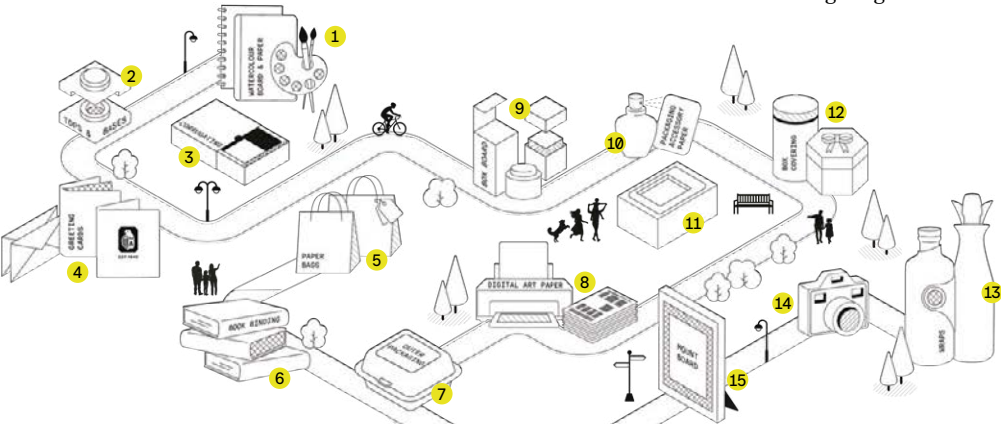
in advanced composites

BUSINESS MODEL cont.

Paper & Packaging

Our Paper & Packaging business offers industry-leading thermoformed fibre solutions, bespoke papermaking and innovative recycled fibre capabilities.

This business comprises two sub-units, which are predominantly 'Peak 2' classification (see opposite). Approximately 5–10% of sales volume is 'Peak 1' in the Corrugating and Box Board categories.



CRAFT & SPECIALITY PAPERS

Utilising 180 years of papermaking and colour expertise, this sub-unit develops premium art papers, digital printing papers, mountboards, stationery and publishing papers. Products incorporate up to 100% recycled fibres from a variety of sources, including recycled single-use coffee cups which are processed using our CupCycling® facility on-site.

LUXURY PACKAGING

Collaborating closely with prestigious brands globally, this sub-unit provides unique packaging solutions and sustainable alternatives to plastics. Products include luxury bag kraft, box wrap, corrugating boards and the award-winning Colourform® bespoke moulded fibre packaging solution. Our mono-material products support the transition to a circular economy.

ECOSYSTEM

1 Watercolour board & paper

High-quality substrates designed for professional and amateur artists, offering excellent absorbency and texture for water-based media.

5 Retail bags

Durable and visually appealing paper-based bags designed for retail environments, supporting brand presentation and sustainability goals.

9 Box board

High-strength board used in the manufacture of rigid boxes, offering excellent printability and structural performance.

13 Wraps

Flexible and decorative paper products used for wrapping gifts and retail packaging, combining visual appeal with functional protection.

2 Tops & bases

Core components used in packaging and display products, providing structural integrity and aesthetic appeal.

6 Book binding & end papers

Specialist papers used in the construction and finishing of books, providing strength, flexibility and aesthetic quality.

10 Packaging accessory paper

Complementary paper products used in packaging, such as liners, dividers and decorative elements, enhancing functionality and presentation.

14 Photographic reproduction

Specialised paper and board products designed for high-fidelity image reproduction in photographic and fine art printing.

3 Corrugating

Materials engineered for strength and durability in packaging applications, particularly in transit and storage solutions.

7 Outer packaging

Robust paperboard solutions designed to protect goods during transit while offering branding opportunities.

11 Inserts

Customisable paper components used within packaging to protect, separate, or present products effectively.

15 Mountboard

Sturdy boards used for mounting artwork and photographs, offering archival quality and dimensional stability.

4 Greeting cards

Premium card stock tailored for the production of greeting cards, combining printability with tactile quality.

8 Digital art paper

Specially coated paper designed for digital printing technologies, delivering vibrant colour reproduction and fine detail for digital artworks.

12 Box cover paper

Premium decorative paper used to wrap and finish rigid boxes, combining visual appeal with durability.

OUR '3 PEAKS' MODEL

The 3 Peaks model provides the framework for managing the Paper & Packaging portfolio across Commodity, Core and Technical papers. By balancing volume-driven products that optimise asset utilisation, established products that support customer relationships, and differentiated technical solutions that leverage our innovation capabilities, the model enables a more resilient and profitable mix of business while supporting long-term sustainable growth.

OUR CUSTOMERS

We develop long-standing and trusted relationships with some of the most well-known and prestigious global brands, together with art, mountboard and creative paper merchants, printers and publishers, and commercial digital printers. Our objective is to develop innovative, high-quality and sustainable products which best ensure the success of our customers.

COMPETITIVE ADVANTAGES

- Deep-rooted technical, fibre and colour knowhow, product and process trade secrets, people and expertise.
- Patent-protected product ranges and trusted, industry-recognised brands.
- Culture of innovation and passion for creativity.
- Deeply established and long-standing customer relationships built on decades of trust and product quality.

Manufacturing location - UK



Paper & Packaging
workforce

255
people



PAPER & PACKAGING CASE STUDY

In 2025, James Cropper responded to a significant change in its route to market by launching the Coloursource® range, now exclusively available via Winter & Company. This swift and strategic move created a stronger international platform for premium-coloured papers and demonstrated the Group’s ability to adapt with pace and purpose.

The home of colour

CHALLENGE

James Cropper has long been recognised as the home of colour, built on a heritage of supplying distinctive, high-quality coloured papers to designers, brand owners and converters worldwide. In 2025, the loss of a significant merchant customer created a clear moment of change for the business and the need to adapt quickly to protect and strengthen its market position as well as bridge the gap the loss would create.

INNOVATION

Rather than simply replacing lost volume, James Cropper used this moment of change to strategically redefine its Paper & Packaging proposition through the launch of Coloursource®.

Developed from decades of core colour papermaking expertise and aligned to the evolving requirements of luxury packaging and premium creative applications, Coloursource® establishes a scalable platform for growth. The range delivers consistent colour performance across multiple grammages and applications, supporting designers in specifying with confidence and reducing complexity in production. Crucially, the launch responded to a clear market gap for high-quality, UK-made coloured paper, reinforcing James Cropper's differentiated position as a specialist manufacturer with heritage, technical capability and supply chain resilience.

Elevating Paper & Packaging from a traditional product offering to a design-led, innovation-driven platform, Coloursource® is already enhancing the company's profile with global partners and brands, driving increased collaboration opportunities and supporting long-term, sustainable growth. Following the launch, a global exclusive partnership with Winter & Company was established, combining James Cropper's manufacturing capability and colour innovation with an established international distribution network. This provided an effective route to market, extending global reach and supporting service levels while preserving the quality and integrity expected of a premium British-made product.

THE OPPORTUNITY

The introduction of Coloursource® positions James Cropper to serve growing global demand for high-quality, sustainably produced materials that support brand differentiation. By combining technical craft with international accessibility, the partnership with Winter & Company provides a scalable platform for growth and enables the business to deepen engagement with designers, converters and brand owners worldwide. Coloursource® is now exclusively available via Winter & Company who will oversee all on-going marketing and sales of the range. By adapting quickly and acting strategically, James Cropper reinforced its position as the home of UK made colour while creating a stronger platform for future growth in premium materials.

“
The launch of Coloursource® has been a great success. The support from our customers for premium dyed-through paper manufactured in the UK has been a strong driver of this.

As we enter the next phase, we will sell Coloursource® through a dedicated webshop. This new service will enable us to bring product to market even more efficiently.

CEO REVIEW

Delivering against our strategic objectives

I am pleased to present my review for the financial year ended 28 March 2026 (“FY26”), which was my first full year as CEO.

FY26 was the start of a multi-year transition plan. Following my appointment in February 2025, we undertook a comprehensive review of the business and, with the support of the Board, established a revised strategy focused on improving performance, strengthening the balance sheet and creating long-term value. The core principles of the strategy were set out at our Capital Markets Event in June 2025 and applied consistently throughout the year enabling focused delivery.

Our strategy is built around three clear priorities to ensure the Group remains focused on its capabilities, operating disciplines and key markets that can deliver sustainably improved performance and long-term shareholder value:

- (i) Organic growth in Advanced Materials.
- (ii) Sustained profitability in Paper & Packaging.
- (iii) Disciplined capital allocation delivering a stronger Balance Sheet.

We made good progress against these priorities, and delivered a full-year EBITDA performance ahead of the Board’s expectations.

FY26 PERFORMANCE GROUP

	FY26	FY25	Change
Revenue	£102.9m	£99.3m	+3.6%
Adjusted EBITDA	£8.9m	£6.7m	+33%
Adjusted Operating Profit	£5.9m	£2.6m	+126%
Adjusted Profit Before Tax	£4.7m	£1.3m	+262%
Net Debt	£8.1m	£12.9m	-£4.8m
Net Debt/EBITDA Ratio	0.9x	1.9x	-1.0x

Group revenue was £102.9m, 3.6% ahead of the prior year (FY25: £99.3m). This reflected strong customer-specific growth and was achieved despite challenging market conditions, particularly in relation to exports to the USA.

Adjusted EBITDA, our primary profitability performance metric, increased by 33% to £8.9m (FY25: £6.7m) and was significantly ahead of expectations. A restructuring of our operational and overhead cost base in Paper & Packaging and Group functions reduced our ongoing operating cost base. This restructuring was undertaken in two steps: in July 2025 we addressed the structure and level of overhead supporting the business;

and in December 2025 the operational set-up of manufacturing moved to a 5-day shift pattern. As a result, a greater proportion of the benefit was delivered in the latter part of the year. In Paper & Packaging in particular, a focus on raw material utilisation and energy efficiency reduced costs and improved profitability, resulting in an EBITDA profit in the second half.

Overall, these outcomes demonstrate that the operational and commercial actions taken during the year are leading to tangible financial improvement.

FY26 has been a year of disciplined execution and meaningful progress.

We have clarified our priorities, strengthened our financial position and demonstrated that the strategy is beginning to translate into improved operational and financial performance.

David Stirling
Chief Executive Officer



Both Business Units operate large, complex machinery with high fixed overhead and maintenance costs. Asset utilisation is therefore a key determinant of profitability and was at similar levels to previous years. Over the medium term, increasing the utilisation of our existing asset base offers significant opportunity to improve profit levels and is a focus of the next stage of our development and growth plan.

A key achievement in FY26 was the continued strengthening of the balance sheet. Net debt at the period end was £8.1m, significantly better than market expectations and an improvement of £4.8m against the prior year (FY25: £12.9m), reflecting the Group’s continued focus on cash generation and working capital management. As a result, the Group’s net debt to EBITDA ratio improved to below 1x (FY25: 1.9x), materially increasing financial resilience and flexibility.

As part of our focus on cash generation, in May 2025, we announced the sale of certain non-core intellectual property assets for an initial cash consideration of €1.75 million, with potential royalty upside depending on revenues from asset deployment by the purchaser.

ADVANCED MATERIALS

	FY26	FY25	Change
Revenue	£39.8m	£35.7m	+11.5%
Adjusted EBITDA	£11.4m	£10.6m	+7.5%
Adjusted Operating Profit	£9.6m	£9.0m	+6.8%

Advanced Materials manufactures nonwoven materials and electrochemical coating solutions for customers operating in two principal product categories: Composites and Energy. Our products are typically sold into complex supply chains, often passing through several stages before being incorporated into the final end-use application. Nonwoven materials made from carbon, glass, polymer and other fibres are used predominantly in composite applications, with some exposure to energy transition markets, while electrochemical coating solutions are used primarily in Energy applications.

The business serves a mix of established and nascent markets. We use the term “nascent markets” to describe markets that are at an earlier stage of development and therefore offer attractive growth potential, but also tend to be more volatile and less predictable. The Energy markets in which we operate, including hydrogen, fuel cells, electrolysis and battery technologies, are largely nascent, whereas Composite markets are typically more established and therefore expected to deliver lower, but more predictable, rates of growth over time.

Approximately 60% of revenue in the year was generated from the largest five customers and in Hydrogen Coatings a single customer represented 7% of Group (17% of Advanced Materials) Revenue in FY26. While those in established markets are generally serving multiple end-users with a multiplicity of products, there are others where the single customer risk is heightened either due to their position in nascent markets or technology risk. We remain cognisant of the opportunities for growth alongside the risks of displacement within the supply chain.

Our strategy is to maintain or grow our position in selected nascent market opportunities while continuing to develop our product offering and market presence in fibres for composites which is a more established market. We have made significant investment over the past few years in technical, marketing and commercial resources to grow our business development pipeline, some of which are multi-year development programmes. At present, there are a limited number of opportunities which are expected to generate meaningful revenue over the next 12 months and therefore we are more reliant on customer-specific performance in this period. Beyond this the pipeline is healthier reflecting the longer programme gestation times in markets such as aerospace and defence. We are therefore increasing activity in markets with shorter product lifecycles with a view to improving asset utilisation in the short-to-medium term.

A significant development was announced in March when we launched UNIMAT®, an aligned nonwoven fibre mat which enables the use of recycled fibres in the manufacture of high-performing composite materials, particularly where unidirectional strength is required. This has the potential to unlock a meaningful opportunity by enabling recycled fibres to be used in applications that have traditionally relied on virgin materials, expanding the scope for more sustainable, high-performance composite solutions.

CEO REVIEW cont.

PAPER & PACKAGING

	FY26	FY25	Change
Revenue	£63.1m	£63.7m	-0.9%
Adjusted EBITDA	£(0.5)m	£(2.1)m	+£1.6m
Adjusted Operating Loss	£(1.3)m	£(4.1)m	+£2.8m

Paper & Packaging operates across a number of segments globally, with the UK, Continental Europe and the USA as its principal markets. The business supplies customers, merchants and packaging fabricators serving the creative, luxury packaging and speciality papers sectors. While these markets are, for the most part, mature or in structural decline, the business’ share of the addressable paper market remains relatively small and there remains scope to grow through agility, improved service and sharper commercial execution.

Around 50% of our revenue is from the five largest customers, some of which are merchants serving multiple markets and geographies with James Cropper products.

Business revenue was at a similar level to the previous year, which was an excellent outcome given – as announced in July 2025 – that a significant merchant customer notified us that it would no longer source certain coloured paper ranges from James Cropper with immediate effect. We subsequently launched the Coloursource® range of papers and entered into an exclusive supply agreement with Winter & Company, maintaining coloured paper availability to end-users. Volumes of Coloursource® papers have ramped up slowly over the latter part of FY26. The net loss of revenue in the period from this channel switch is estimated at c. £6m (c. 10% of previous year turnover) with some comparative headwinds continuing into QJ:FY27. Offsetting this we delivered good growth in other segments such as graphics and packaging, which were already in-progress as part of our Paper & Packaging recovery strategy.

Direct costs in Paper & Packaging were reduced to a level more consistent with our need and affordability. This resulted in approximately 70 roles being made redundant, split broadly equally between direct labour and support functions. As part of this restructuring our Paper & Packaging operational shift patterns were reset.

Business performance improved significantly during FY26, with EBITDA profitability delivered over the second half, reflecting strong progress in the structured business improvement programme across cost efficiency, product mix, service and organisational alignment. These actions provide a stronger foundation for further improvement in FY27.



STRATEGIC OBJECTIVE

01
ORGANIC GROWTH
IN ADVANCED
MATERIALS

STRATEGY
IMPLEMENTATION

The Board’s strategic plan, built around its three core priorities, is being delivered through a clear staged framework: stabilising the business, improving asset utilisation, enhancing the product mix and developing innovative, value-adding product ranges.

While Advanced Materials and Paper & Packaging are at different stages of that journey, the Group’s primary focus in FY26 was on stabilisation and improved utilisation, creating a stronger foundation for sustainably improved performance across the Group.

Our strategic priorities, and progress during the year against each, are set out below:

Advanced Materials remains the Group’s primary source of earnings. Our strategy is to generate growth through closer alignment with both established markets, such as aerospace and defence, and selected nascent markets where our technical capabilities can create long-term advantage. We are focusing on strengthening core customer relationships, replicating proven applications into adjacent opportunities and advancing strategic projects in high-specification industrial markets.

This approach balances the relative predictability of established markets with exposure to higher-growth areas such as hydrogen, carbon capture and other energy transition applications. It is intended to support underlying double-digit revenue growth over the medium term, while maintaining the strong technical and commercial discipline required in these specialist markets.

I am pleased to report that in FY26 we grew sales by £4.1m or 11% to £39.8m. This was strongly influenced by the performance from our Hydrogen Coatings business. Progress in other areas was more mixed, with growth in areas including aerospace and defence substantially offset by declines across wind energy, carbon capture and thermal applications.

Many of the markets in which we operate have relatively long qualification times. Despite increased investment over the past few years our development pipeline offers better prospects in the medium-to-long term than over the next 12-18 months. This leaves us more reliant on the performance of existing customers in the short term. To address this, we are increasing our focus on those markets and supply chains offering the potential for quicker decision making, such as sports and leisure and construction, and evaluating our value proposition and pricing relative to less technical markets.

CEO REVIEW cont.

STRATEGIC OBJECTIVE

02
PROFITABILITY IN
PAPER & PACKAGING

The priority in Paper & Packaging is to restore sustained profitability. The business has faced prolonged pressure from market decline in some segments, cost inflation, operational complexity and suboptimal asset utilisation. Our revised strategy addresses those issues through a clearer product and operational model, improved commercial discipline and a stronger focus on returns.

Central to this is our ‘3 Peaks’ model, which rebalances the business across commodity papers, core products and, over time, technical papers. This framework, which is a simplified version of our internal product categorisations in a very large and complex paper market, is intended to improve asset utilisation, support customer value delivery and create a more resilient mix of volume, margin and innovation. In markets which are large, but considered to be in structural decline, we must win market share to succeed and further product, price and service improvements are critical to maintain our positive momentum.

In the near term, the focus is on commodity and core products, where balanced throughput can support better cost recovery and more stable performance. As previously announced, during the year, a significant merchant customer indicated that it would no longer source certain coloured paper ranges from the Company, reducing expected near-term asset utilisation. While disappointing, the speed and effectiveness of our response demonstrated the resilience and agility of the operating model now being developed. Initiatives to deliver balanced growth in commodity and core segments

were already underway and operational improvement initiatives were reassessed based on our revised expectations. This resulted in a more fundamental restructuring of Paper & Packaging operations late in 2025 and, alongside other management actions, allowed us to progress towards improved profitability.

The launch of the Coloursource® range of premium papers, with exclusive merchant partner Winter & Co, exemplified the agility needed to succeed in large, but declining, paper markets. The launch reflects the strength of our longstanding relationship, built over many years on technical collaboration, service and a shared understanding of premium paper and packaging markets. It also demonstrates the value of working closely with specialist partners that have deep customer relationships and an established international sales platform, creating a global opportunity for Coloursource® across luxury packaging and creative papers.

Over the longer term, we intend to increase focus on technical papers and other higher-value, innovation-led products that better leverage the Group’s material science expertise, opening new market opportunities while supporting sustainability objectives through increased use of recycled fibre and internal waste streams.

STRATEGIC OBJECTIVE

03
DISCIPLINE IN CASH
MANAGEMENT
AND CAPITAL
ALLOCATION

Disciplined capital allocation underpins the Board’s strategy. During FY26, the Group significantly reduced net debt by maintaining tight control over capital expenditure and working capital, as well as realising value from non-core assets. This discipline was further supported by the refinancing announced on 2 July 2026, which improved the Group’s debt maturity profile, increased liquidity headroom and provides greater flexibility to support delivery of the strategy.

These actions have increased financial flexibility and support our aim of embedding leverage at below 2x Adjusted EBITDA over the long-term. Subject to that discipline, capital will be directed primarily towards the areas of highest strategic value, including specific operational cost-saving initiatives and debottlenecking capacity needed for our growth plans.

LOOKING AHEAD

The business is in a materially stronger position following a year of disciplined execution against the Board’s strategy. We have improved profitability, strengthened the balance sheet and made tangible progress in both business units. While there is still work to do, the strategic priorities set out at the Capital Markets Event in June 2025 continue to provide a clear and credible roadmap for improving performance across the Group.

In Advanced Materials, our focus remains on delivering organic growth through deeper customer relationships, broader application opportunities and the conversion of our innovation capability into sustainable revenue. We continue to see attractive medium-term opportunities in both established markets and selected nascent markets, although the timing of revenue conversion in earlier-stage areas, particularly hydrogen, remains inherently less predictable.

In Paper & Packaging, the priority is to continue optimising performance and building on the operational and commercial improvements delivered during the year. Stronger order books provide a positive platform for FY27, and our focus remains on improving asset utilisation, product mix and sustained profitability.

Looking ahead, the Board’s expectations for FY27 remain unchanged, supported by strong order books in Paper & Packaging and continued progress in the Group’s operational improvement programme. In Advanced Materials, we remain confident in the medium-term opportunity and continue to expect underlying double-digit growth over time. However, as previously noted, some of the nascent markets in which we operate remain subject to volatility,

technology risk and, in some cases, single customer risk, with a short-term decline in Advanced Materials revenues expected, primarily related to Hydrogen Coatings following a strong performance in FY26.

Over the longer term, innovation remains central to our future. Our technology continuum, spanning natural fibres, technical fibres, coated technical fibres and advanced coatings, gives us a distinctive platform from which to develop differentiated solutions for customers. Combined with our specialist manufacturing assets and deep technical expertise, this provides a strong foundation for future value creation across both businesses.

FY26 has been a year of disciplined execution and meaningful progress. We have clarified our priorities, strengthened our financial position and demonstrated that the strategy is beginning to translate into improved operational and financial performance. The business is better positioned as we enter FY27, with a stronger platform from which to build, despite a cautious and uncertain market environment.

I would like to thank all our employees for their continued hard work and dedication during a year of significant change and disciplined execution of our revised strategic plan. The progress made in FY26 reflects their expertise, adaptability and continued focus on our customers and priorities. I am grateful for their contribution, which provides the foundation for our future success.


David Stirling
Chief Executive Officer
14 July 2026

“
Stronger operational performance and disciplined capital management have materially strengthened our balance sheet. Combined with our recent refinancing, this provides a robust platform to deliver our strategic objectives.”

Andrew Goody
CHIEF FINANCIAL OFFICER

CFO REVIEW

Our financial performance in FY26

RESULTS FOR THE PERIOD

		2026 £'000	2025 £'000
GROUP REVENUE		102,932	99,343
ADJUSTED EBITDA SUMMARY			
Paper & Packaging		(501)	(2,092)
Advanced Materials		11,368	10,636
Other Group expenses		(1,961)	(1,850)
ADJUSTED EBITDA	APM4	8,906	6,694
PROFIT SUMMARY			
Paper & Packaging		(1,261)	(4,142)
Advanced Materials		9,599	8,992
Other Group expenses		(2,454)	(2,242)
ADJUSTED OPERATING PROFIT	APM1	5,884	2,608
Net finance costs (excluding IAS 19 impact)		(1,157)	(1,263)
ADJUSTED PROFIT BEFORE TAX	APM2	4,727	1,345
Exceptional costs		(7)	(7,229)
ADJUSTED PROFIT/(LOSS) BEFORE TAX AFTER EXCEPTIONAL ITEMS	APM3	4,720	(5,884)
Net IAS 19 pension adjustments			
Net current service charge required		28	25
Net interest		(862)	(829)
Net IAS 19 pension impact		(834)	(804)
PROFIT/(LOSS) BEFORE TAX		3,886	(6,688)

The full Statement of Comprehensive Income is on page 88.

ALTERNATIVE PERFORMANCE MEASURES

The Board uses four alternative performance measures (APMs) to evaluate business performance. The purpose of these APMs is to highlight underlying business performance by removing the impact of exceptional gains and losses and removing IAS 19 pension costs that can vary significantly across reporting periods.

APM1 'Adjusted operating profit': Adjusted operating profit refers to operating profit before interest and prior to the impact of IAS 19 and exceptional items.

APM2 'Adjusted profit before tax': Adjusted profit before tax refers to profit before tax prior to the impact of IAS 19 and exceptional items.

APM3 'Adjusted profit before tax after exceptional items': Adjusted profit before tax refers to profit before tax prior to the impact of IAS 19.

APM4 'Adjusted EBITDA': EBITDA refers to profit before interest, tax, depreciation and amortisation. Adjusted EBITDA is EBITDA prior to the impact of IAS 19 and exceptional items.

CFO REVIEW cont.

REVENUE

Group revenue for the financial period of £102.9m was 3.6% above the prior period figure of £99.3m.

Revenue in the Advanced Materials business grew by £4.1m or 11.5% in the financial period to £39.8m, a 'like-for-like' increase of 10.4% after adjusting for currency movements and tariff costs passed through to customers. Revenue from nascent markets grew by 22% in the financial period with strong growth in the PEM electrolyser and hydrogen fuel cell markets, reflecting the success of our customers in winning new orders. Revenue in established markets increased by 3.2% in the financial period.

Revenue in the Paper & Packaging business decreased marginally by £0.5m or -0.9% in the financial period to £63.1m. The loss of a major merchant customer in June reduced revenue in the financial period by nearly £10m, but this was largely offset by strong revenue growth in value-added market sectors, success in winning replacement merchant business and growing penetration of core and commodity markets as part of a strategy to re-engage with those segments to enhance machine utilisation and waste recycling.

COSTS AND EXPENSES

Material costs (including the impact of changes in inventories) for the financial period of £35.0m were £0.4m below the prior period cost of £35.4m. Material costs as a percentage of revenue fell during the financial period to 34.0% (prior period: 35.6%), reflecting material efficiencies and waste reduction in the Paper & Packaging business and favourable mix with the higher margin Advanced Materials revenue increasing to 38.7% of total Group revenue (prior period: 35.9%).

Energy costs for the financial period of £6.1m were £0.1m above the prior period cost of £6.0m. For most of the financial period unit energy prices were slightly lower than the prior period, helped by our rolling energy fixed price purchase agreements, before a rise in prices in March due to the impact of the Middle East conflict on energy markets.

Employee costs of £32.5m in the financial period were £0.2m below the prior period cost of £32.7m. Exceptional employee related restructuring costs of £1.0m were incurred in the financial period (prior period: nil). Non-exceptional employee related costs of £31.5m were £1.2m below the prior period due to savings of £2.1m in the Paper & Packaging business from efficiencies delivered as part of our turnaround program, partly offset by the impact of the Group's annual pay award and national insurance increases.

Other expenses of £22.0m were £3.2m above the prior period cost of £18.8m. The majority of costs remained at similar levels to the prior period. The increase of £3.2m primarily comprises exceptional restructuring costs of £0.5m (prior period: nil), tariff costs of £1.2m (prior period: nil) that were passed through to customers, an increase of £0.8m in the cost of carbon emission allowances due to a change in energy mix compared with the prior period and an increase of £0.4m in the cost of effluent treatment due to a rise in unit prices.

Depreciation and amortisation costs of £3.0m were £1.1m below the prior period cost of £4.1m due to the non-cash impairment charge in the prior period that reduced the carrying value of the fixed assets of the Paper & Packaging business by £7.2m at 29 March 2025, which has the effect of reducing the depreciation charge in subsequent periods.

ADJUSTED EBITDA

Adjusted Group EBITDA (APM4) for the financial period of £8.9m was £2.2m above the prior period, giving an Adjusted EBITDA margin for the financial period of 8.6% (prior period: 6.7%). The 1.9 percentage point increase in the EBITDA margin primarily reflects the impact of the cost saving program in the Paper & Packaging business, that resulted in the business achieving a small EBITDA profit in the second half of the year.

ADJUSTED OPERATING PROFIT

Adjusted Group operating profit (APM1) for the financial period of £5.9m was £3.3m above the prior period figure of £2.6m, giving an adjusted operating profit margin for the financial period of 5.7% (prior period: 2.6%). The increase in operating profit compared to the prior period comprises the £2.2m increase in Adjusted EBITDA and the £1.1m drop in depreciation and amortisation noted above.

Adjusted operating profit in the Advanced Materials business increased by £0.6m in the financial period to £9.6m (prior period: £9.0m) driven by revenue growth of £4.1m. The operating profit margin dropped slightly to 24.1% (prior period: 25.2%) due to investment in strategic initiatives to grow the business.

The Adjusted operating loss in the Paper & Packaging business in the financial period of £1.3m was an improvement of £2.8m against the prior financial period Adjusted operating loss of £4.1m. The Adjusted EBITDA loss in the Paper & Packaging business fell by £1.6m in the financial period to a loss of £0.5m (prior period: loss of £2.1m) as a result of savings in material and employee costs delivered by the improvement program. The depreciation charge fell by £1.2m in the financial period as a result of the asset impairment charge in the prior financial period.

STATEMENT OF FINANCIAL POSITION (SFP)

	2026 £'000	2025 £'000
Non-current assets (excluding deferred tax)	26,835	26,921
Total current assets (excluding cash)	34,335	34,392
Total current liabilities (excluding loans and borrowings)	(16,877)	(16,061)
Provisions	(534)	–
Deferred tax assets less deferred tax liabilities	2,668	3,958
	46,427	49,210
Net IAS 19 pension deficit	(14,025)	(15,914)
	32,402	33,296
Net borrowings	(8,052)	(12,889)
Equity shareholders' funds	24,350	20,407

Equity shareholders' funds increased by £3.9m during the financial period reflecting profit after tax and exceptional items of £2.9m and favourable IAS19 pension fund valuation movements of £1.0m net of deferred tax. Equity shareholders' funds fell by £5.2m in the prior financial period, principally due to the non-cash fixed asset impairment charge of £7.2m in the Paper & Packaging business.

Total current assets less total current liabilities fell by £0.9m across the financial period (prior period: fall of £0.9m) due to improved working capital management.

The £1.3m decrease in the deferred tax balance during the financial period reflects utilisation of brought forward tax losses of £0.9m during the period and a £0.4m drop in the deferred tax asset due to the actuarial gain on retirement benefit liabilities during the period.

A provision of £534k has been recognised in the year reflecting the estimated costs of reinstatement expected to be incurred to fulfil the Group's obligation to restore certain leased properties to their original condition at the end of the lease term.

We reduced net debt by £4.8m across the financial period (prior period: fall of £2.6m), reflecting strong trading cash generation, low capital expenditure, sale of non-core assets and tax recoveries in the period.

CFO REVIEW cont.

CASH FLOW

	2026 £'000	2025 £'000
Net cash inflow from operating activities	7,547	7,646
Net cash outflow from investing activities	(854)	(3,246)
	6,693	4,400
Net cash outflow from financing activities	(4,235)	(2,798)
Net increase in cash and cash equivalents	2,458	1,602
Effects of exchange rate fluctuations on cash held	(13)	(199)
Net increase in cash and cash equivalents	2,445	1,403
Opening cash and cash equivalents	10,614	9,211
Closing cash and cash equivalents	13,059	10,614

The net cash inflow from operating activities in the financial period of £7.5m (prior period: £7.4m) includes:

- Adjusted EBITDA (APM4) of £8.9m (prior period: £6.7m);
- cash outflow from working capital of £1.3m (prior period: cash inflow of £2.1m), including purchase of carbon emission allowances;
- pension deficit payments of £1.3m (prior period: £1.5m);
- tax recoveries of £1.2m (prior period: recoveries of £0.1m).

The tax recoveries comprise corporation tax repayments and receipt of Research and Development tax credits. Brought forward corporation tax losses are expected to be fully utilised during the year ending 27 March 2027 with the Group expected to be in a net tax paying position in subsequent periods.

The net cash outflow from investing activities comprises capital expenditure of £0.8m (prior period: £1.7m). Capital expenditure in the financial period was below the prior period figure due to the timing of capital expenditure programs and control of expenditure as part of the Group's focus on cash management. The prior period cash outflow from investing activities included the final £1.2m contingent consideration on the TFP Hydrogen acquisition.

The net cash outflow from financing activities of £4.2m in the financial period (prior period: £2.8m) includes repayments of £1.6m on the UKEF UK bank loan (prior period: nil), £0.6m on the US bank loan (prior period: £0.5m), £1.1m on right-of-use assets and finance leases (prior period: £1.3m) and £0.9m of cash interest payments (prior period: £1.0m).

The net cash inflow from operating activities for the period was 85% of Adjusted EBITDA (prior period: 110%).

NET DEBT, FUNDING AND FACILITIES

	2026 £'000	2025 £'000
NET DEBT AT YEAR END		
UKEF UK bank loan	13,400	15,000
US term loan	2,774	3,463
Less: capitalised transaction fees	(143)	(121)
Lease liabilities	5,080	5,161
Total borrowings	21,111	23,503
Less: Cash and cash equivalents	(13,059)	(10,614)
Net debt	8,052	12,889
FUNDING AVAILABILITY AT YEAR END		
Cash and cash equivalents	13,059	10,614
Overdraft	–	3,500
Funds available at year end	13,059	14,114

At 28 March 2026 the net debt to Adjusted EBITDA ratio was 0.9x (29 March 2025: 1.9x).

The Group funds its operations from operating cash flow, a UK bank loan, a US bank loan, finance and right-of-use leases, and, from 1 July 2026, an Invoice Discount facility.

The UK bank loan is with HSBC Bank plc and National Westminster bank plc under the UKEF's Export Development Guarantee scheme. At 28 March 2026, £13.4m (29 March 2025: £15m) was drawn under this facility, that was repayable in 16 quarterly instalments from June 2026 to March 2030 inclusive, in line with the profile below.

- £400,000 per quarter in June 2026 and September 2026.
- £750,000 per quarter for the four quarters from December 2026 to September 2027 inclusive.
- £960,000 per quarter for the remaining ten quarters to March 2030.

The repayment instalments were amended to the profile set out above by a Facility Amendment dated 9 June 2025. Prior to this Amendment, the amount drawn at 29 March 2025 was repayable in 20 equal quarterly instalments of £750,000 each from June 2025 to March 2030.

The interest rate on the facility is SONIA +1.95%. The floating interest rate cost under the facility was capped at 1.5% until 31 March 2026.

The UK bank loan has two financial covenants that are measured on the company's financial quarter-end dates.

- The ratio of net debt to the last 12 months' EBITDA is required to be no higher than 3.5.
- The ratio of EBITDA to net interest, both calculated by reference to the 12-month period ending on the test date, is required to be no less than 4.0.

For the purpose of these covenants, right-of-use assets are accounted for as operating leases, and EBITDA excludes exceptional items and all IAS 19 pension adjustments.

The Group was in compliance with these banking covenants at 28 March 2026 and throughout the financial period that ended on that date.

On 1 July 2026 the Group entered into a Receivables Finance Agreement with HSBC Invoice Finance Limited, secured against the receivables ledgers in the Group's four principal UK trading subsidiary entities. This facility runs for a minimum period of 36 months and has availability up to £15m subject to the value of eligible debtors. The interest rate on the facility is SONIA +1.75%.

On 7 July 2026 the Group made a one-off repayment of £7.1m on its UK bank loan, reducing the balance outstanding to £5.9m, which is repayable in 14 equal quarterly instalments of £421,429 from December 2026 to March 2030 inclusive.

The US bank loan is a term facility with HSBC Bank USA at an interest rate of SOFRA + 2.75%. At 28 March 2026, \$3.7m (29 March 2025: \$4.5m) was outstanding under the facility, repayable on the following profile: \$225,000 in June 2026, \$225,000 in September 2026 and the remaining balance of \$3,225,000 on 2 December 2026. The date of the final payment of \$3,225,000 was amended to 1 December 2027 by a Facility Amendment dated 18 June 2026. This facility does not have any financial covenants.

The Group has a number of right-of-use and finance leases that typically run for terms between three and five years and are secured on the asset they were used to purchase at various rates of interest. The total amount borrowed on these facilities at 28 March 2026 was £5.1m of which £1.0m was repayable within 12 months (29 March 2025: £5.2m borrowed of which £0.9m was repayable within 12 months).

The Group previously had a £3.5m overdraft facility with HSBC Bank plc at an interest rate of Bank of England base rate plus 1.95% that expired on 25 November 2025. The facility was undrawn throughout the financial period and throughout the prior financial period to 29 March 2025.



Andrew Goody
Chief Financial Officer
14 July 2026

THE PENSION REPORT

Managing our long-term pension commitments

The Group operates two defined benefit pension schemes providing defined benefits for a number of its employees: the James Cropper plc Pension Scheme (the ‘Staff Scheme’) and the James Cropper plc Works Pension Plan (the ‘Works Scheme’).

THE STATEMENT OF FINANCIAL POSITION IAS 19 DEFICIT

The combined pension scheme deficits of the two defined benefit schemes measured on an IAS 19 basis fell over the financial period from £15.9m to £14.0m (before deferred tax), reflecting the deficit reduction payments made by the Group during the period and an increase in the liability discount rate. The table opposite shows the overall value of the schemes’ assets, which increased by 1.0% in the period, and the schemes’ liabilities, which decreased by 1.5%. This resulted in a small improvement in the IAS 19 funding level to 82% (prior period: 80%).

The schemes’ liabilities fell during the period, primarily due to an increase in the discount rate of 0.35% for both the Staff Scheme and the Works Scheme, reflecting the increase in corporate bond yields during the period. The schemes’ assets increased during the period due to rising asset markets and the Group’s deficit reduction payments, which more than offset the drop in the value of the liability-driven investments caused by the increase in government bond yields.

In line with previous periods, the IAS 19 valuation includes a correction for sex inequalities inherent in Guaranteed Minimum Pensions (GMPs), along with the estimated cost of equalising GMPs for past transfer value payments. The ‘true’ cost of GMP equalisation will take a few years to fully evaluate. Variances against the original estimates will be recognised in the Other Comprehensive Income (OCI) statement.

A full retirement benefit disclosure is provided in note 21 to the financial statements.

The IAS 19 pension valuation 2025	Staff Scheme	Works Scheme	Both schemes		
			2026	2025	Change %
Discount rate	6.00%	6.10%	5.06%	5.71%	
	£000s	£000s	£000s	£'000	
Assets	29,616	35,719	65,335	64,656	+1.0%
Liabilities	(33,330)	(46,030)	(79,360)	(80,569)	-1.5%
(Deficit)	(3,714)	(10,311)	(14,025)	(15,913)	-11.8%
IAS 19 Funding level – %	89%	78%	82%	80%	

IAS 19 ASSUMPTIONS

The biannual IAS 19 valuations are adopted for statutory reporting purposes and do not form part of the ongoing management of the pension schemes. IAS 19 requires the Group’s actuaries to make assumptions on a different basis to the underlying valuations and to discount liabilities based on corporate bond yields, which does not reflect the investment strategy of the schemes that use government bonds (not corporate bonds) to partially hedge the impact of interest rate movements on future liabilities. As a result, the deficit under IAS 19 can be volatile across reporting periods and does not always move in line with the underlying valuations that are used to set the Group’s contributions to the schemes.

The IAS 19 actuarial gains and losses arising from variances against previous actuarial assumptions are recognised in the Statement of Financial Position with corresponding movements in reserves. Actuarial changes in previous assumptions are recognised in the OCI statement.

THE IAS 19 IMPACT ON PROFITS

The Group’s reported profit before tax is stated after the charge required by IAS 19 in respect of the two defined benefit schemes. In the period ended 28 March 2026, the IAS 19 charge amounted to £834,000 (prior period: £804,000), of which operating costs

accounted for a small credit of £28,000 (prior period: credit of £25,000) and finance costs accounted for a charge of £862,000 (prior period: £829,000). The increase in IAS 19 finance costs in the period reflects the increase in interest rates since the start of the prior financial period.

OPERATING COSTS

The cost of providing pension benefits is included within ‘employee benefit costs’ in the Statement of Comprehensive Income and includes the costs of the defined contribution schemes, personal pension plans, defined benefit schemes, life assurance arrangements, government pension protection levies and the IAS 19 charge noted above. The IAS 19 charge comprises the cost of the benefits earned by members of the funded pension schemes in the current period net of employee contributions, the cost of changes to benefit entitlements, curtailment and settlement costs, and pension protection levies paid over the period.

FINANCE COSTS

Finance costs comprise the interest cost on the accrued pension scheme liabilities less the interest income on pension scheme assets. The cost and income figures are based on the discount rate at the start of the period.

The retirement benefits note to the financial statements can be found on pages 129–132.

DEFINED BENEFIT SCHEMES TRIENNIAL VALUATION

The Group is committed to agreeing a funding plan with the Scheme Trustee based on the triennial actuarial valuation with the aim of returning the two defined benefit pension schemes to full funding over an appropriate period of time, taking into account the circumstances of the Group and the pension schemes. The most recent triennial actuarial valuations were carried out at April 2025 and calculated the combined deficit of the schemes to be £12.2m after taking account of post valuation date experience to 31 December 2025 as agreed with the Trustee and Scheme Actuary.

THE APRIL 2025 TRIENNIAL VALUATIONS

	Staff Scheme £000s	Works Scheme £000s	Total £000s
Assets	30,802	37,194	67,996
Liabilities	(34,112)	(46,065)	(80,177)
Deficit	(3,310)	(8,871)	(12,181)
Funding level %	90%	81%	85%

The previous triennial valuation at April 2022 calculated the combined deficit of the schemes to be £16.6m. The drop of £4.4m in the deficit between April 2022 and April 2025 reflects the deficit reduction payments made by the Group during the period, an increase in the liability discount rate and growth in equity markets.

The valuations of the defined benefit schemes are sensitive to a number of key factors: the value of the assets, the discount rate used to calculate the schemes’ liabilities (based on a premium above gilt yields), the

expected rate of future inflation, and the mortality assumptions for members of the schemes. The liabilities of the schemes decreased in the April 2025 valuation due to an increase in discount rates that are based on government gilt rates, partly offset by an increase in future inflation expectations.

Following the triennial valuation, the Group agreed with the Scheme Trustees to pay annual deficit recovery plan contributions of £1.3m per annum to reduce past service deficits.

KEY RISKS RELATING TO THE PENSION SCHEMES

The Group is exposed to a number of risks in relation to the pension schemes, including investment risks, demographic and mortality risks, and inflation risks for those benefits linked to inflation. Risk management activity over the years includes the following:

- The schemes were closed to new members in the year 2000 in order to contain the Group’s exposure to rising pension costs and to safeguard the accrued benefits of existing members.
- Future annual increases in pensionable pay were capped at a maximum of 2% from 1 April 2011.
- In April 2014, employee contributions were increased.
- From 1 July 2017, the Staff scheme rate of pensionable accrual was reduced from 1/60th to 1/75th for each future year of pensionable service.

- From 2017, for both the Staff and the Works schemes, increases in pension once it is in payment, for future benefits accrued, will be in line with the annual increase in the Consumer Price Index.
- In April 2018, a liability-driven investment strategy was adopted by the Trustee, aimed at reducing exposure to the impact of future changes in interest rates and inflation on scheme liabilities, while maintaining a similar level of overall return.
- In December 2021, the Trustee increased the level of hedging in place as part of the liability-driven investment strategy, from 80% of the value of scheme assets to 90%. While improving long-term risk management, the timing of this increase in hedging percentage meant the overall scheme valuation did not benefit from the subsequent rise in interest rates to the extent it otherwise would have done.



Andrew Goody
Chief Financial Officer
14 July 2026

RISK MANAGEMENT

Risk management embedded in strategic delivery

PURPOSE AND OBJECTIVE

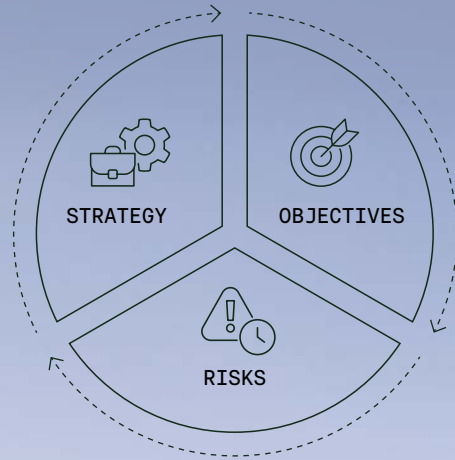
Strategic risk management at James Cropper is a core enabler of the Group's long-term vision and an integral part of delivering the Board's strategy and business plan.

A risk is an uncertain event or set of circumstances that could adversely affect the Group's ability to achieve its objectives. Effective risk management improves the likelihood of successful strategy delivery by identifying, assessing and reducing risk through structured mitigation and robust governance oversight.

In early 2025, the Board introduced an enhanced Group-wide risk management framework to strengthen oversight and support delivery of the strategy. This framework continued to mature during FY26 through:

- Embedding the Board's revised strategy across the Group and strengthening the alignment of risk management with strategic objectives and business plan delivery.
- Improving the consistency of approach across the Group, with clearer accountability for and ownership of the identification and management of risks, and the delivery of mitigating actions.
- The introduction of Steering Committees (see page 74 for further information on the Steering Committees established in FY26) to support Executive Committee risk oversight in key areas.

The framework supports informed decision-making, strengthens resilience to external events, improves the likelihood of strategic delivery and enhances stakeholder confidence.



GOVERNANCE FRAMEWORK AND RISK CULTURE

The Group operates a consistent, enterprise-wide risk management framework that directly links risks to strategic objectives. Risks are identified and managed at all levels of the organisation (using both 'bottom up' and 'top down' approaches) and consolidated into ten risk categories, enabling structured aggregation, reporting and oversight.

The integration of risk management into governance structures, operational processes and strategic planning ensures that:

- Risks are proactively identified and managed, rather than reactively addressed.
- Accountability is embedded across all levels of the organisation.
- The Group remains resilient and adaptable in a dynamic external environment.

Risks are assessed in the context of current and proposed objectives. In turn, identified risks inform the setting and evolution of strategic goals, creating a dynamic feedback loop.

KEY RESPONSIBILITIES BOARD OVERSIGHT

The Board retains overall accountability for risk management, ensuring alignment with strategic objectives, stakeholder expectations and regulatory requirements. It regularly reviews principal and emerging risks, together with mitigating actions and control effectiveness.

Robust oversight is ensured through the Audit & Risk Committee, which conducts dedicated risk reviews at least twice annually and provides challenge and assurance on the effectiveness of the framework. Additional assurance is provided through deep-dive risk reviews and formal Risk Owner declarations which enhance understanding and drive accountability.

The Board also considers the internal controls in place across the Group (such as the Group's Delegation of Authority framework) and whether these provide appropriate levels of assurance.

DAY-TO-DAY MANAGEMENT

Day-to-day responsibility for risk management and the delivery of strategic objectives rests with the Executive Committee and is overseen by the Company Secretary. Risks are identified, assessed and managed within business units and central functions, with focused oversight provided by Steering Committees. Structured consolidated risk reviews are conducted by the Executive Committee quarterly, enabling:

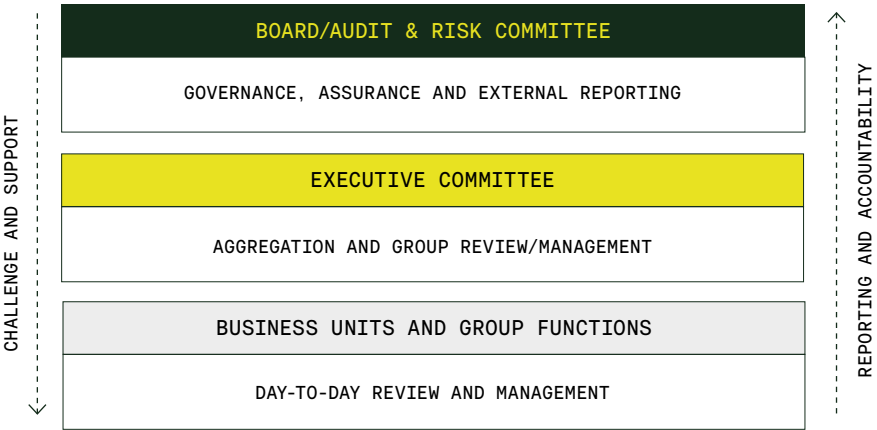
- Continuous monitoring of the Group's risk profile and emerging risks, linked to strategic delivery.
- Tracking of the delivery of risk-reducing actions against agreed targets.
- Identification of material changes in risk exposure.

PRINCIPAL RISKS

On the following pages we have identified the risks we regard as most significant to the Group, together with steps taken to mitigate these risks where practicable. It is acknowledged that it is not possible to have certainty of the success of mitigating actions, and that where mitigation actions are not successful, the Group's performance, financial position and reputation could be materially adversely affected. Where there is a change to the risk in the year, this is indicated in the report.

EMERGING RISKS

Part of our approach to identifying risks involves horizon scanning, taking into consideration the Group's position and forward-looking strategy. In the year, the Group kept under consideration the physical and transitional risks associated with climate change, particularly the risks associated with extreme weather events, changes to climate policy, the transition to net zero, and the potential for impact on raw material availability. Further information is set out on the following pages and in our non-financial and sustainability information statement on pages 66 to 70.



RISK MANAGEMENT cont.

PRINCIPAL RISKS

HEALTH AND SAFETY	<div><div>NO CHANGE –</div><div>RISK DESCRIPTION AND IMPACT<p>The risk of accident or injury to people on our sites can never be eliminated entirely and the risks involved in manufacturing are inherently higher than in many other industries. Key risks include operational machinery, confined spaces, working at height, vehicle–pedestrian interfaces, and compliance with safe systems of work. Failures in controls could result in serious injury or fatality, regulatory enforcement, operational disruption and reputational damage.</p>MITIGATION<p>Providing a safe working environment remains a core priority, and health and safety features as a high agenda item at every Board and Executive Committee meeting. Controls include formal risk assessments, safe systems of work, permit-to-work processes, training and competency frameworks, and physical safeguarding measures. Governance is strengthened through clear ownership of risks within business units, supported by Health and Safety specialists. Targeted investment and training programmes continue to reduce risk exposure and improve resilience. For more information regarding the Group's health and safety strategy and approach, please see page 64.</p></div></div>
PEOPLE	<div><div>NO CHANGE –</div><div>RISK DESCRIPTION AND IMPACT<p>Delivery of the Group's strategy depends on the capability, resilience and engagement of its workforce. The nature of our products and services, combined with the customers and markets we serve, means we need highly skilled engineers, scientists, operators and commercial people. Risks include loss of key personnel, talent and skills, policy non-adherence, and organisational pressures arising from change and labour market constraints. These risks may impact operational delivery, increase compliance exposure and reduce organisational effectiveness.</p>MITIGATION<p>The Group maintains structured people policies, workforce planning and development programmes to attract, retain and develop talent. Further risk mitigations include tracking of policy compliance and training completion, and ongoing succession and capability planning. Additional emphasis is placed on knowledge transfer, retention strategies and maintaining workforce engagement during periods of change. Leaders also engage in regular dialogue with employees on key matters such as organisational changes. For more information on our people approach, please see page 61.</p></div></div>
FINANCE AND TREASURY	<div><div>REDUCED RISK ▼</div><div>RISK DESCRIPTION AND IMPACT<p>The Group is exposed to a range of financial risks, including liquidity and credit risks. These risks may arise from fluctuations in market conditions, changes in credit availability, business performance, or volatility in working capital requirements. In addition, the Group's pension obligations and the availability of supplier credit insurance could affect financial flexibility and operational continuity. The risk reduced during the year, reflecting improved profitability and lower net debt. Following the year-end, the Group completed a refinancing of its banking facilities, further strengthening financial resilience through committed funding arrangements extending for at least three years.</p>MITIGATION<p>The Group manages liquidity through regular cash flow forecasting and scenario analysis. Third party credit risk is managed by setting appropriate credit limits and using credit insurance where appropriate. The improvement in profitability and reduction in net debt during the year further strengthened the Group's financial position and reduced exposure in this area. The Group also maintains regular dialogue with lenders, insurers and pension trustees to support continued access to funding, preserve financial flexibility and manage longer-term obligations.</p></div></div>

MARKET	<div><div>NO CHANGE –</div><div>RISK DESCRIPTION AND IMPACT<p>The Group operates in dynamic and competitive global markets exposed to macroeconomic volatility, geopolitical disruption, technological change and evolving customer demand. Specific risks include market volatility in nascent sectors, loss or leakage of intellectual property, and rapid technology shifts affecting competitive positioning. These factors may impact demand, pricing, margins and long-term strategic positioning.</p>RISK MANAGEMENT AND MITIGATION<p>The Group mitigates market risks through diversification, strong positioning in defined growth segments, and continued investment in innovation. Focus is placed on intellectual property governance, monitoring geopolitical developments and undertaking forward-looking strategic reviews of technology pathways. These actions support resilience and long-term value creation.</p></div></div>
CUSTOMER	<div><div>NO CHANGE –</div><div>RISK DESCRIPTION AND IMPACT<p>The Group serves a diverse customer base and is exposed to risks including failure to meet customer expectations, failures in critical infrastructure impacting delivery, and contract and commercial risk. Additional risks arise from customer concentration, quality performance and operational reliability. Failure to effectively manage these risks could lead to loss of key customers, revenue erosion and reputational damage.</p>RISK MANAGEMENT AND MITIGATION<p>The Group maintains close engagement with its customers, fostering long-term relationships built on technical expertise and differentiated solutions. In many cases, particularly within the Advanced Materials business, its technologies and products are specified into customer supply chains, embedding long-term integration that supports revenue resilience. Commercial governance is underpinned by legal support and contracting tools, while quality risks are managed through established systems and continuous improvement. Strategic planning also incorporates supply chain resilience to ensure continuity of service and delivery.</p></div></div>
SECURITY OF SUPPLY	<div><div>NO CHANGE –</div><div>RISK DESCRIPTION AND IMPACT<p>Disruption to energy supply or critical raw materials, driven by geopolitical factors, supplier dependency or market volatility, could materially impact production, cost stability and customer delivery. Supply chain risks are heightened by external market pressures and supplier concentration.</p>MITIGATION<p>The Group has identified, and continues to work closely with, its strategic suppliers. Diversified sourcing strategies, hedging arrangements, supplier monitoring and investment in supply chain resilience help ensure continuity and mitigate external shocks. This includes continuing to identify appropriate waste streams to replace virgin fibre.</p></div></div>
IT SYSTEMS AND NETWORK SECURITY	<div><div>NO CHANGE –</div><div>RISK DESCRIPTION AND IMPACT<p>The Group is dependent upon a range of IT systems which require periodic maintenance and updates. A cyber-attack or system failure could result in loss of critical data, operational disruption, regulatory exposure and financial loss.</p>MITIGATION<p>The Group maintains a robust suite of IT security solutions which are reviewed and tested both internally and by specialist third parties where appropriate. We continuously review the latest threats in conjunction with our protections and governance arrangements to ensure our programme remains effective. We also provide training programmes to employees to raise awareness. Business plans include appropriate investment in the development of IT systems to ensure these continue to support business requirements.</p></div></div>

RISK MANAGEMENT cont.

INPUT COSTS	<div>RISK DESCRIPTION AND IMPACT The Group is exposed to volatility in energy and raw material prices driven by global markets, geopolitical developments and supply constraints. Cost increases may adversely affect margins, cash flow and competitiveness.</div> <div>MITIGATION The Group actively monitors input cost trends and employs a range of mitigation strategies including long-term supply agreements, hedging arrangements and pricing mechanisms. The Group also deploys sourcing strategies to reduce supplier dependency and exposure to market volatility. Regular reviews of procurement practices and close collaboration with suppliers support cost stability and operational resilience.</div>
LEGAL AND REGULATORY	<div>RISK DESCRIPTION AND IMPACT The Group operates in a complex regulatory environment, with risks arising from environmental compliance, chemical and effluent management, data protection, ESG requirements and broader legislative obligations. Non-compliance could result in fines, operational restrictions, reputational damage and loss of licence to operate.</div> <div>MITIGATION The Group employs highly skilled personnel and maintains robust compliance frameworks, including ISO-aligned management systems, legal registers, audits and specialist external support. It also maintains close relationships with customers and monitors regulatory and industry developments to support ongoing compliance and timely response to change.</div>
EMERGING RISKS	
CLIMATE-RELATED RISKS: PHYSICAL	
EXTREME WEATHER EVENTS	<div>RISK DESCRIPTION AND IMPACT Increased weather volatility presents an increased risk of both flooding and drought at the main Burneside site. Flooding events can impact safety on-site and adversely affect operations. Prolonged drought could result in limited water being available for abstraction and impact on business operations.</div> <div>MITIGATION The Group maintains insurance policies providing cover for business continuity and flood-related losses, which mitigate the financial impact associated with extreme weather events. In recent years, infrastructure at risk of flooding has been elevated on-site to reduce the risk associated with a flooding event. Arrangements also exist to ensure the site can continue to operate safely. Water supplies to the main site in Burneside are supplemented by private reservoirs over which the Company has long-standing rights, which enable the control of available water during periods of drought.</div>

CLIMATE-RELATED RISKS: TRANSITIONAL	
CLIMATE POLICY	<div>RISK DESCRIPTION AND IMPACT Changes in carbon regulation, energy policy and taxation may increase operating costs and impact financial performance.</div> <div>MITIGATION The Group actively monitors carbon markets and continues to develop its decarbonisation strategy to reduce exposure to regulatory cost pressures in the long term.</div>
NET ZERO EMISSIONS	<div>RISK DESCRIPTION AND IMPACT Failure to achieve decarbonisation in the long term could result in increased costs, reduced competitiveness and reputational impact. Transition risk is dependent on successful deployment of new technologies and investment in energy systems.</div> <div>MITIGATION The Group continues to invest in incremental efficiency improvements while progressing its longer-term decarbonisation strategy, centred on the transition to green energy in support of its net zero ambition. Further information is set out in the SECR report on pages 58 to 60.</div>
RAW MATERIAL AVAILABILITY	<div>RISK DESCRIPTION AND IMPACT Changes in supplier operations and logistics to address climate change, including forestry and mining practices, can impact on raw material availability or the costs associated with processing and production, which has the potential to cause increased costs or business interruption.</div> <div>MITIGATION The Group works closely with its strategic suppliers and maintains multiple sourcing arrangements on key raw materials where practicable. Supply chains remain under continuous review, in conjunction with policy horizon scanning to understand the likely impact of climate change.</div>

S.172 STATEMENT

Balancing stakeholder interests for long-term success

OUR APPROACH

The Board recognises that the long-term success of the Group depends on maintaining strong and constructive relationships with our stakeholders. Meaningful engagement helps understand the perspectives, interests and priorities of those affected by our business and supports effective decision-making.

In carrying out its duties, the Board has regard to the matters set out in s.172(1) of the Companies Act 2006. These include the likely long-term consequences of decisions, the interests of our employees, relationships with customers, suppliers and other business partners, the impact of our activities on environment and the communities in which we operate, the importance of maintaining high standards of business conduct, and the need to act fairly between shareholders.

As a global business, we engage with a diverse range of stakeholders. Understanding and balancing stakeholder interests contributes to better decisions, stronger relationships and supports the sustainable success of the Group. Engagement takes place through formal and informal channels, including direct interaction with Board members, dialogue led by management teams, and communication through the Group's website and other corporate channels.

Stakeholder considerations are embedded within the Group's governance and decision-making processes. Board and Committee papers relating to significant matters identify the stakeholders likely to be affected and the potential impact of proposed decisions. Where competing interests arise, the Board seeks to balance those interests appropriately and ensure affected parties are treated fairly.

The following pages describe some key stakeholder groups, how we engaged with them during FY26 and how their views informed Board discussions and decision-making. Together, these disclosures describe how the Directors fulfill their duties under s.172 and promoted the long-term success of the Group for the benefit of its members as a whole.

OUR EMPLOYEES

STAKEHOLDER INTERESTS

Our employees are our biggest asset and fundamental to the success of the Group. The health and wellbeing of our employees is of the highest priority, and we strive to ensure that our people have opportunities to develop their skills and experiences and feel properly valued and rewarded for their contributions.

HOW WE ENGAGE

We use a variety of methods to ensure that our people remain engaged, including quarterly town hall meetings, monthly newsletters and management cascade communications, video briefings, and regular posts and updates via our intranet, Workvivo. We also run an annual employee survey, which can be completed anonymously, where outcomes and actions are communicated across the Group.

The Chair and Executive Directors regularly walk around site to engage with employees and understand issues. During FY26, we introduced a programme of Behavioural Safety walks which are now regularly led by both Executive and Non-Executive Directors. These walks provide a structured opportunity for Directors to engage directly with colleagues on safety, encourage open discussion about working practices and risks, and support the development of a culture of continuous improvement across the Group. We also maintain a constructive relationship with representatives of UNITE to ensure that any significant decisions impacting our people are made with collective support where practicable.

OUTCOMES IN FY26

FY26 was a year of significant change and disciplined execution across the Group. The Board received regular updates on people matters, including organisational design, engagement, reward, leadership development and succession planning. In Paper & Packaging, the Board considered the impact of organisational changes implemented as part of the operational improvement programme, including changes to production shift patterns and reductions in headcount focused primarily on indirect labour, management layers and support functions. The Board recognised the disruption created by these changes and placed emphasis on fair consultation, clear communication and appropriate support for colleagues affected.

During the year, the Board also oversaw progress against the Group's People strategy, which included the continued use of the Plan, Connect, Reflect framework. Employee engagement continued to be monitored through the annual employee survey, regular town halls, James Cropper Insights updates and Workvivo, which remained an important platform for keeping colleagues informed and connected.

Health, safety and wellbeing remained a core Board priority. The Board monitored the Safety Steering Committee, improvements in safety governance and the integration of safety oversight within the Group's wider risk framework. Safety performance improved materially during FY26, with Lost Time Accidents reducing from nine to three and RIDDOR-reportable incidents (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reducing from five to two. The Board also supported wider wellbeing activity, including mental health support, occupational health provision, the employee assistance programme and community wellbeing initiatives.

OUR INVESTORS

STAKEHOLDER INTERESTS

Our shareholders trust us to manage their investments and execute the Board's strategy. In so doing, we must act ethically, in a sustainable manner and in accordance with good governance. Our investors expect us to remain open about the Group's current and expected performance so that they can properly assess risks and opportunities when making investment decisions.

HOW WE ENGAGE

We maintain a regular calendar of announcements and events for investors. The Executive Directors frequently communicate with institutional investors to discuss strategy and broader markets. The Chair, Non-Executives and Company Secretary also engage with investors from time to time on governance issues and other matters concerning the Board. Shareholders also have the opportunity to meet with Directors at our AGM, which is held locally to our principal site in Cumbria, UK.

OUTCOMES IN FY26

FY26 was an important year for investor engagement as the Group moved from strategic review into execution. Following the Board's approval of the refreshed strategy, the Company held a Capital Markets Event in June 2025 for institutional investors and analysts, setting out the Group's priorities of driving organic growth in Advanced Materials, restoring sustained profitability in Paper & Packaging and maintaining disciplined capital allocation. The Board and Executive team also engaged with shareholders during the year to discuss performance, strategy and developments across the business.

The Group kept investors informed through regular announcements, results presentations and meetings. Key matters considered by the Board included FY26 performance, capital allocation, balance sheet strength, the temporary hold on dividends, and strategic progress in both businesses. Performance for the year was ahead of the Board's original expectations, with Group revenue of £102.9m, Adjusted EBITDA of £8.9m and year-end net debt reduced to £8.1m, materially improving financial resilience. The Board also considered feedback from shareholders and prospective investors, including at the Investor Day held at Burneside in January 2026, which provided first-hand insight into the Group's operations and facilities.





OUR CUSTOMERS, SUPPLIERS AND PARTNERS

STAKEHOLDER INTERESTS

Our business model depends on strong relationships with third parties, based upon trust, open communication and delivering on commitments. As the Group has developed, we maintain relationships with increasingly international and diverse businesses who each rely upon our products, services and level of support, and expect us to act fairly, transparently and ethically.

HOW WE ENGAGE

Staying in touch with our key business partners has never been more important. Our management teams maintain regular and open dialogue with those we do business with, which helps build long-lasting and trusted relationships. Updates on discussions with customers and opportunities to collaborate are considered by the Board regularly, together with any dialogue on key issues and challenges from time to time. Regular engagement helps us understand external perspectives, and manage risks and opportunities when they arise.

OUTCOMES IN FY26

The Board continued to receive regular updates on customer, supplier and partner engagement across both businesses, recognising the importance of strong relationships to innovation, resilience and long-term value creation. In Advanced Materials, the Board monitored progress in established markets such as aerospace and defence, together with selected nascent markets including hydrogen, battery and carbon capture. The Board also considered opportunities arising from UNIMAT®, a high-performance nonwoven composite material produced using the Group's VECTIS® technology, launched under a strategic collaboration to support the use of recycled carbon fibre in high-performance composite applications.

In Paper & Packaging, the Board considered the business's response to the loss of a significant merchant customer and the actions taken to stabilise performance, improve asset utilisation and strengthen commercial execution. This included the launch of Coloursource® in exclusive global partnership with Winter & Company, creating a stronger international platform for premium coloured papers. The Board also reviewed supplier and supply chain matters, including input cost management, responsible sourcing, preparations for the EU Deforestation Regulation and the importance of supplier resilience in supporting customer delivery.

OUR COMMUNITY

STAKEHOLDER INTERESTS

We are the largest business in the Burneside area, with a significant number of employees living locally. We also have businesses and employees in Crewe and Launceston (UK) and Schenectady (USA). We take an active interest in supporting our communities, schools, clubs and charities.

HOW WE ENGAGE

The impact of our operations on our communities is an important consideration in decision-making processes. We have a Community Support Committee, which includes members of the Executive Committee, and which regularly reviews opportunities to support schools, clubs, charities and other organisations, particularly where initiatives align with our purpose and values. We also enable our employees to offer support by providing them with two days' paid leave annually for charitable or community-related work. Our vision for business is one that delivers growth while also serving society.

OUTCOMES IN FY26

The Board continued to recognise the importance of the Group's relationship with the communities in which it operates, particularly in and around Burneside. During FY26, the Group supported a range of schools, charities, community support groups and youth sports clubs through donations and initiatives, including Paper for Schools. The Group's 180th anniversary celebrations also provided an opportunity to welcome members of the community into the Burneside Mill to learn more about the Company's heritage, current operations and future direction.

Environmental stewardship remained a key consideration for the Board, given the Group's long-standing relationship with the River Kent and the wider local environment. During the year, the Board monitored progress in strengthening environmental governance, increasing dedicated environmental resource, improving incident management and embedding environmental considerations more closely into operational decision-making and the Group's wider risk framework. The Board also considered water stewardship, waste discipline, biodiversity awareness and the launch of Habitat Heroes, an employee communication designed to build understanding of the local ecosystem and the Group's responsibilities.

OUR AGM

At our AGM in September 2025, shareholders had the opportunity to meet the Directors, ask questions and vote on the resolutions proposed. The Board values the AGM as an important opportunity for direct engagement with shareholders and as a mechanism for understanding investor views.

During the year, the Board continued to engage with shareholders on strategy, performance, governance and capital allocation. Feedback received through investor meetings, the Capital Markets Event, the Investor Day and other engagement was considered by the Board and informed ongoing communication with the market.

No interim dividend was paid during FY26 and, as announced at the time of the Group's audited full-year results, the Board is not recommending a final dividend at the 2026 AGM. The position will remain under review as the business continues to progress.

The Board encourages and welcomes feedback from shareholders and all stakeholders and looks forward to meeting shareholders at the AGM, which will be taking place in September 2026.

For and on behalf of the Board

Mark Cropper
Non-Executive Chair
14 July 2026

ESG REPORT

Innovative materials, responsibly made

Sustainability is integral to the way we add value for our stakeholders. Our materials and technologies are behind some of the world's most successful brands, and we recognise the importance of delivering a positive impact for our planet and society.

SUSTAINABLE MANUFACTURING

PEOPLE AND SOCIETY

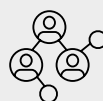
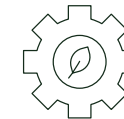
RESPONSIBLE BUSINESS PRACTICES

GOVERNANCE

ESG GOVERNANCE FRAMEWORK

Our governance structure has been firmly aligned to our three Environmental, Social and Governance (ESG) pillars – Sustainable Manufacturing, People and Society, and Responsible Business Practices – providing a clear and robust foundation for responsible and sustainable operations.

This structure ensures clearer ownership, improved coordination and a more focused approach to delivering our ESG objectives, and focuses on opportunities to make a difference and add value, whether internally or externally and aligned with the United Nations Sustainable Development Goals.



SUSTAINABLE MANUFACTURING

We are committed to supporting the transition to a low-carbon economy. Our approach is rooted in materials science, innovation and a deep understanding of fibre technology.

KEY DIFFERENTIATORS AND INITIATIVES

ENERGY TRANSITION

Our Advanced Materials business develops electrochemical coatings that reduce the cost of hydrogen production, and technical veils supporting battery technologies, carbon capture and lightweighting solutions that help improve efficiency and performance.

In FY26, we also delivered measurable improvements in our own energy and carbon performance across the Group:

- Total energy consumption reduced
- Carbon emissions intensity reduced
- Energy intensity reduced

These improvements were driven by operational optimisation, including aligning energy generation more closely to site demand and reducing power plant operating intensity (see our SECR report on pages 58-60).

CIRCULARITY AND WASTE REDUCTION

We have extensive recycling capabilities and manufacture products using recovered fibres in both our Advanced Materials and Paper & Packaging businesses. Our CupCycling® facility in Burnside continues to demonstrate our leadership in fibre recovery, transforming used cups into premium paper products, and our moulded fibre packaging solutions offer fully recyclable mono-material alternatives to plastics.

During the year, our Advanced Materials business launched its proprietary VECTIS® technology and UNIMAT® product, enabling the use of recycled materials in the production of high-performing composites and representing a significant step forward for industry (see page 24 for more information).

We also strengthened our waste and resource management approach through enhanced monitoring of waste streams, and in our continued focus on enhancing segregation and identifying recovery opportunities.

WATER STEWARDSHIP AND BIODIVERSITY PROTECTION

Our principal site in Burnside, UK is adjacent to the River Kent, a Site of Special Scientific Interest, and our operations have a long-standing and integrated relationship with the local environment. We rely on natural water sources for production and recognise the importance of managing them responsibly. We abstract water from the river for use in our manufacturing processes and maintain close monitoring of abstraction, use and discharge to help ensure there is no adverse environmental impact. We also manage Kentmere Reservoir, which forms part of the wider River Kent catchment, an area of recognised ecological importance that supports species including white-clawed crayfish.

In FY26, we further strengthened our approach to water stewardship, including through the creation of dedicated sub-teams to identify water efficiency opportunities, and increased resource within our Environmental Team. We also launched Habitat Heroes, an employee newsletter designed to build environmental awareness and deepen understanding of our commitment to protecting the local ecosystem. For more information on how we manage our environmental impact, please see page 65.



ESG REPORT cont.



PEOPLE AND SOCIETY

Our people and communities are central to our success.
We are committed to fostering a safe, inclusive and supportive environment.

KEY DIFFERENTIATORS AND INITIATIVES

EMPLOYEE WELLBEING AND SAFETY

Employee wellbeing and safety are fundamental to our operational culture, underpinning how we support our people across all areas of the business.

In FY26, we continued to support employee wellbeing through trained mental health first aiders, occupational health services and an employee assistance programme provided through Health Assured. Our on-site gym and our volunteering policy, which provides two paid days per year, also help to promote wellbeing and community engagement. During the year, we were proud to host a session by Andy's Man Club, supporting wider awareness of mental health and encouraging open conversations. For more information on our approach to our people, please see pages 61-63.

We also made significant progress in strengthening our health and safety governance during FY26, supported by continued focus, clearer accountability and targeted improvement initiatives across the business. This contributed to a materially improved safety performance in the year, reflecting the impact of the actions taken and the engagement of our teams. Further information on our approach, governance framework and performance outcomes is set out in the Health, Safety and Environmental Report on pages 64-65.

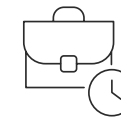
COMMUNITY ENGAGEMENT

Community engagement remains an important part of our culture. During FY26, we contributed more than £43,000 to community initiatives, including support for the development of a new playground in Burnside. We also continued our long-standing Paper for Schools programme, providing free paper to local schools to support education and creativity.

During the year, our 180th anniversary celebrations provided an opportunity to welcome members of the community into the mill to learn more about James Cropper's heritage, business and future ambitions.

Beyond Burnside, our people continued to support communities in the regions in which we operate. At our site in Schenectady, USA, employees partnered with the Schenectady City Mission to support a range of community initiatives, including volunteering on a summer meals programme for local children, providing backpacks and school supplies through the 'Back to School Boost' campaign, and donating toys, hats, gloves and scarves to help families during the holiday season. These activities reflect our commitment to supporting the wellbeing of local communities and creating a positive impact beyond our operations.

We remain proud of the enthusiasm and commitment shown by our employees in supporting charitable and community initiatives, helping to strengthen the communities in which we live and work.



RESPONSIBLE BUSINESS PRACTICES

As a Group we are committed to upholding the highest standards of governance, ethics and transparency.

KEY DIFFERENTIATORS AND INITIATIVES

CORPORATE GOVERNANCE

Our Group structure is designed to enable entrepreneurial leadership within each of our business units within a governance framework including structures, practices and controls. Central Group leadership and supporting functions (including Health, Safety and Environment, Finance, Human Resources, IT, Legal and Risk) ensure strategic alignment and appropriate allocation of capital.

ETHICAL BUSINESS CONDUCT

Ethical business conduct is central to our culture, guiding how we act, make decisions and interact with colleagues, customers and partners.

Our Code of Ethics sets clear expectations for all of our people, and regular training takes place on key topics to ensure that we continue to demonstrate positive and ethical behaviours throughout the organisation. We maintain an independent whistleblowing service in conjunction with Safecall to enable people to report any concerns in the workplace anonymously.

SUPPLY CHAIN RESPONSIBILITY

We take responsible sourcing seriously and expect our supply chain practices to align with our ethical, environmental and regulatory standards. We work closely with suppliers to promote responsible sourcing and support compliance with relevant requirements, underpinned by robust supplier due diligence, regular review of our processes and training for relevant employees in areas including responsible sourcing and modern slavery awareness. Further information on our approach is set out in our Modern Slavery and Human Trafficking Statement, which is available to view on our website. During FY26, our Paper & Packaging team also continued preparations for the introduction of the EU Deforestation Regulation, helping to ensure the business is ready for its implementation later this year.

TRANSPARENT REPORTING

We recognise the increasing importance of independent ESG ratings in demonstrating transparency and accountability to our stakeholders, including through our annual report and other disclosures,

In FY26 both our Speciality Papers and Advanced Materials businesses were accredited by EcoVadis. We regularly support our customers in carrying out supplier audits and work to ensure our practices continue to align with best practice.



ESG REPORT cont.

Streamlined Energy and Carbon Report

ENERGY USE

The underlying energy data used to calculate carbon emissions includes electricity, natural gas and other fuels purchased for use on-site and for transport.

Energy used in the year across our global locations totalled 158,574 MWh, which compares to 166,713 MWh in the previous year.

REGION	ENERGY CONSUMPTION
UK	155,844 MWh
USA	2,730 MWh
TOTAL	158,574 MWh



RENEWABLE ENERGY

1.2 MW of solar photovoltaics (PV) is currently installed across six different locations on or around our Burneside site. Most of these installations are subject to power purchase agreements with Burneside Community Energy Ltd, a community benefit society which uses the funds it generates to support local initiatives.

Over the year, total solar generation was 905,285 kWh, compared to 854,122 kWh in FY25.

We saw an increase in FY26 in the electricity generated by the hydroelectric plant adjacent to the site located on the River Kent. This was caused by river flow in the period. Electricity from this plant is supplied under a power purchase agreement with the Ellergreen Group. In the year, total generation was 263,886 kWh, compared to 234,458 kWh in FY25.

GRID ELECTRICITY

In FY26, we consumed 10,923 MWh of grid electricity globally, compared to 13,608 MWh in FY25. 94% of electricity from the Grid is purchased under Carbon Trust Certified Tariffs (categorised as A+) from hydro, solar and wind sources only. For information on our carbon performance, see opposite.



CARBON

NET ZERO STRATEGY

As shown by the data for Scope 1 and Scope 2 below, our carbon intensity metric has reduced significantly from our baseline performance in 2021/22. This reduction has been driven by initiatives including changes to fuel inputs, the installation of a new, efficient boiler in 2023, and engineering improvements which have reduced the level of heat and steam lost in paper manufacture. In FY26, operational improvements in our Paper & Packaging business have also provided some energy efficiencies.

The Group remains firmly committed to decarbonisation over the long term. Management and the Board continue to assess viable options to reduce emissions and decarbonise operations in a way that aligns with the Group's long-term strategic

objectives and capital allocation priorities. While the timeline for achieving net zero extends beyond the Group's previously indicated target of 2030, the commitment to achieving this goal remains unchanged.

In parallel, the Group continues to develop and deliver products and services that support the transition to a low-carbon economy. Through innovation in sustainable materials, circular design and renewable fibre-based solutions, the Group's portfolio is increasingly aligned with the needs of customers seeking to reduce their environmental impact. This strategic alignment reinforces the Group's role as an enabler of decarbonisation across the value chain.

OUR PERFORMANCE IN FY26

SCOPE 1 AND SCOPE 2 EMISSIONS

Our greenhouse gas emissions in FY26 across Scope 1 and Scope 2 were as set out in the tables below. Data is reported in accordance with the Greenhouse Gas Protocol Carbon Reporting and Accounting Standards. Data is reported against the prior year and baseline performance in 2021/22 to demonstrate progress made over time. All carbon data is collected internally and reviewed externally by MyCarbon (Carbon Green Limited).

LOCATION-BASED ¹		UK OPERATIONS			US OPERATIONS ²			GLOBAL OPERATIONS		
		2021/22 (BASELINE)	2024/25	2025/26	2021/22 (BASELINE)	2024/25	2025/26	2021/22 (BASELINE)	2024/25	2025/26
SCOPE 1 (DIRECT EMISSIONS)	tCO ₂ e	40,123.4	27,599.4	26,496.6	210.7	318.1	371.7	40,334.1	27,917.4	26,868.3
SCOPE 2 (INDIRECT EMISSIONS)	tCO ₂ e	1,235.4	2,264.5	2,016.7	78.9	176.8	248.1	1,314.3	2,441.2	2,264.8
TOTAL	tCO ₂ e	41,358.8	29,863.8	28,513.3	289.6	494.8	619.8	41,648.4	30,358.7	29,133.1
GLOBAL REVENUE	£'000							104.9	99.3	102.9
INTENSITY METRIC	tCO ₂ e/ £100K REVENUE							39.7	30.6	28.3
REDUCTION AGAINST BASELINE	%									28.7

1 Location-based method: This table reports emissions according to the GHG Protocol's 'location-based' reporting method, using grid-average emission factor data for all Scope 2 data (electricity consumption).

2 US Environmental Protection Agency methodologies are used to identify Scope 1 and Scope 2 emissions for our operations in Schenectady, USA.

ESG REPORT cont.

MARKET-BASED ¹		UK OPERATIONS			US OPERATIONS ²			GLOBAL OPERATIONS		
		2021/22 (BASELINE)	2024/25	2025/26	2021/22 (BASELINE)	2024/25	2025/26	2021/22 (BASELINE)	2024/25	2025/26
SCOPE 1 (DIRECT EMISSIONS)	tCO ₂ e	40,123.4	27,599.4	26,496.6	210.7	318.1	371.7	40,334.1	27,917.4	26,868.3
SCOPE 2 (INDIRECT EMISSIONS)	tCO ₂ e	25.4	1.9	2.0	78.9	176.8	248.1	104.3	178.7	250.1
TOTAL	tCO ₂ e	40,148.8	27,601.3	26,498.6	289.6	494.8	619.8	40,438.4	28,096.1	27,118.4

1 Market-based method: This table reports emissions according to the GHG Protocol's 'market-based' reporting method, which accounts for renewable Scope 2 (electricity) purchases which are used to support operations. Market-based data is provided to demonstrate the impact of Green Tariff Electricity supply contracts.

2 US Environmental Protection Agency methodologies are used to identify Scope 1 and Scope 2 emissions for our operations in Schenectady, USA.

SCOPE 3 EMISSIONS

Our Scope 3 emissions reporting currently includes upstream categories where we have access to reliable data, such as purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting and upstream leased assets. We monitor performance consistent

with the GHG Protocol Corporate Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

At present, downstream Scope 3 categories are not included in our footprint calculation due to data limitations and the complexity of value chain mapping beyond our operational control. However, we recognise the importance of a comprehensive value chain assessment and will continue to

enhance the completeness of our emissions reporting over time.

Our Scope 3 emissions data for FY26 and FY25 are as set out below. These figures have been calculated using the Company's data and reviewed externally by MyCarbon (Carbon Green Limited).

CATEGORY	EMISSIONS (tCO ₂ e)					
	FY26			FY25		
UPSTREAM CATEGORY	UK	USA	TOTAL	UK	USA	TOTAL
Purchased Goods & Services	26,119.69	204.07	26,323.76	27,122.28	433.32	27,555.60
Capital Goods	496.85	76.8	573.65	533.53	2.99	536.52
Fuel- & Energy-Related Activities	5,167.88	119.37	5,287.26	4,595.86	111.76	4,707.62
Upstream Transportation and Distribution	4,600.24	119.37	4,719.61	1,749.51	–	1,749.51
Waste Generated in Operations	1,465.93	–	1,465.93	1,329.27	58.64	1,387.90
Business Travel	3,136.23	1.84	3,138.07	308.42	64.67	373.09
Employee Commuting	337.74	152.63	490.38	228.35	9.79	238.13
Upstream Leased Assets	199.39	9.06	208.45	–	–	–
Total upstream Scope 3 emissions			42,207.10	36,548		

ESG REPORT cont.

Our People

Our people are central to the delivery of our strategy and the long-term success of the Group. During the year, we have continued to evolve our People strategy, focusing on strengthening the foundations required to support both current performance and future growth.

Our approach is structured around five core priorities, with culture, engagement and data underpinning all activity:



1.
ORGANISATIONAL
DESIGN

2.
REWARD

3.
TALENT &
DEVELOPMENT

4.
RESPONSIBLE
LEADERSHIP



5.
MODERN PEOPLE
PRACTICES





ORGANISATIONAL DESIGN

During the year, we completed a review of organisational structures, particularly as part of a project in our Paper & Packaging business to stabilise and improve performance. Alongside changes to production shift patterns, the programme was designed to simplify structures, remove duplication and improve operational performance. The project resulted in several structure changes in the business, and involved a two-phase reduction in headcount, focused primarily on indirect labour, management layers and support functions. We are grateful to our people for their engagement, professionalism and support throughout the process, particularly given the level of organisational change delivered through the programme.

Alongside this, we reviewed structures in our Advanced Materials business, which led to the creation of a new customer-focused innovation team in the business, designed to progress the commercialisation of opportunities and closely aligned to our growth plan.

REWARD FRAMEWORK

Linked to our job-leve lling framework (which was introduced in 2024-25), we undertook a review of our existing remuneration structures to improve clarity, compliance and consistency, with a view to ensuring that our employee offering remains compelling and competitive.

TALENT & DEVELOPMENT

We have continued to embed a stronger performance and development culture across the Group. Our “Plan, Connect, Reflect” framework supports regular performance conversations, clearer and more strategically aligned objective setting, and ongoing development planning. We have also reviewed our approach to succession planning in the light of organisational changes during the year, with a particular focus on strengthening talent identification through our recruitment processes and maintaining a healthy pipeline of future capability. We continue to invest in early careers initiatives, including apprenticeships delivered in partnership with local and national education providers. Together, these activities are designed to strengthen our internal talent pipeline and ensure we are well positioned to meet future capability requirements.

RESPONSIBLE LEADERSHIP

Developing capable, accountable leaders remains a critical enabler of our strategy. We maintain tools and resources to support leaders in driving performance, engagement and accountability within their teams, helping to embed a consistent approach to leadership across the Group. During the year, we also implemented targeted development programmes, including structured training for first-line leaders and enhanced support for those transitioning into management roles.

MODERN PEOPLE PRACTICES

We have made further progress in modernising our people processes, systems and policies to ensure they are aligned with best practice and the needs of the business. This has included reviewing key policies and progressing initiatives to improve HR systems and data capability. We have also focused on ensuring compliance with evolving employment legislation and exploring opportunities to utilise technology and automation to improve efficiency and insight.

We continue to report transparently on our gender pay gap and have published our latest report on the James Cropper website. For the 2024–25 reporting year, our median gender pay gap was 2.66% and our mean gender pay gap was 6.74%, both representing an improvement on the prior year. While these figures show progress, we recognise that sustainable improvement depends on long-term action to strengthen gender representation across the business, particularly in technical, specialist and senior roles. Our focus remains on building balanced talent pipelines, supporting clearer progression pathways and creating an inclusive environment where all colleagues can develop, contribute and thrive.

ENGAGEMENT

Our annual employee survey, facilitated through WeThrive, continues to provide valuable insight into colleague engagement and leadership effectiveness, helping us identify areas of strength and focus our improvement activity where it will have the greatest impact.

We have also continued to strengthen employee communication through regular town hall meetings, James Cropper Insights updates and the high adoption of Workvivo, our employee intranet, helping to keep colleagues informed, connected and engaged across the Group.

We also marked the Group’s 180th anniversary with celebrations, including a summer open day at the historic Burneside mill. Employees and their families were invited on site to see first-hand how our innovative materials are designed and manufactured, and to experience the Group’s heritage and craftsmanship. The event reinforced pride in our history, strengthened connection to our purpose, and enabled colleagues to share the business with their families.

LOOKING AHEAD

Looking ahead, our focus will be on embedding these foundations and continuing to develop a high-performance culture. By aligning our people practices closely with our strategic priorities and business objectives, we aim to ensure that the Group is equipped with the skills, capability and leadership required to support sustainable long-term growth.



ESG REPORT cont.

Health, Safety and Environmental

The health and safety of our people remains a core priority for James Cropper and an important component of effective operational management. Our aim is to maintain a safe, well-controlled working environment supported by clear governance, disciplined risk management and a culture in which safety is embedded in day-to-day decision-making.

In FY26, we continued to strengthen our approach, with greater emphasis on a structured and sustainable improvement programme across the Group. This included enhancing safety governance, aligning risk oversight more closely with operational management and focusing on actions to support long-term improvement.

1. LEADERSHIP

2. RISK MANAGEMENT

3. PEOPLE

4. TRAINING

STRATEGY AND PROGRESS IN FY26

During the year, we further developed our health and safety strategy to support consistent standards across the Group and to align safety improvement with broader operational and strategic objectives.

Our safety model is focused on four core pillars: leadership, risk management, people and training.

These pillars provide a clear framework for improvement and help translate strategic priorities into operational delivery. In FY26, this supported stronger leadership accountability, more structured risk management and improved visibility of the actions required to strengthen performance.

While safety performance improved during the year, our focus remains on the quality and consistency of control as the basis for sustained improvement. Priorities include embedding common standards more consistently, strengthening operational discipline and maintaining close attention on higher-risk activities.

SAFETY GOVERNANCE AND RISK OVERSIGHT

The Safety Steering Committee was established in FY26. This has strengthened oversight by improving visibility of leading and lagging indicators (including accident trends, RIDDOR performance and hazard reporting), enhanced risk management oversight, and reinforced accountability at executive and leadership level. Safety oversight is now fully integrated into the Group's wider risk management framework (see pages 44-49 for more information).

SAFETY MANAGEMENT SYSTEM

Our Health and Safety Management System continues to underpin a consistent approach across the business. In FY26, the focus was on moving beyond a primarily compliance-led framework towards a system more closely embedded in day-to-day operations and decision-making. Alignment with ISO 45001 requirements and external assurance processes was maintained.

PERFORMANCE IN FY26

The Group delivered improved safety performance across key metrics during the financial year. Lost Time Accidents reduced from nine (FY25) to three and RIDDOR-reportable incidents reduced from five (FY25) to two, meeting our objective of a 50% reduction across both measures. During the year, we saw a reduction in our Lost Time Incident Rate alongside an increase in hazard reporting, reflecting stronger workforce engagement and improved reporting culture. An increase in minor injuries and first aid cases indicates that further improvement is required in the consistent application of risk controls across some areas of the business.

LOOKING AHEAD

Our FY27 targets remain aligned to the Group objective of sustaining a reduction in both Lost Time Accidents and RIDDOR-reportable incidents. In addition to maintaining this progress, we will focus on reducing minor injuries and first aid cases and on strengthening leading indicators through hazard reporting, inspections and workforce engagement.

Our strategic safety priorities are to further embed health and safety risk management into operational decision-making, to continue developing the effectiveness of the Safety Steering Committee, and to strengthen incident investigation through robust root-cause analysis. Together, these actions are intended to improve prevention, enhance consistency of control and support sustained progress across the Group.

ENVIRONMENTAL MANAGEMENT

FY26 was a year of strengthening environmental management across the Group. This remains important not only from a compliance perspective, but also as an indicator of operational discipline, risk management and long-term resilience. During the year, we improved the way environmental matters are governed, monitored and embedded in operational decision-making.

A key focus was governance and accountability. We increased dedicated environmental resource, clarified ownership for incident management and response, and strengthened alignment between environmental oversight and the Group's wider risk framework. Risk management also became more integrated with the businesses during the year, with actions monitored through the governance arrangements as part of our commitment to continuous improvement. Alongside this, we continued to improve performance through operational action across energy, emissions, waste and water, supported by stronger day-to-day discipline across our sites.

Environmental management also became more embedded in project delivery and operational control during the year, with greater emphasis on prevention, monitoring and consistency. This supports compliance, reduces the risk of disruption and improves our ability to respond to evolving regulatory and stakeholder expectations.

Looking ahead, the focus is on building on this progress and further strengthening the environmental management system, including transition to ISO 14001:2026, which was published in April 2026. The transition to the new standard is expected to take place over a three-year period to 2029. Priorities for FY27 include further strengthening accountability, improving incident investigation and close-out, and maintaining focus on waste discipline, housekeeping and water management to support more consistent long-term performance.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Proactive adaptation to climate change

OUR APPROACH TO CLIMATE-RELATED RISKS

We are committed to identifying, managing and disclosing climate-related risks and opportunities to ensure compliance with the UK mandatory Climate-Related Financial Disclosures (CFD) under s414CA and CB of the Companies (Strategic Report) Regulations 2022. This section complements the disclosures in our Risk Report and ESG Report.

The Board is accountable for the long-term success of the Group and has ultimate responsibility for overseeing climate-related risks and opportunities. Recognising the growing importance of climate change to our stakeholders – including shareholders, colleagues, customers and communities – climate considerations continue to be embedded in our strategic decision-making.

During FY26, the Group's enhanced strategic risk management framework has continued to mature, strengthening alignment between risk management and strategic objectives, improving consistency and accountability across business units, and enhancing reporting to support effective Executive and Board oversight. For more information, see our Risk Management Report on pages 44-49.

A GOVERNANCE

CFD REQUIREMENT	OUR APPROACH
Describe the governance arrangements of the Company in relation to assessing and managing climate-related risks and opportunities.	<p>The Board is responsible for the Group's overall strategy and risk management, including climate-related matters. Oversight is supported by the Audit & Risk Committee, which conducts dedicated risk reviews at least twice annually and provides challenge and assurance on the effectiveness of the framework.</p> <p>During FY26, governance maturity has strengthened through clearer ownership of risks and mitigation actions, enhanced reporting, and improved accountability across business units. Seven Risk Owner groups and six Steering Committees provide structured oversight and challenge.</p> <p>The Audit & Risk Committee also monitors compliance with risk reporting requirements and reviews the Group's CFD disclosures.</p>
Describe how the Company identifies, assesses, and manages climate-related risks and opportunities.	<p>The CEO holds overall accountability for climate-related risk management. The Company Secretary oversees the strategic risk management framework, which includes quarterly reviews of risk registers by leadership teams and the Executive Committee.</p> <p>Risks are identified and managed within business units and central functions, with outputs consolidated at Group level and escalated through structured reporting.</p> <p>Climate-related risks are identified through risk registers, quarterly reviews and structured horizon scanning, incorporating both physical and transitional risks.</p> <p>The Executive Committee reviews opportunities, including climate-related opportunities, as part of its strategic planning cycle. Strategy meetings take place three times annually on dates linked to the Group's financial calendar.</p>

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT cont.

BSTRATEGY

CFD REQUIREMENT	OUR APPROACH					
Describe the principal climate-related risks and opportunities arising in connection with the operations of the Company, and the time periods by reference to which those risks and opportunities are assessed.	PRINCIPAL CLIMATE-RELATED RISKS AND OPPORTUNITIES					
	Climate-related risks are assessed over the short (0–3 years), medium (3–5 years) and long term (5+ years).					
	PHYSICAL RISKS					
	RISK	DESCRIPTION	POTENTIAL IMPACT	TIMESCALE	POTENTIAL SEVERITY	MITIGATION
	Extreme weather events	Increased weather volatility, including flooding and drought at key sites	Safety risks, operational disruption, asset damage, water availability constraints	Short–medium term	Medium	Infrastructure improvements including flood protection, environmental monitoring, contingency planning and insurance cover. Water resilience supported through private reservoirs and site-specific controls.
	Drought	Reduced water availability for operations	Business interruption	Short–medium term	Medium	Operational flexibility, private reservoir access and continued focus on water efficiency and recycling initiatives.
	TRANSITIONAL RISKS					
	RISK	DESCRIPTION	POTENTIAL IMPACT	TIMESCALE	POTENTIAL SEVERITY	MITIGATION
	Climate policy	Increased costs from carbon regulation, energy policy and taxation	Higher operating costs	Short–medium term	High	Active monitoring of carbon markets, integration of decarbonisation into strategy, and management of energy cost exposure.
	Net zero transition	Failure to achieve decarbonisation targets	Reputational risk, financial impact, reduced competitiveness	Long term	Medium	Investment in energy efficiency and infrastructure, with long-term transition plans aligned to low-carbon energy systems.
	Raw material availability	Climate change and regulatory shifts affecting supply	Supply disruption, cost inflation	Medium–long term	Medium	Diversified sourcing strategies, supplier engagement and horizon scanning of climate developments.
OPPORTUNITIES						
Products and services across the Group’s businesses align with developing end-user trends addressing climate change, including:						
— Growth in demand for sustainable materials and plastic alternatives						
— Increased recycling and material substitution						
— Advanced materials supporting hydrogen production and carbon capture						
— Lightweight materials supporting energy-efficient applications						

CFD REQUIREMENT	OUR APPROACH
Describe the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Company.	IMPACT ON BUSINESS MODEL AND STRATEGY Climate-related risks and opportunities are integrated into: <ul style="list-style-type: none">— Financial planning— Strategic development— Product development— Capital allocation and governance processes
Analyse the resilience of the business model and strategy of the Company, taking into consideration different climate-related scenarios.	The Group continues to assess its resilience to climate-related risks through its enhanced risk management framework. Flood risk and water availability at key sites are actively managed through monitoring, infrastructure improvements and contingency planning. Supply chain risks are assessed through structured risk reviews and horizon scanning processes. Our assessment of risk is based upon a two-degree global temperature increase by 2050 and four-degree increase by 2100.

C RISK MANAGEMENT

CFD REQUIREMENT	OUR APPROACH
Disclose how processes for identifying, assessing and managing climate-related risks are integrated into overall risk management.	The Group operates a consistent, enterprise-wide risk management framework that links risks directly to strategic objectives. Risks are identified and managed at all levels and consolidated into structured risk categories to support reporting and oversight. Climate-related risks are fully integrated into this framework and assessed alongside operational, financial, regulatory and strategic risks. Quarterly review cycles, risk owner accountability and escalation processes ensure continuous monitoring and mitigation. The framework includes look-back analysis of material events and incorporates emerging risks through structured horizon scanning, including climate-related physical and transition risks.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT cont.

D METRICS AND TARGETS

CFD REQUIREMENT	OUR APPROACH
Describe targets and KPIs used to manage climate-related risks and opportunities.	<p>Metrics include carbon emissions, energy usage, water abstraction and stress, effluent discharge, raw material costs and levels of recycled content.</p> <p>The Group continues to progress its net zero ambitions for Scope 1 and Scope 2 emissions, supported by investment in energy efficiency and infrastructure improvements.</p> <p>Water stress is managed actively for reservoirs to supplement flow in the River Kent. Water abstraction and effluent discharge in the year was all within consent limits.</p>
Disclose Scope 1, Scope 2 (and Scope 3 if appropriate) emissions.	Please see the ESG Report from page 58.

The Strategic Report has been approved by the Board of Directors and signed on its behalf by:



David Stirling
Chief Executive Officer
14 July 2026

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BOARD OF DIRECTORS

- A Audit & Risk Committee
- E Executive Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chair



APPOINTED October 2006

Mark is the sixth generation of the Cropper family to hold this position. Following university, he pursued a career in environmental finance and renewable energy. Mark was first appointed to the Board in 2006 and became Chair in 2010. Mark also chairs the Board's Nomination Committee.

EXTERNAL APPOINTMENTS

- Paper Foundation (Director)
- Kendal Futures CIC (Director)
- Ellergreen Group LLP (Designated Member)



APPOINTED February 2025

David joined James Cropper from Zotefoams plc, where he was CEO for 24 years. During this time, Zotefoams developed a range of technical materials to serve a diverse global customer base and grew from a single UK site to multiple manufacturing operations across the UK, Europe, North America and Asia. David began his career as a chartered accountant with KPMG in the UK and PricewaterhouseCoopers in the USA and Europe, before transitioning into industry. He brings a wealth of leadership, strategic, commercial, operational and technical experience, and is well positioned to lead the Group into its next phase of growth and development.

EXTERNAL APPOINTMENTS

- Macfarlane Group plc (Non-Executive Director)

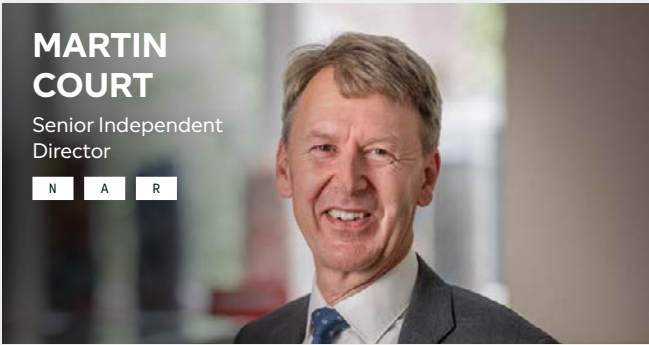


APPOINTED November 2023

Andrew has spent over 20 years in leadership roles across a variety of sectors and brings extensive financial, commercial, M&A and business transformation experience. Andrew joined James Cropper from Bibby Marine, where he was Finance Director. Prior to this he worked as Finance Director for TJ Hughes. Andrew is a chartered accountant and started his career at KPMG.

EXTERNAL APPOINTMENTS

- None



APPOINTED November 2021

Martin has a strong track record as both an Executive and Non-Executive in the chemicals and materials sectors. Martin was previously Chief Commercial Officer at Victrex plc and brings a wealth of strategic, technical, innovation and commercial experience which aligns with the Group's strategic plans.

EXTERNAL APPOINTMENTS

- Material Insights Ltd (Director)
- Food Freshness Technology Ltd (Director)
- Scott Bader Company Limited (Director)

BOARD OF DIRECTORS cont.

A	Audit & Risk Committee
E	Executive Committee
N	Nomination Committee
R	Remuneration Committee
	Committee Chair



APPOINTED August 2019

Lyndsey has spent most of her career in multinational organisations and management consultancy across different sectors, most recently with International Personal Finance plc as Chief Human Resources Officer (a role from which she retired in May 2024). Lyndsey brings experience in strategy creation, planning and delivery of large-scale cultural and performance change. Lyndsey chairs the Board’s Remuneration Committee.

EXTERNAL APPOINTMENTS

None.



APPOINTED September 2024

Prior to his appointment at James Cropper, Jon spent 11 years at LGC Science Group in various leadership roles, including Group Finance Director and COO/Managing Director of its £400m Standards division. Jon is a chartered accountant and spent 16 years at PwC LLP working extensively with listed businesses across audit and transaction projects, including financing and M&A.

EXTERNAL APPOINTMENTS

- Hazel II Topco Ltd (parent company of Fera Science Ltd) (Non-Executive Director and Audit & Risk Committee Chair)
- Charterpath (Advisory Board Member)
- Compass (Director, Co-Chair)



APPOINTED September 2023

Matt is a solicitor with broad commercial, corporate and regulatory experience. He joined James Cropper from Carr’s Group plc, where he was Group Legal Director and Company Secretary for seven years. Prior to this he was in commercial legal practice, having started his career with Pinsent Masons LLP.

EXTERNAL APPOINTMENTS

None

CORPORATE GOVERNANCE REPORT

Chair’s Introduction

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present our Corporate Governance Report for the period ended 28 March 2026. This statement provides an overview of our governance framework and how the Board discharges its responsibilities.

The Board recognises the fundamental importance of effective governance to long-term value creation and is committed to continuous improvement.

We report against the QCA Corporate Governance Code. FY26 is our first year of reporting against the 2023 version of the Code, and I am pleased to report that we complied with its principles in full.

In addition to the QCA Code, the Board monitors the FRC’s Corporate Governance Code, and developing best practice, to ensure our approach remains robust.

FY26 has been an important year for the Group, with a clear strategy established under the leadership of David Stirling and a decisive move into execution across the business. There were no new appointments to the Board during FY26, which has provided continuity as the executive team have transitioned to delivery of the strategic plan. As was announced in July 2025, Sarah Miles stepped down from the Board at the conclusion of the Company’s AGM in September 2025.

Subject to the election and re-election of Directors by shareholders, following the AGM in September 2026, the Board will comprise myself (as Non-Executive Chair) together with two Executive Directors (CEO and CFO) and three independent Non-Executive Directors, which presents a strong balance of experience, skills and knowledge, together with robust independent challenge.

In late 2025, the Board carried out an internal evaluation, led by Senior Independent Director Martin Court, as part of its commitment to continuous improvement. The findings and agreed actions resulting from that review are summarised on the pages which follow.

The Board remains committed to open and constructive dialogue with shareholders. Throughout the year, members of the Board engaged with shareholders to discuss business performance, the Group’s strategic direction and developments during the year, and to provide opportunities for questions and feedback.

Following the Board’s approval of the Group’s new strategy, a Capital Markets Event was held in London in June 2025 for institutional investors and analysts. This was followed by an Investor Day for prospective shareholders at the Group’s principal site in Burneside. Together, these events provided opportunities to engage with members of the Board and Executive team, discuss strategy and performance, and gain first-hand insight into the Group’s operations and facilities.

Feedback from shareholders is always welcomed and provides valuable insight into the views of our investors. As a Board, we are keen to understand the interests of our investors, and I am very grateful to those who took the time to engage with us this year.

Mark Cropper
Non-Executive Chair
14 July 2026

The Board is committed to high standards of corporate governance, with robust oversight, clear accountabilities and effective risk management supporting long-term value creation.

Mark Cropper,
Non-Executive Chair



Governance structures

QCA CODE AND STATEMENT OF COMPLIANCE

The Company’s shares are listed on the Alternative Investment Market (AIM) of the London Stock Exchange and subject to AIM rules. We continue to adopt the QCA Corporate Governance Code (the ‘Code’), which provides an appropriate and practical governance framework and is implemented through robust practices and systems of control aligned to our business model. We consider that meaningful compliance with the principles of the Code should provide shareholders with confidence in how the Group operates. We are a member of the QCA and, during the year, complied with all principles of the 2023 Code in full.

THE BOARD

The Board is responsible for promoting the long-term sustainable success of the Group for the benefit of its shareholders, while having regard to the interests of wider stakeholders. The Board establishes the Group’s purpose and sets its strategic direction, ensuring that these remain aligned with the Group’s culture and values.

The Board consists of Senior Executive Management together with experienced Non-Executive Directors (details of Board members can be found on pages 71-72). The Board meets regularly in accordance with its planned calendar and otherwise as may be required. Meetings take place in person or, where necessary, by video conferencing. All Directors have full and timely access to relevant information. The Board maintains a schedule of matters reserved for its approval, which is regularly reviewed and made available on the Group’s investor website.

BOARD COMMITTEES

The Board delegates certain matters to its Audit & Risk, Remuneration and Nomination Committees, which are comprised of Non-Executive Directors. Written terms of reference govern the responsibilities of the Committees, which are reviewed regularly by the Board and made available on the Group’s investor website.

The Committees ensure that there is independent oversight of the matters within their remit and assist the Board in fulfilling its responsibilities. Where appropriate, each Committee has the power to appoint external advisors to support the performance of its duties. Full reports from each of the Committees, detailing their responsibilities, key considerations and actions during the year, are set out from pages 79, 81 and 83.

EXECUTIVE COMMITTEE

The Executive Committee is responsible for developing strategy recommendations for consideration by the Board, executing the Board’s approved strategy, overseeing the day-to-day management of the Group’s operations, and developing and implementing the Group’s safety, environmental, social and governance framework.

The Executive Committee comprises the Executive Directors, business unit Managing Directors and the General Counsel and Company Secretary. The Committee operates in accordance with written terms of reference, which are reviewed regularly and are available on the Group’s website.

The Executive Committee meets monthly to review progress against the Group’s strategic plan, business performance and key operational developments. Oversight of principal risks and emerging issues is embedded within the Committee’s responsibilities and is informed by information collected through the Group’s risk management framework. On a quarterly basis, the Executive Committee undertakes a structured review of principal risks and emerging issues, ensuring that risk considerations are integrated with performance monitoring, strategic execution and resource allocation.

Where appropriate, matters are escalated to the Board for consideration. This approach supports a disciplined, execution-focused governance framework and reinforces the effective management of risk in support of long-term value creation. Feedback from Executive Committee meetings is shared with the Board.

EXECUTIVE STEERING COMMITTEES

In addition to the Board and its principal committees, the Group operates a number of management steering committees to support effective oversight, risk management and execution in key areas of the business. These include the Safety Steering Committee, Compliance Steering Committee, IT Steering Committee, People Steering Committee, AI Steering Committee and Pensions Steering Committee. Steering committees meet quarterly (or more frequently if required) and comprise members of the Board and/or Executive Committee, together with senior managers with relevant responsibilities and expertise.

Together, these committees provide structured oversight of performance, risk, governance and delivery within their respective areas. They support the implementation of Group policy and strategy, ensure that appropriate controls and governance arrangements are in place, and facilitate the identification and escalation of matters to the Executive Committee and the Board where appropriate. Committees meet quarterly (or otherwise as may be required from time to time), and effective oversight of day-to-day execution against the Group’s strategic priorities.

The Pensions Steering Committee has a specific remit to support the Board in the discharge of the Company’s obligations and powers in connection with the Group’s defined benefit pension schemes. It closely monitors scheme performance with the Trustee and investment managers, engages with the Trustee on investment strategy and funding matters, and ensures that appropriate governance arrangements are maintained.

DIVISIONAL SENIOR LEADERSHIP TEAMS

The Senior Leadership Teams within each of our Advanced Materials and Paper & Packaging businesses have day-to-day responsibility for managing operations, monitoring performance and commercial developments, the identification and management of risks, and delivering business strategy.

The Senior Leadership Teams comprise Divisional Managing Directors together with divisional senior management, supported by members of Group functional teams for Finance and HR.

Meetings take place monthly, with feedback being shared with the Executive Committee.

DIVISION OF RESPONSIBILITIES

The roles of the Chair and CEO are separate, clearly understood and agreed by the Board.

NON-EXECUTIVE CHAIR

The Chair leads the Board, ensuring its effectiveness while taking account of the interests of the Group’s various stakeholders, promoting high standards of corporate governance. Key responsibilities include:

- Chairing the Board, its Nomination Committee and General Meetings.
- Ensuring the Directors effectively contribute and engage in constructive debate.
- Setting the Board’s agenda in conjunction with the CEO and Company Secretary.
- Ensuring that the Board’s effectiveness is reviewed annually and leading the performance evaluation of the CEO and Non-Executive Directors.
- Ensuring that effective induction and training programmes exist and encouraging the continued development of Directors and the Board as a whole.
- Serving as an ambassador for the Group and its products and services, culture and values.
- Engaging with shareholders and other stakeholders and ensuring that the Board develops an understanding of external views and interests.

CHIEF EXECUTIVE OFFICER

The CEO is responsible for developing the Group’s strategy and the operating performance of the Group. Key responsibilities include:

- The effective management of the Company’s businesses.
- Leading development of the Company’s strategic direction and implementing the agreed strategy.

- Developing objectives for the Executive team.
- Managing the Company’s risk profile and maintaining an effective framework of controls.
- Ensuring effective succession plans are in place and leading in the development of people.
- Ensuring effective communication with shareholders and key stakeholders on business strategy and performance.
- Providing regular operational updates to the Board.

SENIOR INDEPENDENT DIRECTOR

The responsibilities of the Senior Independent Director include:

- Providing a sounding board for the Chair and acting as an intermediary for Non-Executive Directors where necessary.
- Working closely with the Chair and other Directors, and/or shareholders to resolve issues as may be required from time to time.
- Leading the appraisal of the performance of the Chair.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors bring insight and experience to the Board. They have responsibility for:

- Constructively challenging the strategies proposed by the Executive Directors.
- Scrutinising the performance of management in achieving agreed goals and objectives.

- Devoting time to developing and refreshing knowledge and skills, and being well informed about the Company.
- Playing a leading role in the functioning of the Board Committees.
- Meeting with the Senior Independent Director to review the Chair’s performance and other matters.

COMPANY SECRETARY

The Board is supported by the Company Secretary, who assists in upholding corporate governance standards. The Company Secretary ensures compliance with Board procedures and provides support to the Chair. He advises the Board on corporate governance developments and ensures that the Board receives information in a timely manner.

BOARD ACTIVITIES

The Board held 7 scheduled Board meetings during FY26, which were scheduled to coincide with key dates in the Group’s financial calendar. In addition to regular scheduled meetings, a number of additional meetings took place during the year in order to deal with specific business arising from time to time. Principal considerations at Board meetings include:

- Health, safety and environment
- Strategy
- Financial performance
- Risk
- People and culture
- Stakeholder engagement
- Governance

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN FY26

Board member	Board	Nomination Committee	Audit & Risk Committee	Remuneration Committee
Mark Cropper	7	2	4*	3*
David Stirling	7	1*	4*	3*
Andrew Goody	7	1*	4*	3*
Martin Court	7	2	4	3
Lyndsey Scott	7	2	4	3
Jon Yeung	7	2	4	3
Sarah Miles**	2	0	2	2

* Attended all or part of meeting by invitation.
** Stood down from the Board in September 2025.

CORPORATE GOVERNANCE REPORT cont.

In advance of all Board and Committee meetings, the Directors are supplied with papers covering the matters to be addressed. Members of the Executive Committee, senior management, or third parties may also attend meetings, or parts of meetings, by invitation from time to time. Executive Directors may attend Committee meetings (or parts of such meetings) by invitation where required. The Company Secretary is responsible to the Board for the timeliness and quality of information.

BOARD COMPOSITION

At the date of this report, the Board comprises two Executive Directors, a Non-Executive Chair and three independent Non-Executive Directors.

Biographies for all Board members are set out on pages 71-72. Further information on Board composition and succession planning can be found in the Nomination Committee report, which can be found on pages 81-82.

SKILLS AND EXPERIENCES

The Board recognises the importance of Directors bringing a strong balance of skills, knowledge and experience to delivery of the Company's strategic objectives. During the year, the Nomination Committee reviewed its assessment of the knowledge, skills, experience and diversity on the Board. Updated outcomes from this exercise were reviewed by the Board and used to inform succession planning. This process is the subject of regular review to best ensure the Board remains well balanced.

DIRECTOR INDEPENDENCE

The Board reviews the independence of its Non-Executive Directors regularly. Taking into account all circumstances, the Board considers Non-Executive Directors Martin Court, Lyndsey Scott and Jon Yeung to be independent. Mark Cropper, David Stirling and Andrew Goody are not considered by the Board to be independent.

The Board considers that its composition represents a good balance of operational, commercial, technical and financial knowledge, entrepreneurial leadership and robust independent challenge.

CONFLICTS OF INTEREST

The Companies Act 2006 and the Company's Articles of Association require the Board to consider actual or potential conflicts of interest. The Board has policies for managing and, where appropriate, authorising actual or potential conflicts of interest and related party transactions. Directors are required to declare any interests they or their close family members have in third-party organisations, as well as other circumstances which could give rise to a conflict of interest. Registers of related parties and third-party interests are regularly reviewed by the Board. Directors are required to seek clearance from the Chair before taking on any new appointments to ensure that any potential conflicts of interest can be identified and addressed appropriately.

At the outset of every Board and Committee meeting, Directors are required to declare any actual or potential conflicts in relation to matters on the agenda. Where a Director has any actual or potential conflict of interest in relation to a matter under consideration, that Director is not involved in the relevant discussion or decision-making.

The Board recognises that Mark Cropper is regarded by the Takeover Panel as forming part of a concert party, as described in the Company's circular to shareholders dated 30 June 2015 (see page 93 for more information on the shareholdings of the concert party members). The Board is satisfied that the Company has appropriate governance arrangements in place to manage its relationship with the concert party and to protect minority shareholders. These arrangements operate through the Board's composition, the independence of key committees, formal conflicts and related party procedures, and the role of independent Non-Executive Directors in providing objective oversight and challenge.

EFFECTIVENESS

The Board adopts an inclusive and open style which encourages collaboration and the free flow of information between Executive and Non-Executive Directors. Board members are encouraged to discuss matters openly and add value by sharing personal skills

and experiences. No individual or group of individuals dominates the Board's decision-making process. All Directors communicate regularly, and appropriate contact with senior executives within the Group is encouraged. Separate meetings of the Non-Executive Directors are held during the year to discuss strategy and performance and to enhance independent oversight and stakeholder accountability.

During the year, the Board undertook an internal effectiveness review led by the Senior Independent Director (SID). The review comprised a series of one-to-one discussions between the SID and each Board member, framed around key themes including strategy, the quality and organisation of Board papers, and Board dynamics and culture. The effectiveness of the Board's Committees was also considered. The insights gathered from Directors, together with the outcomes of these discussions, were reviewed by the SID, the Company Secretary and the Chair and developed into a series of recommendations, which were presented to and considered by the Board.

The review concluded that the Board is operating effectively and benefits from a strong culture of openness, collaboration and constructive challenge. During the year, the Board's engagement supported improved strategic focus and alignment, together with more effective oversight of the delivery of the Group's objectives. Board dynamics were viewed positively, with constructive interaction between Executive and Non-Executive Directors, effective leadership, and well-established Committee structures supporting the Board's work. The review also noted the positive impact of Non-Executive Directors undertaking site safety walks, which has increased Board exposure to operational activities and strengthened engagement with colleagues across the business.

The review also identified areas where the Board could further strengthen its effectiveness, including continuing to enhance oversight of strategic delivery, maintaining an appropriate balance between strategic and operational matters in Board discussions as the executive team progresses the business plan, and continuing

to refine the quality and consistency of management information. The importance of maintaining strong Board dynamics and culture, supported by effective meeting planning and a disciplined approach to agenda setting, was reaffirmed. In addition, it was agreed that the Nomination Committee would deepen its oversight of succession planning for senior management to ensure a strong and sustainable leadership pipeline.

Recommendations from the previous effectiveness review undertaken in FY25 included a review of strategic planning and delivery, reducing the volume of Board papers to enhance focus, expanding the remit of the Audit Committee to strengthen oversight of risk, and further developing Board and Committee meeting planning. Each of these recommendations was implemented during the year.

The Board recognises the importance of regular effectiveness reviews as part of its commitment to continuous improvement in how it operates and discharges its responsibilities.

DIVERSITY

The Board recognises the benefits of diversity at all levels of the organisation. Diversity on the Board was reviewed in the year by the Nomination Committee as part of the Board's approach to effective future succession planning. Our female representation on the Board is 17%. For more information on the Group's approach to diversity, see the Nomination Committee Report on pages 81-82.

INDUCTION AND PROFESSIONAL DEVELOPMENT

Upon joining the Group, Directors are provided with an induction which ensures that they are fully informed and have the necessary support to perform their roles effectively. This typically involves meetings with members of the Board together with senior management, visits to operational sites and the provision of information on the Group's products, markets and strategy, and key governance arrangements.

The Chair ensures that Directors receive information to enable them to perform their duties properly. Briefings are provided to the Board on governance, regulatory, financial and legal matters by the Company Secretary, CEO and CFO and external advisors where required. Directors are aware of their responsibility to regularly update their skills and knowledge.

SUPPORT

Directors can obtain independent professional advice at the Group's expense in performance of their duties. None of the Directors obtained independent professional advice in the period under review. All Directors have access to the advice and the services of the Company Secretary and access to senior management across the Group where required.

ELECTION AND RE-ELECTION OF DIRECTORS

In accordance with best practice, all Directors continuing in office will stand for election (or re-election) annually at the Company's AGM.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises that the delivery of the Board's strategy requires the adoption of an appropriate level of risk. Effective risk management is therefore fundamental to achieving the Group's strategic objectives.

The Group's strategic risk management framework adopts a tiered approach, with leaders across the organisation being responsible for the management of risks in conjunction with their strategic objectives. The framework is supported by guidance and tools designed to promote the consistent identification and management of risks across the Group, enabling consolidated review and oversight of principal and emerging risks by the Executive Committee, the Audit & Risk Committee and the Board.

The Board, supported by the Audit & Risk Committee, regularly reviews the effectiveness of the Group's risk

management and internal control systems. These systems are designed to manage, rather than eliminate, risks and to provide reasonable assurance that the Group's strategic objectives can be achieved.

GOING CONCERN

In carrying out their duties in respect of going concern, the Directors carry out a review of the Group and Company's financial position and cash flow forecasts for at least 12 months from the date of approval of the financial statements. These are based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the current economic environment.

For further details on going concern, please refer to note 1 to the financial statements.

RELATIONS WITH SHAREHOLDERS

The Board recognises the importance and benefits of regular engagement with shareholders and the Group's other stakeholders. Further information is contained in the s.172 Statement on pages 50-53.

ANNUAL GENERAL MEETING (AGM)

Our AGM will be taking place on 9 September 2026. Following the meeting to consider the proposed resolutions, there will be an opportunity for shareholders to meet the Directors informally.

I very much look forward to the event, which serves as a useful opportunity to engage with our investors, answer questions, and provide further insight into the James Cropper business.



Mark Cropper
Non-Executive Chair
14 July 2026

How we apply the QCA code

	PRINCIPLE	HOW WE APPLY THE CODE
01	Establish a purpose, strategy and business model which promote long-term value creation	<ul style="list-style-type: none">— The Group’s purpose, strategy and business model are set out in the Strategic Report, particularly on pages 10-29.— Information on the Board’s role in establishing and overseeing strategy is included in the Corporate Governance Report on pages 73-77.
02	Promote a corporate culture that is based on ethical values and behaviours	<ul style="list-style-type: none">— Information regarding the Company’s purpose and business model can be found in the Strategic Report on pages 18-29.— Information regarding the Company’s approach to culture (including people, safety, diversity, ethics and sustainability) can be found in the ESG Report on pages 54-65.
03	Seek to understand and meet shareholder needs and expectations	<ul style="list-style-type: none">— Information regarding the Board’s arrangements for engaging with stakeholders and considering stakeholder interests, including engagement during the year in question, can be found in the s.172 Statement on pages 50-53.
04	Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success	<ul style="list-style-type: none">— Information regarding the Board’s arrangements for engaging with stakeholders and considering stakeholder interests, including engagement during the year in question, can be found in the s.172 Statement on pages 50-53.— Environmental and social matters are addressed in the ESG Report on pages 54-65.
05	Embed effective risk management, internal controls and assurance activities throughout the organisation	<ul style="list-style-type: none">— Information regarding how the Board has embedded effective risk management (including arrangements for identifying, reviewing and managing current and emerging risks) and gains assurance that risk management arrangements are effective can be found in the Risk Management Report on pages 44-49.— Information concerning oversight of the Group’s internal controls can be found in the Audit & Risk Committee’s Report on pages 79-80.— Information concerning governance in relation to climate-related risks and opportunities can be found in the Non-Financial and Sustainability Information Statement on pages 66-70.— Information concerning the monitoring and determination of external auditor independence can be found in the Audit & Risk Committee Report on pages 79-80.
06	Establish and maintain the Board as a well-functioning, balanced team led by the Chair.	<ul style="list-style-type: none">— Information regarding the operation of the Board and its Sub-Committees, and the division of responsibilities between Board members, can be found in the Corporate Governance Report on pages 73-77.— Information regarding Board activities in the year, principal considerations at Board meetings and Board meeting attendance, can be found in the Corporate Governance Report on pages 73-77.— Information regarding the independence of Board members can be found in the Corporate Governance Report on page 76.— Information regarding the support of the Company Secretary to the Board can be found in the Corporate Governance Report on page 75.
07	Maintain appropriate governance structures and ensure directors have the necessary experience, skills and capabilities	<ul style="list-style-type: none">— Information regarding the skills and experiences of each individual Director can be found on pages 71-72.— Information regarding the skills and capability assessment carried out by the Board in the year can be found in the Corporate Governance Report on page 76-77.— Information about Board succession processes can be found in the Nomination Committee Report on pages 81-82.— Information regarding Non-Executive Director inductions and continuous professional development can be found in the Corporate Governance Report on page 77.
08	Evaluate Board performance based on clear objectives, seeking continuous improvement.	<ul style="list-style-type: none">— Information regarding the effectiveness review carried out by the Board in the year, including the review process together with identified recommendations, and progress made in the year against previous recommendations, can be found in the Corporate Governance Report on pages 76-77.
09	Establish a remuneration policy supportive of long-term value creation, purpose, strategy and culture	<ul style="list-style-type: none">— The Directors’ remuneration policy and practices are described in the Remuneration Committee Report on pages 83-90, including how remuneration supports long-term value creation and strategic execution.
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.	<ul style="list-style-type: none">— Information regarding the Board’s arrangements for engaging with shareholders and other stakeholders, including engagement during the year in question, can be found in the s.172 Statement on pages 50-53.

Audit & Risk Committee Report

ROLE OF THE COMMITTEE

The Audit & Risk Committee is constituted by the Board and is responsible for assisting the Board in discharging its responsibilities for monitoring the integrity of the Company’s financial statements, the effectiveness of the systems of internal controls and risk management, and the effectiveness, performance and objectivity of the External Auditor.

COMMITTEE MEMBERSHIP

The Committee comprises only independent Non-Executive Directors and currently includes me (Jon Yeung) as Chair together with Lyndsey Scott and Martin Court. I was appointed as Committee Chair upon joining the Board in September 2024.

Members of the Committee collectively have a deep understanding of the Group’s operations and sectors, together with knowledge and understanding of financial matters and risk management. See pages 71-72 for a summary of the skills and experiences of Committee members. As Chair, I am a chartered accountant, having spent 16 years at PwC LLP and more recently in various finance and leadership roles. I also serve as a Non-Executive Director and Audit & Risk Committee Chair at Fera Science.

MEETINGS IN THE YEAR

There were four scheduled meetings in FY26. Details of Director attendance at meetings are shown on page 75.

RESPONSIBILITIES OF THE COMMITTEE

The Committee operates under terms of reference which are reviewed annually and published on the Company’s website. Key responsibilities of the Committee include:

- Monitoring the integrity of the Group’s financial statements and results announcements.
- Reviewing the effectiveness of the Group’s systems of internal controls and risk management, and recommending related disclosures to the Board.

- Reviewing the Annual Report and Accounts, and advising the Board on whether, taken as a whole, it is fair, balanced and understandable.
- Reviewing the Group’s arrangements for employees to raise concerns about possible wrongdoing.
- Making recommendations to the Board in relation to the appointment, re-appointment and removal of the External Auditor.
- Overseeing the relationship between the Company and the External Auditor, including approving remuneration arrangements and engagement terms, and evaluating the Auditor’s independence.

To support the Committee in effectively discharging its obligations, reports from the External Auditor and senior finance personnel, led by the Chief Financial Officer, are considered and constructively challenged.

KEY ACTIVITIES IN FY26

This was the fourth year working with Grant Thornton UK LLP as External Auditor. Key activities included:

- Reviewing the External Auditor’s audit plan and the completion of work against that plan.
- Reviewing key reporting estimates and judgements, and the Group’s financial statements, providing constructive challenge to management and the External Auditor to ensure these were fair, balanced and understandable.
- Reviewing the Group’s strategic risk management framework, principal risks and risk-mitigation strategies.
- Reviewing the Group’s disclosures concerning risk, including mandatory Climate-Related Financial Disclosures (CFD) under s414CA and CB of the Companies (Strategic Report) Regulations 2022.
- Agreeing terms of engagement for the External Auditor, including the external audit fee.
- Considering the independence of the External Auditor.
- Reviewing and approving the Group’s policy for non-audit services.
- Reviewing the Group’s going concern statement, including the assumptions made in support of such statement.

Maintaining robust oversight of risk, controls and reporting is fundamental to protecting shareholder value and supporting informed decision-making across the Group.

Jon Yeung,
Audit & Risk Committee Chair



REPORT OF THE AUDIT & RISK COMMITTEE cont.

KEY ESTIMATES AND JUDGEMENTS

A key responsibility of the Committee is to review the significant estimates and judgements underpinning the financial statements. During the year, particular focus was given to the Group's going concern assessment, the impairment review of the Paper & Packaging businesses, the credit risk assessment of inter-company loan balances and the valuation of the Group's defined benefit pension obligations.

The Committee reviewed the Group's going concern assessment covering the period to September 2027, including the base case forecast, severe but plausible downside scenario and reverse stress testing. Particular attention was given to revenue forecasts, liquidity headroom, covenant compliance and the availability of mitigating actions. Having considered management's analysis and the work of the External Auditor, the Committee concluded that the going concern basis remained appropriate and that no material uncertainty disclosures were required.

The Committee also considered the impairment assessment of the Paper & Packaging businesses, the credit risk assessment of inter-company loans owed by Paper & Packaging entities and the valuation of the Group's defined benefit pension obligations. In relation to IAS 36 asset impairment and inter-company loan credit risk, the Committee reviewed the cash flow forecasts, discount rates and sensitivity analysis used in the assessment and supported management's conclusion that, while headroom existed, there was not yet sufficient evidence of sustained recovery to justify asset impairment reversals. The Committee also reviewed the key actuarial assumptions used in the IAS 19 valuation and was satisfied that the pension obligations and related disclosures were appropriate.

For more information please see note 1 to the financial statements.

GOING CONCERN

The Committee assessed the Group's ability to continue as a going concern over the period to 25 September 2027, based on the

approved annual budget and plan. The Committee evaluated base case and severe downside scenarios, including reverse stress testing, and considered mitigating actions such as cost reductions. Reviewing and challenging these scenarios, the Committee was satisfied that it was appropriate to adopt the going concern basis in preparing the financial statements. For more information, see note 1 to the financial statements.

EXTERNAL AUDITOR AND INDEPENDENCE

The reappointment of Grant Thornton UK LLP as the Group's External Auditor was recommended by the Board and approved by shareholders at the AGM on 3 September 2025.

In the year, the Committee considered the expertise and independence of Grant Thornton, as well as the terms of engagement and remuneration. In addition, Grant Thornton confirmed its compliance with regulatory and professional standards (including ethical standards), and that its objectivity and independence was not compromised. Grant Thornton's audit partner is David White, and this is his fourth year in that role.

The Committee considers Grant Thornton to remain independent and recommended to the Board that Grant Thornton be reappointed as the Group's External Auditor at the AGM in September 2026.

NON-AUDIT SERVICES

Since first being appointed as External Auditor in 2022, Grant Thornton has provided no non-audit services to the Group. During FY26, the Committee reviewed and approved the Group's Non-Audit Services Policy, which contains a control framework to protect the ongoing independence of the External Auditor.

INTERNAL CONTROLS AND RISK MANAGEMENT

During the year, the Committee, on behalf of the Board, monitored and reviewed the effectiveness of the Group's systems of internal control, including financial, operational and compliance controls.

As part of its annual programme of work, the Committee also holds dedicated sessions to consider risk management, reflecting the embedding of the Group's revised internal control and risk management framework into routine governance processes. These sessions include review of the design and operation of controls, governance arrangements and accountabilities, the identification and management of principal and emerging risks, and progress against agreed mitigation actions.

The outcomes of this work were reported to the Board and informed the related disclosures in the Annual Report. The Committee is satisfied that the Group's system of internal control and risk management operated effectively during the year and remains appropriate to the Group's size, complexity and risk profile, providing reasonable, but not absolute, assurance against material loss or misstatement.

WHISTLEBLOWING

The Board is committed to building a responsible culture where individuals can report concerns confidently and without fear of retaliation. In addition to maintaining its Code of Ethics and Whistleblowing Policy, the Group retains an independent agency – Safecall – which enables employees to report concerns in the workplace completely anonymously should they wish to do so. Whistleblowing reports are considered as a standing item on every Committee agenda, and the Committee considers the Group's whistleblowing arrangements regularly to ensure these remain effective.

AGM 2026

I will be available at the forthcoming AGM in September 2026 to respond to any shareholder questions that might be raised on the Committee's activities.

Jon Yeung

Jon Yeung
Audit & Risk Committee Chair
14 July 2026

REPORT OF THE NOMINATION COMMITTEE

Nomination Committee Report

ROLE OF THE COMMITTEE

The Nomination Committee is constituted by the Board. Its primary responsibility is to identify and nominate candidates to fill vacancies arising on the Board from time to time. The Committee also keeps under review the balance of skills, knowledge and experience on the Board, and monitors and supports senior management succession planning.

COMMITTEE MEMBERSHIP

The Committee consists only of Non-Executive Directors and currently comprises Mark Cropper (Chair), Jon Yeung, Lyndsey Scott and Martin Court. On 3 September 2025, Sarah Miles stood down from the Board and the Committee.

MEETINGS IN THE YEAR

There were two scheduled meetings in FY26. Details of Director attendance at meetings is shown on page 75. Unscheduled Committee meetings also take place from time to time on matters such as succession planning.

RESPONSIBILITIES OF THE COMMITTEE

The Committee operates under terms of reference which are reviewed annually and are published on the Company's website.

Key responsibilities of the Committee include:

- Reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes.
- Ensuring plans are in place for the orderly succession of Board and senior management positions and overseeing leadership development across the Company.
- Leading Board succession processes and making recommendations to the Board on proposed appointments.
- Setting the Company's policy on diversity and inclusion, and overseeing its implementation in succession planning.

KEY ACTIVITIES IN FY26

This was an important year for the Group, following the appointment of David Stirling as Chief Executive Officer in February 2025 and the development of a revised business plan.

Against that backdrop, the Committee's work focused on ensuring that the Board and wider leadership framework remained well aligned to support delivery of the plan. This included reviewing the skills, experience and capabilities required on the Board, considering Board and senior management succession arrangements, and overseeing an internal effectiveness review (see the Corporate Governance Report on pages 73-77 for further information). From September 2025, the Board reduced from seven to six members following Sarah Miles's departure. Having considered the Board's overall range and depth of skills, experience and capabilities, together with the balance of Executive and Non-Executive representation, the Committee was satisfied that the smaller Board remained appropriate for the Group and did not give rise to an increased governance risk.

Maintaining a Board with the right balance of skills, experience and perspectives is critical to effective governance and long-term success.

Mark Cropper,
Nomination Committee Chair



REPORT OF THE NOMINATION COMMITTEE cont.

BOARD APPOINTMENT PROCESSES

The Committee regularly reviews the skills, knowledge, experience and diversity of the Board to ensure that it continues to operate effectively and is suitably balanced against the Company’s strategic priorities. When considering succession processes, the Committee builds upon this assessment to identify requirements and build a role profile, with the support of external specialist search consultants. An initial pool of candidates is typically identified by search consultants for consideration, taking into account the requirements of the role and desire to ensure levels of diversity. A shortlist of candidates is then further assessed and subjected to interviews, including with members of the Board. Following this process, and the identification of a suitable candidate, the Committee makes a recommendation to the Board. Throughout the process, the Nomination Committee works closely with the Remuneration Committee to ensure that remuneration arrangements for proposed Board members align with the Directors’ Remuneration Policy and are appropriate, taking into consideration all circumstances, including the skills and experience of candidates and market factors.

DIVERSITY AND INCLUSION

The Company’s principal concern when making employment decisions is ensuring that candidates possess (or have the potential to develop) the skills, knowledge and experience required to meet the requirements of the Company. All appointments, whether external recruitments or internal promotions, are based on merit, and are not influenced or affected by race, colour, nationality, religion or belief, gender, marital status or civil partnership, family status, pregnancy or maternity, sexual orientation, gender reassignment, disability or age.

The Nomination Committee recognises that diversity strengthens the Board, and that it is important to ensure the Board is not solely comprised of like-minded individuals with similar backgrounds. The Board is also committed to diversity and inclusive practices which provide equality of opportunity. It is recognised that successful delivery of the Company’s strategy depends on the recruitment and retention of motivated and skilled people in an increasingly competitive labour market, and that steps taken to improve diversity increase the attractiveness of the Company and enhance the available talent pool.

TRAINING

All Directors are committed to ongoing development and remaining current on relevant issues in areas such as governance, industry and market trends, legal developments and evolving areas of risk. The Directors are supported to undertake professional development identified as necessary or desirable. An induction programme is in place for new Board members, including meeting with Directors and senior managers, and visiting sites.

EFFECTIVENESS REVIEW

The Board also undertook an internal effectiveness review (see the Corporate Governance Report on page 73-77 for more information).

DIRECTOR INDEPENDENCE

Details of the independence of Directors, together with biographical information, can be found in the Board of Directors section (on pages 71-72) and the Corporate Governance Report (on pages 73-77).

THE AGM

In accordance with best practice, at the forthcoming AGM in September 2026, all members of the Board will stand for re-election.

I will be available at the meeting to respond to any shareholder questions that might be raised on the Committee’s activities.

Mark Cropper

Mark Cropper
Nomination Committee Chair
14 July 2026

REPORT OF THE REMUNERATION COMMITTEE

Remuneration Committee Report

Please note that as an AIM-listed entity, the Group is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 or the principles relating to Directors’ remuneration in the UK Corporate Governance Code. The information contained in this report is disclosed to fulfil the requirements of AIM Rule 19. The Board recognises the importance of transparency in relation to Directors’ remuneration and follows the guidance issued by the Quoted Companies Alliance. The information in this report is unaudited, except where stated.

01 ANNUAL SUMMARY ON REMUNERATION

DEAR SHAREHOLDER

I am pleased to present the Directors’ Remuneration Report for the period ended 28 March 2026.

This report is intended to provide shareholders with a clear understanding of the Group’s remuneration framework and how it supports the delivery of strategy and the alignment of executive reward with business performance and shareholder interests. The report is split into three sections:

- (i) This annual summary, which highlights key considerations for the Committee during the year.
- (ii) A summary of the Directors’ Remuneration Policy.
- (iii) The Annual Report on Remuneration, which explains how the Directors’ Remuneration Policy was applied in FY26.

In accordance with best practice recommendations under the QCA Corporate Governance Code 2023, both the Directors’ Remuneration Policy and the Annual Report on Remuneration will be put to advisory resolutions at the Company’s AGM in September 2026.

ROLE OF THE COMMITTEE

The primary role of the Remuneration Committee is to make recommendations to the Board on the Group’s policy for Director remuneration. The Committee also has delegated responsibility for determining the remuneration of the Executive Directors and the Non-Executive Chair, and for overseeing remuneration arrangements for senior management.

COMMITTEE MEMBERSHIP

The Remuneration Committee comprises Lyndsey Scott (Chair), Martin Court and Jon Yeung. During the year, Sarah Miles stood down from the Board and as a member of the Remuneration Committee following the AGM in 2025. The Committee is comprised solely of independent Non-Executive Directors. Details of the skills and experience of Committee members is set out on pages 71-72.

Other Directors (and members of senior management or advisors) may attend Committee meetings by invitation only. No person attends any part of a meeting during which their own remuneration is discussed. The Non-Executive Chair and Executive Directors determine the remuneration of the other Non-Executive Directors. The Committee operates under terms of reference, which are published on the Company’s website and reviewed annually.

This was a year of focused execution resulting in improved business performance. During the year, the Committee took steps to ensure that executive remuneration outcomes appropriately reflected performance, and that forward-looking targets remained aligned to the Board’s strategic objectives.

Lyndsey Scott,
Remuneration
Committee Chair



REPORT OF THE REMUNERATION COMMITTEE cont.

RESPONSIBILITIES OF THE COMMITTEE

Key responsibilities of the Committee include:

- Determining and keeping under review the Directors' Remuneration Policy, ensuring that it promotes delivery of the Board's strategy, is consistent with the Company's purpose and values, and aligns with long-term shareholder interests.
- Determining the remuneration arrangements for each Executive Director, the Non-Executive Chair and senior managers, ensuring that such arrangements are competitive, support the attraction, retention and motivation of high-performing leadership, and reflect an appropriate balance of fixed, performance-related and long-term incentive structures.
- Monitoring remuneration trends and wider workforce arrangements.
- Reviewing the design of any share incentive plans for approval by the Board.
- Determining targets and outcomes for performance-related remuneration schemes, ensuring that discretion is retained to exercise independent judgement and avoid inappropriate, formulaic outcomes.
- Engaging with shareholders on matters within its remit.

MEETINGS IN THE YEAR

There were 3 scheduled meetings in FY26. Details of Director attendance at meetings is shown on page 75. Unscheduled Committee meetings also take place from time to time.

PERFORMANCE AND REMUNERATION

The Group's performance during FY26 is reflected in the remuneration outcomes for Executive Directors, based on a combination of financial and non-financial performance measures. Further information is set out in the Annual Report on Remuneration on pages 88-89.

As described in the Strategic Report, financial performance during the year was ahead of the Board's original expectations and represented a significant improvement on the prior year. As a result, payments under the Annual Incentive Plan relating to financial targets were made at 83.7% of the

maximum opportunity. Payments were also made in respect of non-financial targets to reflect the Committee's assessment of delivery against these objectives.

Awards granted under the Long-Term Incentive Plan in FY24 were subject to performance conditions measured over the three-year period FY24 to FY26. While growth targets relating to adjusted earnings per share were not met, performance against the cash flow and carbon intensity reduction measures will result in vesting at 16% of the awards granted.

The Committee is satisfied that the Remuneration Policy operated as intended during the year and that remuneration outcomes were aligned with performance, strategy and shareholder interests.

KEY MATTERS CONSIDERED IN FY26

REVISED STRATEGIC PLAN

In February 2025, David Stirling was appointed to the Board as Chief Executive Officer. This appointment led to a comprehensive review of the Group's businesses and the development of a revised strategy and business plan focused on: (i) organic growth in the Advanced Materials business; (ii) a return to profitability in Paper & Packaging; and (iii) rigorous cash and capital management.

Following its endorsement by the Board, the revised strategy and business plan were presented to investors at a Capital Markets Event held in London in June 2025. Throughout FY26, the Executive team's focus was firmly on the disciplined execution of this plan.

LONG-TERM INCENTIVE PLAN

Following approval of the Board's strategic plan, the Committee reviewed the structure and performance measures used under the Group's Long-Term Incentive Plan to ensure continued alignment with delivery of the revised strategy. Awards were made in FY26, split between two performance measures: (i) growth in adjusted EBITDA, reflecting the Board's primary financial metric; and (ii) growth in absolute total shareholder return, to ensure strong alignment between executive incentives and shareholder outcomes.

QCA CORPORATE GOVERNANCE CODE 2023

FY26 was the first year in which the Company reported fully against the QCA Corporate Governance Code 2023, following preparatory changes made in FY25. The Code recommends that both the Remuneration Policy and the Annual Report on Remuneration be subject to advisory shareholder votes, a practice the Company will adopt from the Company's AGM in September 2026.

DIRECTORS' REMUNERATION FOR FY27

Inflationary increases of 2.6% were applied to Executive Director salaries and Non-Executive fees with effect from 1 April 2026. This was consistent with increases applied across the broader workforce in the UK and overseas and followed agreement with the Trade Union at the Burnside site and a local employee ballot.

For FY27, the Annual Incentive Plan will continue to comprise 80% financial measures based on adjusted EBITDA and cash flow, with the remaining 20% linked to strategic objectives. Awards under the Long-Term Incentive Plan will be subject to stretching financial performance targets measured over FY27 to FY29.

ANNUAL GENERAL MEETING

At the Group's AGM on 3 September 2025, the Committee's Remuneration Report was approved by shareholders (on an advisory vote), with 99.3% of votes being cast in favour.

At the AGM in September 2026, both the Remuneration Committee Report and the Directors' Remuneration Policy will be placed before shareholders and subject to advisory votes. I hope that shareholders will be able to offer their support.



Lyndsey Scott
Remuneration Committee Chair
14 July 2026

02 SUMMARY OF THE DIRECTORS' REMUNERATION POLICY

OVERVIEW OF POLICY

The Directors' Remuneration Policy is designed to:

- Attract and retain individuals with the talent, experience and leadership required to fulfil the Board's strategic objectives.
- Motivate behaviours designed to meet strategic objectives, aligned to the Company's purpose and values.
- Provide fair and transparent reward where this is justified and appropriate.

The Remuneration Committee recognises that a significant proportion of remuneration should be aligned with stakeholder interests and encourage long-term sustainable growth in shareholder value. With this in mind, remuneration for Executive Directors comprises:

- Fixed remuneration in the form of basic salary, benefits and pension.
- Performance-related remuneration in the form of an annual incentive and awards made under the Company's Long-

Term Incentive Plan. The stretch element of the annual incentive is also deferred in the form of shares under the Company's Deferred Bonus Share Plan.

Targets under performance-related remuneration are fixed by the Committee, which retains discretion to ensure that outcomes remain appropriate.

POLICY SUMMARY TABLE

REMUNERATION ELEMENT & LINK TO STRATEGY	OPERATION	PERFORMANCE METRICS	OPPORTUNITY
BASE SALARY To reflect market value of the role and individual's performance and contribution, and enable the Group to recruit and retain Directors of sufficient calibre to support achievement of both short- and long-term goals.	<ul style="list-style-type: none">— The salary of each Executive Director will be reviewed annually by the Remuneration Committee without any obligation to increase such salary.— Base salaries are benchmarked against companies of a comparable size, with a targeted approach of median positioning against the market, subject to satisfactory performance.— Any changes are normally effective 1 April. There may be reviews and changes to base salary during the year if considered appropriate by the Remuneration Committee.	N/A	There is no prescribed maximum annual base salary or salary increase.
BENEFIT ALLOWANCE To attract and retain the right individuals and level of talent required to support achievement of both short- and long-term goals.	<ul style="list-style-type: none">— Each Executive Director is awarded a benefit allowance which allows individuals to select from a range of personal benefits including, but not limited to, private medical insurance and a company car.— Any unused monetary sum is paid to the individual at the end of the tax year via the PAYE system.— The benefit allowance is reviewed periodically by the Remuneration Committee.	N/A	No prescribed maximum value.
PENSION To attract and retain the right individuals and level of talent required to support achievement of both short- and long-term goals.	<ul style="list-style-type: none">— All current Executive Directors are members of the Company's defined contribution pension scheme or receive an equal allowance in lieu of this.	N/A	Director pension arrangements align with the defined contribution pension arrangements for the broader UK workforce at 6% of salary.

REPORT OF THE REMUNERATION COMMITTEE cont.

REMUNERATION ELEMENT & LINK TO STRATEGY	OPERATION	PERFORMANCE METRICS	OPPORTUNITY
ANNUAL INCENTIVE PLAN To reward the delivery of the Group's annual financial and strategic goals. To align the interests of the Executives and shareholders in the short and medium term.	<ul style="list-style-type: none">— The Annual Incentive is earned on the achievement of performance targets ordinarily set by the Committee at the start of each financial year.— The Annual Incentive incorporates financial and non-financial performance targets.— To the extent that any payments exceed 25% of base salary, payments are deferred for three years in the form of shares via the Group's Deferred Bonus Share Plan (DBSP).— Awards which vest under the DBSP to Executive Directors are subject to a post-vesting holding period of two years.	<p>Performance measures are determined at the discretion of the Committee, linked to achievement of financial targets and strategic targets linked to progress against the Board's strategic plan.</p> <p>In FY26, financial targets accounted for 80% of the available incentive. Non-financial targets accounted for 20% of the available incentive.</p>	Maximum opportunity is currently 50% of base salary.
LONG-TERM INCENTIVE PLAN (LTIP) To incentivise the delivery of key performance measures over the long term. To retain key executives and increase their share ownership in the Company, aligning their interests with those of shareholders.	<ul style="list-style-type: none">— Under the LTIP, nil cost options to acquire ordinary shares in the Company (or to receive cash of equivalent value) can be awarded to Executive Directors and other employees within the Group, at the discretion of the Committee.— The vesting of awards is subject to performance conditions measured over a period of three financial years.— Awards which vest to Executive Directors are subject to a post-vesting holding period of two years.	<p>Performance measures are determined at the discretion of the Committee and are linked to achievement of long-term objectives which are aligned to shareholder interests.</p> <p>Awards made in FY26 were subject to two performance measures, with 50% of the total opportunity linked to growth in EBITDA and the remaining 50% linked to growth in absolute total shareholder return.</p> <p>Awards in FY27 will be made subject to stretching financial targets which align with delivery of the Board's strategic plan.</p>	Maximum opportunity is currently 150% of base salary for the CEO and 50% of base salary for the CFO.
SHAREHOLDING GUIDELINE Alignment of the Executive Directors' interests with those of the Group's shareholders.	<ul style="list-style-type: none">— Requirement to purchase a minimum of 500 Company shares upon joining the Company and to be retained during service.	N/A	N/A
NON-EXECUTIVE DIRECTOR REMUNERATION To attract and retain the right individuals required to support the achievement of the Company's strategic goals.	<ul style="list-style-type: none">— Remuneration comprises a single base fee for services to the Company. Non-Executive Directors are entitled to reimbursement of reasonable expenses.— Non-Executive Director remuneration reflects the time commitment and responsibility of their roles, consideration of increases made elsewhere in the Group, market rates, and that Non-Executives do not participate in performance-related, pension or share-based schemes.	N/A	Fees are reviewed annually by the Executive Directors and Non-Executive Chair. Under the Company's Articles of Association, the maximum aggregate amount that can be paid to all Non-Executive Directors for their services is £400,000 per annum (or such other amount approved by ordinary resolution).

SERVICE CONTRACTS

DIRECTOR	NOTICE PERIOD
D Stirling	9 months
A Goody	6 months

The Non-Executive Chair has a notice period of 12 months. Other Non-Executive Directors are engaged on terms requiring one month's notice of termination to be given by either party.

MALUS AND CLAWBACK

Performance-related remuneration is subject to malus and clawback in certain circumstances, including material financial misstatement, reputational damage, gross misconduct, fraud, error in the assessment of performance measures and corporate failure. Malus and clawback apply during the following periods:

- Annual incentive payments (both cash payments and deferred share payments) are subject to malus and clawback during the period ending on the third anniversary of payment being made of the cash element.
- LTIP awards are subject to malus and clawback during the period ending on the third anniversary of the vesting date.

REMUNERATION COMMITTEE DISCRETION

In accordance with its Remuneration Policy, the Remuneration Committee retains discretion when assessing the Company's performance against the measures, to avoid formulaic outcomes, and to reduce the above awards as it sees fit to avoid windfall gains. The Remuneration Committee also retains discretion to adjust awards in the event of corporate activity.

LEAVERS

Ordinarily, an Executive Director leaving the business would forfeit any accrued entitlements under the Company's Long-Term Incentive Plan and Annual Incentive Plan. The Remuneration Committee however, retains, the discretion to afford good leaver status to Executive Directors departing under favourable circumstances, which may include retirement, redundancy, ill health or mutual agreement. An Executive Director afforded good leaver status may be entitled to retain certain benefits under the Long-Term Incentive Plan and/or Annual Incentive Plan, subject to the following conditions:

- Unvested share awards: Any unvested share awards will vest according to the original vesting schedule, or may be subject to accelerated vesting at the discretion of the Committee.
- Performance conditions: Any performance conditions attached to share awards will continue to apply, and the Committee will assess whether these conditions have been met at the time of vesting.
- Pro-rata vesting: Share awards may vest on a pro-rata basis, reflecting the proportion of the vesting period completed prior to departure.

CONSIDERATION OF NEW EXECUTIVE DIRECTORS OR SENIOR EXECUTIVES

When recruiting or promoting any senior executive, we seek to apply consistent policies on fixed and variable remuneration components in line with the remuneration policy set out above. In limited and appropriate circumstances, the Committee may consider compensating new Executive Directors for remuneration forfeited on leaving previous employment, having regard to best practice, shareholder expectations and the overall remuneration framework. The approach in this respect will be considered on a case-by-case basis taking into account all relevant factors, such as the form of compensation forfeited, performance achieved or likely to be achieved, and the proportion of the performance period remaining.

The Committee also recognises that, in certain circumstances, relocation may be necessary to secure and retain executive talent. Where appropriate, reasonable relocation allowances may be provided, with any such arrangements being determined on a case-by-case basis, taking into account individual circumstances and aligned with the Company's overall approach to remuneration.

SHAREHOLDER CONSULTATION

The Committee's policy is to consult with major shareholders in respect of significant decisions on executive remuneration. The Chair of the Remuneration Committee is available for contact with investors concerning the Company's approach to remuneration.

REPORT OF THE REMUNERATION COMMITTEE cont.

03ANNUAL REPORT ON REMUNERATION 2026

This part of the Directors’ Remuneration Report outlines the key considerations of the Committee during the year and sets out a summary of how the Directors’ Remuneration Policy was applied during FY26.

DETAILS OF DIRECTORS’ REMUNERATION

£'000	Salary/fees		Benefits		Annual Incentive ⁵		LTIP		Pension		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
EXECUTIVE												
D Stirling ¹	350	88	29 ⁴	7	152	–	–	–	21	–	552	95
A Goody	189	186	24	24	82	7	–	–	11	11	306	228
S Adams ⁶	–	241	–	29	–	–	–	–	–	15	–	285
P Willink ⁶	–	174	–	24	–	7	–	2	–	– ⁷	–	207
NON-EXECUTIVE												
M Cropper	136	134	–	–	–	–	–	–	–	–	136	134
M Court	39	38	–	–	–	–	–	–	–	–	39	38
L Scott	39	38	–	–	–	–	–	–	–	–	39	38
J Yeung ²	39	22	–	–	–	–	–	–	–	–	39	22
S Miles ³	20	38	–	–	–	–	–	–	–	–	20	38

- 1 Joined 2 January 2025 (FY25 reflecting three months).

2 Joined 3 September 2024 (FY25 reflecting seven months).

3 Stepped down 3 September 2025 (FY26 reflecting six months).

4 In addition to the amounts set out in the table, during FY26 the Company reimbursed certain of David Stirling’s relocation expenses totalling £30,000, in accordance with his contract of employment.
- 5 Annual incentive payments are deferred in the form of shares to the extent these exceed 25% of base salary (see below).

6 Stood down from the Board at end of FY25.

7 P Willink accrued defined benefit pension entitlements based upon a pensionable salary.

ANNUAL INCENTIVE

The annual incentive is calculated using a combination of stretching but realistic financial and non-financial targets which are set by the Committee considering performance expectations, historic performance, market outlook and strategy. For FY26, 80% of the annual incentive for Executive Directors was determined by financial performance, adjusted EBITDA and cash flow, both at a Group and divisional level. The remaining 20% was determined by the achievement of key individual strategic objectives.

For the year ended 28 March 2026, the financial targets set by the Committee for Executive Directors were met, resulting in 83.7% of the maximum opportunity being paid. The Committee also determined that non-financial targets had been met, with the result that payments under the annual incentive totalling 43.5% of salary were paid to the CEO and 43.5% of salary to the CFO.

DEFERRED BONUS SHARES

In accordance with the Directors’ Remuneration Policy, as annual incentive

outcomes for the year ended 28 March 2026 exceeded 25% of base salary for both the CEO and CFO, the excess amounts were deferred into shares in accordance with the Directors’ Remuneration Policy and the James Cropper Deferred Bonus Share Plan (DBSP). The amounts deferred were £64,709 for the CEO and £34,739 for the CFO. The corresponding DBSP share awards will be granted following the publication of the FY26 audited results and disclosed in next year’s Remuneration Report.

LONG-TERM INCENTIVE PLAN

SHARE AWARDS

Share awards outstanding and made during the financial period to 28 March 2026 under the James Cropper plc Long-Term Incentive Plan (LTIP) to Executive Directors were as follows:

£'000	Year of grant	Options at 30 March 2024	Options awarded in period	Mid-market price (£) at date of award	Options vesting in respect of period	Options lapsed in period	Options at 29 March 2025
D Stirling	FY26	–	205,882	2.55	–	–	205,882
A Goody	FY24	13,977	–	6.46	–	–	13,977*
	FY25	38,840	–	2.53	–	–	36,840
	FY26	–	36,843	2.55	–	–	36,843

* This award will vest at 16% in December 2026, being the third anniversary of the award date (see page 89 for more information).

AWARDS UNDER THE LTIP IN FY26

Share awards made on 1 August 2025 were awarded as nil cost options and subject to performance targets as follows:

Performance measure	Weighting
Growth in adjusted EBITDA	50%
Growth in absolute Total Shareholder Return	50%

Each performance measure is structured with a threshold target (resulting in 20% vesting) and a maximum target (resulting in 100% vesting). Vesting is adjusted on a straight-line basis between threshold and maximum targets. Awards will lapse to the extent that performance is below the threshold target for each performance measure.

Targets against these performance measures have been set by the Committee as follows:

EBITDA ¹	Threshold	Maximum
Financial Year 2027/28 Target	£11.0m	£13.4m
CAGR ²	18%	26%
Vesting	20%	100%

- 1 EBITDA = the Group’s Earnings Before Interest, Tax, Depreciation and Amortisation, adjusted to add back the impact of IAS 19 (pension adjustments) and other exceptional items, in each financial year.

2 Compound Annual Growth Rate measured from Group EBITDA in Financial Year 2024/25.

TSR ³	Threshold	Maximum
Target	170%	243%
Vesting	20%	100%

- 3 TSR = ((ESP + D) / ISP) - 1 (and expressed as a percentage). Whereas: ESP is the average closing share price in the final three months of the performance period; D is the dividends declared in the performance period; and ISP is the average closing share price in the three months prior to commencement of the performance period (being £1.98).

AWARDS UNDER THE LTIP IN FY24

Share and cash awards made in FY24 were awarded as nil cost options and subject to performance targets as follows:

Performance measure	Weighting
Growth in adjusted EPS	40%
Cumulative operating cash flow	30%
Carbon intensity reduction	30%

Each performance measure was structured with a threshold target (resulting in 10% vesting) and a maximum target (resulting in 100% vesting). Vesting is adjusted on a straight-line basis between threshold and maximum targets. Awards will lapse to the extent that performance is below the threshold target for each performance measure.

The Company’s performance under the adjusted EPS metric was below the threshold target, meaning that, under this measure, awards lapsed in full. The Company’s cumulative operating cash flow of £20.6m over the performance period resulted in vesting under this performance measure at 14%. The Company’s carbon intensity metric reduced by 28.7% in the period. This equated to 41% vesting under the carbon intensity reduction target. Overall vesting will therefore be 16% of the total award.

REPORT OF THE REMUNERATION COMMITTEE cont.

DIRECTORS’ INTERESTS

Director	Shareholding		Unvested LTIP awards	Vested LTIP awards	Unvested DBSP awards
	Beneficial	Non-Beneficial*			
Mark Cropper	1,839,266	559,571	0	0	0
David Stirling	13,250	0	205,882	0	0
Andrew Goody	1,564	0	73,683	1,957	0
Jon Yeung	12,750	0	0	0	0
Lyndsey Scott	500	81,751	0	0	0
Martin Court	500	81,751	0	0	0

* Non-beneficial holdings include shares held jointly as trustee with other Directors.

ADVISORS TO THE COMMITTEE

In FY26, the Committee engaged the services of h2g Remuneration Advisory in connection with the preparation of the Remuneration Report.



Lyndsey Scott
Remuneration Committee Chair
14 July 2026

DIRECTORS’ REPORT

The Directors present their Annual Report and the audited financial statements of James Cropper Group for the financial year ended 28 March 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Group comprises the manufacture of advanced materials and specialist papers and packaging products. There have not been any significant changes in the Group’s principal activities in the year under review.

The Directors are not aware, at the date of this report, of any likely major changes in the Group’s activities in the next year.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Strategic Report on pages 03-70 reports on the performance of the Group for the period ended 28 March 2026 and its prospects for the future. The Strategic Report has been prepared to provide information to shareholders on the performance of the Group and to assess the Group’s strategies and the potential for those strategies to succeed.

These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report, and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

THE BOARD

The Directors who served during the year under review were:

- Mark Cropper (Non-Executive Chair)
- David Stirling (CEO)
- Andrew Goody (CFO)
- Martin Court (Senior Independent Director)
- Sarah Miles (Non-Executive Director) (stood down 3 September 2025)
- Lyndsey Scott (Non-Executive Director)
- Jon Yeung (Non-Executive Director)

The biographies of the Directors as at the date of this report are on pages 71-72.

Details of the Directors’ remuneration are shown in the Remuneration Committee Report on pages 83-90. Details of the Directors’ interests in the share capital of the Company are set out on page 90.

RESULTS AND DIVIDENDS

The results for the period are shown in the Statement of Comprehensive Income on page 103.

No interim dividend was declared by the Board during the year ended 28 March 2026 (2025: nil). The Directors are not recommending the payment of any final dividend (2025: nil).

CORPORATE GOVERNANCE

A report on Corporate Governance is set out on pages 73-77, and forms part of this report by reference.

HEALTH & SAFETY

The Group is committed to providing a safe working environment for all employees. Group policies are reviewed regularly to ensure that policies relating to training, risk assessment and accident management are appropriate.

Health & safety considerations are reported and discussed as a high agenda item at every Board and Executive Committee meeting. A further report on Group health and safety is contained on pages 64-65.

CHARITABLE AND POLITICAL DONATIONS

It is the Group’s policy not to make any donations to, or incur expenditure on behalf of, political parties, other political organisations or independent election candidates, and the Board does not intend to change this policy.

Donations totalling £43,161 (2025: £9,462) were made during the year for various charitable purposes.

ENGAGEMENT WITH KEY STAKEHOLDERS

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Company’s statement on engagement with, and having due regard to, the interests of key stakeholders is contained within the section 172(1) Statement in the Strategic Report on pages 50-53 (also known as the s.172 Statement).

The s.172 Statement also summarises how the Directors have had regard to the need to foster the Group’s business relationships.

EMPLOYEE INVOLVEMENT AND POLICY REGARDING DISABLED PERSONS

The Group’s employees are its most important asset. The Group operates an equal opportunities policy that aims to treat individuals fairly and not to discriminate in any way. For information on how Directors engage with and have regard to employee interests, and on our approach to diversity and inclusion, please see the s.172 Statement on pages 50-53 and our People Report on page 61-63.

ENVIRONMENTAL POLICY

James Cropper Group recognises the importance of its environmental responsibilities, and designs and implements policies to reduce any damage that might be caused by the Group’s activities.

Initiatives designed to minimise the Group’s impact on the environment include the safe disposal of waste, recycling and the use of recycled materials, and reducing energy consumption.

Further details can be found in the ESG Report on pages 54-65.

FINANCIAL INSTRUMENTS

Disclosure around financial risks, financial instruments and hedging is included in note 20 to the annual financial statements.

RESEARCH AND DEVELOPMENT

The Group invests in research projects and the development of new technology.

Research and development expenditure and the related tax credits are disclosed in note 4 to the annual financial statements.

SHARE CAPITAL

Full details of the issued share capital of the Company are set out in note 23 to the consolidated financial statements.

The holders of ordinary shares are entitled to one vote per share at the Company’s general meetings.

AUTHORITY TO ALLOT SHARES

A resolution will be proposed at the forthcoming AGM, to renew an existing authority which expires at the AGM, to give the Directors authority to exercise the powers of the Company to allot unissued shares.

DIRECTORS’ POWER TO DISAPPLY PRE-EMPTION RIGHTS

A resolution will be proposed at the AGM which disapplies statutory pre-emption rights on the allotment of shares by empowering the Directors to allot shares for cash without offering them to existing shareholders first.

GOING CONCERN

The Group sets an annual budget and longer-term plan against which performance is compared. The Board operates a monthly reporting and quarterly forecasting cycle, which it uses to monitor profitability and liquidity and ensure the Group has sufficient debt facilities to enable its ongoing viability.

The Board believes that a 14-month planning horizon to 25 September 2027, based on the Board-approved annual budget and plan, is an appropriate period over which to evaluate the Group’s ability to continue as a going concern.

For more information, see note 1 to the financial statements.

Based on this evaluation, the Directors consider that the Group and company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Therefore the Directors have adopted the going concern basis in preparing the financial statements.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Grant Thornton UK LLP has expressed its willingness to continue in office.

Its appointment and authority for the Directors to agree its remuneration will be proposed at the AGM.

Each of the Directors, as at the date of approval of this Annual Report, confirms that:

- So far as each director is aware, there is no relevant audit information of which the Company’s Auditor is unaware.
- The Director has taken all steps 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.

ANNUAL GENERAL MEETING

Notice of AGM, which sets out the resolutions to be proposed at the forthcoming AGM, will be posted to shareholders 21 clear days before the date of the AGM.

The meeting will be held at J36 Conference Centre, Crooklands, Milnthorpe, LA7 7NU on 9 September 2026.

DETAILS OF DIRECTORS’ INTERESTS

Information on the interests of Directors (serving at the date of this report) in the share capital of the Company, and over options over ordinary shares in the Company, are detailed in the Remuneration Committee Report on page 90.

Any material-related party transactions between the Directors and the Company are set out in note 28 to the consolidated financial statements.

The Company has purchased and maintained throughout the period Directors’ and officers’ liability insurance in respect of the Directors.

Approved by the Board of Directors on 14 July 2026.



Mark Cropper
Non-Executive Chair

SUBSTANTIAL INTERESTS TABLE

Shareholdings in excess of 3% of the Company’s issued share capital at 30 June 2026 were as set out in the table below:

Shareholder	Number of shares	% of issued share capital
Cropper family* – beneficial and non-beneficial holdings	3,151,249	32.98
Liontrust Asset Management Limited	1,282,269	13.42
Interactive Investor	368,294	3.85
Willink family* – beneficial and non-beneficial holdings	353,897	3.70
Unicorn Asset Management	318,000	3.33
Acland family* – beneficial and non-beneficial holdings	52,386	0.55

* The Cropper, Willink and Acland families are deemed to be acting in concert with a total holding of 37.2% of the issued share capital of the Company.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have to prepare the Group financial statements in accordance with UK-adopted international accounting standards and have elected to prepare the Parent Company financial statements in accordance with UK Generally Accepted Accounting Practice (UK accounting standards and applicable law) including FRS 101 Reduced Disclosure Framework.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- For the Group financial statements, state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- For the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Company’s Auditor is unaware.
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company’s Auditor is aware of that information.

To the best of the Directors’ knowledge:

- The Group financial statements, prepared in accordance with UK-adopted international accounting standards, and the Parent Company financial statements, prepared in accordance with UK accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the undertakings included in the consolidation taken as a whole.
- The Strategic Report and Directors’ Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board of Directors on 16 July 2025 and signed on its behalf by



Mark Cropper
Non-Executive Chair
14 July 2026

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GROUP INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of James Cropper Public Limited Company

OPINION

OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

We have audited the financial statements of James Cropper Public Limited Company (the 'parent company') and its subsidiaries (the 'group') for the 52 week period ended 28 March 2026, which comprise the Group Statement of Comprehensive Income, the Group and Parent Company's Statements of Financial Position, the Group Statement of Cashflows, the Group and Company Statement of Changes in Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

IN OUR OPINION:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 28 March 2026 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are

independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

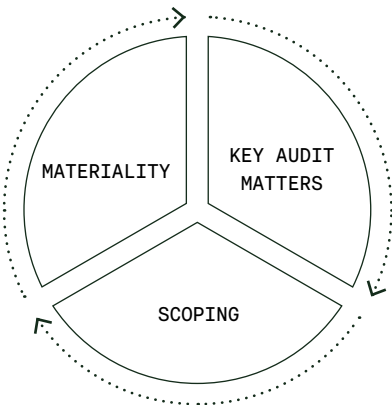
A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the Key Audit Matters section of our report.

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.

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 parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OUR APPROACH TO THE AUDIT



OVERVIEW OF OUR AUDIT APPROACH

Overall materiality:

Group: £1,002,000, which represents approximately 1% of the Group's revenue.

Parent company: £566,000, which represents approximately 1.5% of the parent company's total assets.

Key audit matters were identified as:

- Valuation of defined benefit obligation (same as previous period);
- Going concern basis of accounting (same as previous period); and
- Valuation of Intra-Group loans (company only) (same as previous period).

Our auditor's report for the period ended 29 March 2025 included one key audit matter that has not been reported as key audit matter in our current period's report. This relates to the Impairment of fixed assets in the Creative Paper & Luxury Packaging division on the basis that the division has seen an improved trading condition when compared to previous periods, although this remains a significant risk.

GROUP INDEPENDENT AUDITOR'S REPORT cont.

Scoping has been determined to ensure appropriate coverage of the significant risks as well as coverage of the key results in the financial statements, and specifically we performed the following audit work:

- Group revenue: 90%
- Group total assets: 87%

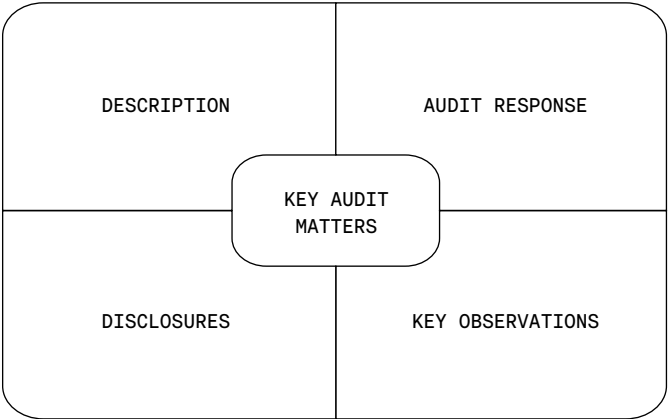
We performed an audit of the financial information of two components using component performance materiality (full-scope audit), and specified audit procedures on five components.

We performed analytical procedures at a Group level on the financial information of the remaining nine components.

In the previous period, we performed full scope audits on two components, specified audit procedures on four components and analytical procedures on thirteen components. The change in scope is as a result of ensuring sufficient coverage over key financial statement line items at the Group level.

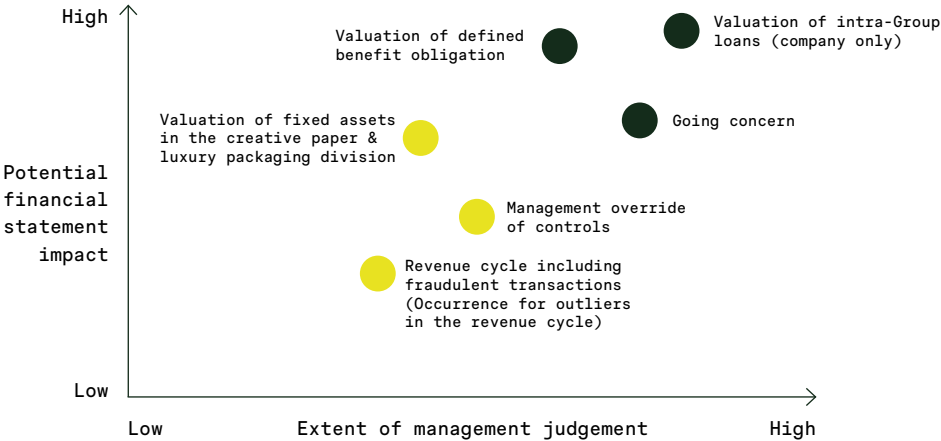
KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.

- Key audit matter
- Significant risk



Key Audit Matter – Group

VALUATION OF DEFINED BENEFIT OBLIGATION

We identified the valuation of the defined benefit obligation as one of the most significant assessed risks of material misstatement due to error.

The Group has two funded pension schemes providing defined benefits for a number of its employees: the James Cropper PLC Pension Scheme ('Staff Scheme') and the James Cropper PLC Works Pension Plan ('Works Scheme').

As at 28 March 2026, the net pension obligation amounts to £14m (2025: £15.9m), with the fair value of the plan assets being £65.3m (2025: £64.7m), and the present value of the defined benefit obligation being £79.4m (2025: £80.6m).

Our assessed area relates solely to the valuation of the gross defined benefit obligation. The valuation of the obligation is dependent on the underlying assumptions and inputs made from the actuary, as well as movements within market conditions, specifically being the discount rate, inflation expectations and life expectancy assumptions.

The inputs surrounding these assumptions are considered to be complex, and as such, require significant management judgement to be made, with the support of third-party actuaries. A small change within any of the underlying assumptions and estimates used to calculate the Group's pension obligation could have a significant impact on the Group's net pension deficit.

RELEVANT DISCLOSURES IN THE ANNUAL REPORT

- Financial statements: Use of Estimates and Judgements; Retirement Benefits
- Financial statements: Note 21; Retirement Benefits

How our scope addressed the matter – Group

In responding to the key audit matter, we performed the following audit procedures:

- Understood the design and evaluated the implementation of the processes and controls through which the business initiates, records, processes and reports the period-end benefit obligation;
- Engaged our internal valuation experts to review the methodology and assess the reasonableness of assumptions applied by the scheme actuary, focussing primarily on the discount rate, inflation, and mortality assumptions;
- Considered the competence, capabilities and objectivity of the pension scheme actuary in addition to the completeness and reliability of the data provided;
- Tested the movement in the member data by agreeing to information provided by the scheme administrator, to ensure that there have not been any material or abnormal movements in the membership profile; and
- Assessed the completeness and accuracy of the disclosures included within the financial statements.

OUR RESULTS

Based on our audit work, we have determined that the valuation methodologies and the actuarial assumptions inherent within them to be balanced and consistent with the expectation of our actuarial expert. We consider that the Group's disclosures within Note 1 of the Group financial statements appropriately describe the significant degree of inherent precision in the assumptions and estimates and the potential impact on future periods of revisions to these estimates. No material misstatements were identified within the calculation.

GOING CONCERN

We identified the going concern assumption as one of the most significant assessed risks of material misstatement due to error as a result of the judgement required to conclude whether there is a material uncertainty related to going concern.

Significant judgements are applied in developing cashflow forecasts, including considering recent trading and cash flow performance, market and customer risks, the potential impact of macroeconomic uncertainties and global conflict on future revenue and opportunities to improve revenue, reduce costs, increase profit and cash performance. We also note the impact of the net expected loss of revenue with a significant merchant customer that has been considered within the cashflow forecasting process.

The directors have concluded, based on the various scenarios developed, that the Group and the parent company have sufficient resources available to meet their liabilities as they fall due and have concluded that there are no material uncertainties that may cast significant doubt over the Group's and the parent company's ability to continue as a going concern.

In responding to the key audit matter, we performed the following audit procedures:

- Understood the design and evaluated the implementation of the processes and controls through which management assess forecasting and the going concern assumption;
- Obtained management's assessment, including management's base case, severe but plausible scenario and reverse stress test covering the going concern assessment period to 30 September 2027, and assessed mathematical accuracy thereupon;
- Assessed and challenged the reasonableness of key assumptions used by management within the forecasts prepared including revenue growth, movement in net debt and assumptions in respect of working capital, including effects arising from macro-economic uncertainties such as ongoing global conflict;
- Assessed the funding agreements in place to ensure sufficient funding availability within the going concern assessment period. This included corroborating the existence of the Group's loan facilities and related covenant requirements, including confirming the restructure of the amortisation profile for the period covered by management's forecasts. We have analysed and considered the level of headroom on covenants throughout the going concern period;
- Assessed the accuracy of management's past forecasting by comparing management's forecasts for previous three financial periods to the actual results, considering the impact on the going concern forecasts (including assessing the accuracy of management's original base case for the period to March 2026 and comparing to the actual results for this period);
- Evaluated management's severe but plausible scenario and reverse stress test over the forecast period, considering the impact of changing key assumptions and the implausibility of the scenario;
- Reviewed subsequent events following the period-end in order to establish any areas that could affect the Group's and parent company's ability to report as a going concern; including a review of the board minutes in relation to strategic business plans and a review of post year-end trading; and
- Assessed the adequacy of the going concern disclosure included within the financial statements

GROUP INDEPENDENT AUDITOR'S REPORT cont.

Key Audit Matter – Group	How our scope addressed the matter – Group
RELEVANT DISCLOSURES IN THE ANNUAL REPORT <ul style="list-style-type: none">— The Group's basis for adopting the going concern assumption is shown in note 1, within the summary of significant accounting policies.— Additional disclosure is included in the Audit & Risk Committee Report and the Directors' Report.	OUR RESULTS <p>We have nothing to report in addition to that stated in the 'Conclusions relating to going concern' section of our report.</p>

Key Audit Matter – Parent company	How our scope addressed the matter – Parent company
VALUATION OF INTRA-GROUP LOANS <p>We identified the valuation of intra-Group loans as one of the most significant assessed risks of material misstatement due to error.</p> <p>There is an increased risk surrounding the recoverability of intra-Group loans as per International Financial Reporting Standards ('IFRS') 9 'Financial Instruments' due to estimation uncertainty of the Group's future performance.</p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none">— Assessed the design and implementation of relevant controls associated with management's recoverability analysis;— Obtained and challenged management's assessment of the expected credit loss provision against amounts owed by Group undertakings;— Assessed the accuracy of the expected credit loss calculated through recalculation;— Evaluated historical forecasting accuracy by comparing results achieved in prior periods to budget; and— Assessed whether the disclosure regarding expected credit losses within the financial statements is appropriate.
RELEVANT DISCLOSURES IN THE ANNUAL REPORT <ul style="list-style-type: none">— Financial statements: Use of Estimates and Judgements; Impairment of Amounts Owed by Group Undertakings— Financial statements: Note 13; Amounts Owed by Group Undertakings	OUR RESULTS <p>From the work performed, we did not identify any material misstatements in the valuation of intra-Group loans.</p>

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

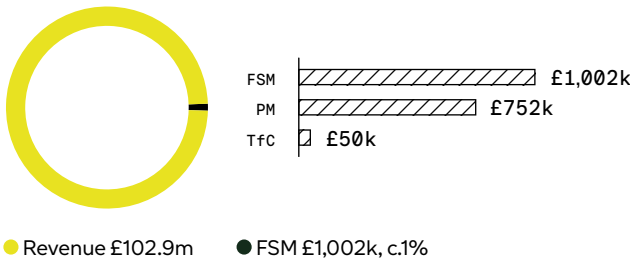
Materiality measure	Group	Parent company
MATERIALITY FOR FINANCIAL STATEMENTS AS A WHOLE	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£1,002,000 (2026: £765,000), which represents approximately 1% of the Group's revenue.	£566,000 (2025: £485,000), which represents approximately 1.5% of the parent company's total assets.
Significant judgements made by auditor in determining materiality	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none">— We determined revenue to be the most appropriate benchmark for the Group due to this having importance in both external financial reporting and internal management reporting. This is a key driver of business activity and is a measure on which growth is monitored;— We determined a percentage of 1% to be appropriate based on the Group's size and complexity. <p>Materiality for the current year is higher than the level that we determined for the period ended 29 March 2025 to reflect the increase in the benchmark from 0.75% of revenue to 1% of revenue in order to be comparable with similar listed businesses; and an increase in the underlying revenue amount.</p>	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none">— We determined total assets to be the most appropriate benchmark due to the parent company not being a trading company;— We determined a percentage of 1.5% based on the risk profile of the parent company as a component within a listed Group. <p>Materiality for the current year is higher than the level that we determined for the period ended 29 March 2025 to reflect the increase in the benchmark from 1% of total assets to 1.5% of total assets in order to be comparable with similar listed businesses.</p>
PERFORMANCE MATERIALITY USED TO DRIVE THE EXTENT OF OUR TESTING	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	<p>£752,000 (2025: £535,500), which is 75% of financial statement materiality.</p> <p>The range of component performance materialities used across the group was £413,617 to £601,624.</p>	£424,500 (2025: £339,600) which is 75% of financial statement materiality. Parent company component performance materiality has been capped at an amount less than group performance materiality for group audit purposes.
Significant judgements made by auditor in determining performance materiality	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none">— We assessed the effectiveness of the control environment from the procedures performed in the planning stage of the audit; and— The nature, size and volume of misstatements identified in the previous audit. <p>In determining component performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none">— Extent of disaggregation of financial information across components, including the relative risk and size of a component to the group <p>For each component in scope for our group audit, we allocated a performance materiality that is less than our overall group performance materiality.</p>	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none">— We assessed the effectiveness of the control environment from the procedures performed in the planning stage of the audit; and— The nature, size and volume of misstatements identified in the previous audit.

GROUP INDEPENDENT AUDITOR'S REPORT cont.

Materiality measure	Group	Parent company
SPECIFIC MATERIALITY	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: <ul style="list-style-type: none">— Directors' remuneration; and— Identified related party transactions outside of the normal course of business.	We determined a lower level of specific materiality for the following areas: <ul style="list-style-type: none">— Directors' remuneration; and— Identified related party transactions outside of the normal course of business.
COMMUNICATION OF MISSTATEMENTS TO THE AUDIT & RISK COMMITTEE	We determine a threshold for reporting unadjusted differences to the audit & risk committee.	
Threshold for communication	£50,100 (2025: £38,300), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£28,300 (2025: £24,250), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality and the range of component performance materiality interacts with our overall materiality and the threshold for communication to the audit & risk committee.

OVERALL MATERIALITY – GROUP



FSM: Financial statement materiality, PM: Performance materiality, RoPM: range of performance materiality at four components, TfC: Threshold for communication to the audit & risk committee

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, their environments, and its system of internal control including common controls

- The engagement team obtained an understanding of the group and its components, their environment, and its system of internal control, including the nature and extent of common controls and centralised activities relevant to financial reporting, and assessed the risks of material misstatement at the group level;
- The engagement team obtained an understanding of the Group's organisational structure and considered its impact on the scope of the audit, including

assessing the level of centralisation of the Group control function; and

- The engagement team performed walkthroughs of key areas of focus, including significant risks and other significant classes of transactions, in order to confirm their understanding of the control environment across the Group.

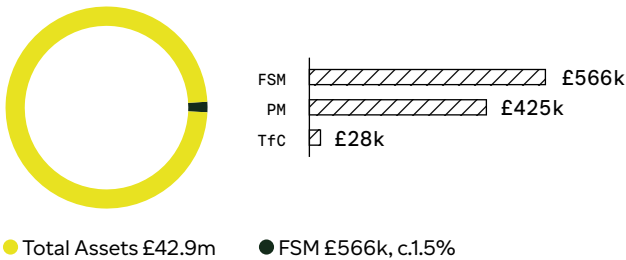
Identifying components at which to perform audit procedures

- The engagement team evaluated the identified components to assess their significance and determined the planned audit response based on a measure of materiality. Significance was determined after taking into account relative contribution to the Group's revenue and total assets, and by considering qualitative factors, such as the component's specific nature or circumstances.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- Of the group's sixteen components, we have identified two which, in our view, required an audit of their financial information using component materiality (full scope audit), due to being assessed as having a risk of material misstatement to the group.
- Specified audit procedures were carried out on five components using component materiality;
- For the nine components that were not individually significant to the Group, or assessed as requiring specific-scope audits, analytical procedures were carried out at Group level, using Group materiality.

OVERALL MATERIALITY – PARENT COMPANY



- The full-scope and specified procedures audits included all our audit work on the identified key audit matters as described in the key audit matters section of our report.

Performance of our audit

- Together, the components subject to full scope and specified-procedures audits covered 90% of the group's revenue and 87% of the group's total assets;

- All audit procedures to support the Group audit opinion were performed by the Group engagement team. Our audit procedures were performed by a combination of remote and in-person auditing, including attending the Group's primary location in Burneside to perform audit procedures;
- As part of planning procedures, an evaluation was completed over the Group's internal control environment including its IT systems and controls to inform our risk assessment. Our audit testing approach was wholly substantive.

Further audit procedures performed on components subject to specific scope and specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the group auditor, considered had the potential for the greatest impact on the group financial statements either due to risk, size or coverage.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage of total assets	% coverage of revenue
Full-scope audit	2 (2025: 2)	52 (2026: 84)	64 (2026: 81)
Specific scope procedures	5 (2025: 4)	35 (2026: 5)	26(2026: 12)
Analytical procedures	9 (2025: 10)	13 (2026: 11)	10 (2026: 7)
Total	16 (2025: 16)	100	100

CHANGES IN APPROACH FROM PREVIOUS PERIOD

- There has been an increase in the number of components on which specific scope audit procedures are performed in order to ensure sufficient coverage over key financial statement line items at the Group level.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements

themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OUR OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 IS UNMODIFIED

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained

in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

GROUP INDEPENDENT AUDITOR'S REPORT cont.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement as set out on page 94, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and parent company, and the industry in which it operates. We determined that the most significant are UK-adopted international accounting standards (for the Group), United Kingdom Generally Accepted

Accounting Practice (for the parent company), the Companies Act 2006 and relevant UK tax regulations;

- We corroborated our understanding of the legal and regulatory framework applicable to the entity by discussing relevant frameworks with Group management and reviewed Board minutes and papers provided to the Audit & Risk Committee to support this;
- We assessed the susceptibility of the Group's and the parent company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - Material transactions impacting Profit Before Tax at half-year and year end;
 - Material post-close journal entries; and
 - Unexpected postings made by starters and leavers in the year.
- Audit procedures performed by the engagement team included:
 - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - Journal entry testing, in particular those journals determined to be in respect of our principal risks documented above; and
 - Challenging assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error; as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the Group and the parent company operate; and
- understanding of the legal and regulatory requirements specific to the Group and the parent company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David White
Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

14 July 2026

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	52-week period to 28 March 2026 £'000	52-week period to 29 March 2025 £'000
Revenue	2	102,932	99,343
Expected credit loss provision		(90)	(83)
Other income	4	1,666	310
Changes in inventories of finished goods and work in progress		114	502
Raw materials and consumables used		(35,126)	(35,912)
Energy costs		(6,097)	(5,982)
Employee benefit costs	24	(32,492)	(32,709)
Depreciation and amortisation	4	(3,022)	(4,086)
Impairment of fixed assets	4	–	(7,229)
Other expenses	4	(21,980)	(18,750)
OPERATING PROFIT/(LOSS)	2	5,905	(4,596)
Interest payable and similar charges	3	(2,033)	(2,093)
Interest receivable and similar income	3	14	1
PROFIT/(LOSS) BEFORE TAXATION	4	3,886	(6,688)
Tax (expense)/income	5	(982)	1,419
PROFIT/(LOSS) FOR THE PERIOD		2,904	(5,269)
Earnings/(loss) per share – basic	6	30.8p	(55.9)p
Earnings/(loss) per share – diluted	6	30.8p	(55.9)p

The prior year basic and diluted loss per share has been restated to correct the weighted average number of shares used in the calculation. See Note 6.

OTHER COMPREHENSIVE INCOME

Profit/(loss) for the period	2,904	(5,269)
ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS		
Exchange differences on translation of foreign operations	9	(90)
Cash flow hedges – effective portion of changes in fair value	(341)	(441)
Cash flow hedges – cost of hedging	119	127
ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS		
Retirement benefit liabilities – actuarial gains	21	1,439
Deferred tax on actuarial gains on retirement benefit liabilities		(360)
Other comprehensive income for the period	866	105
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	3,770	(5,164)

The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	Group as at 28 March 2026 £'000	Group as at 29 March 2025 £'000	Company as at 28 March 2026 £'000	Company as at 29 March 2025 £'000
ASSETS					
Goodwill	8	1,264	1,264	–	–
Intangible assets	9	1,421	819	152	281
Property, plant and equipment	10	18,280	19,445	1,744	1,952
Right-of-use assets	11	5,870	5,393	213	330
Investments in subsidiary undertakings	12	–	–	2,350	2,350
Amounts owed by group undertakings	13	–	–	23,366	14,819
Deferred tax assets	22	2,668	5,155	3,500	4,084
TOTAL NON-CURRENT ASSETS		29,503	32,076	31,325	23,816
Inventories	15	15,879	15,284	–	–
Trade and other receivables	16	18,681	17,854	6,824	12,015
Provision for impairment	16	(686)	(596)	–	–
Other financial assets	14	–	384	–	384
Cash and cash equivalents		13,059	10,614	10,864	8,836
Corporation tax		461	1,466	232	575
TOTAL CURRENT ASSETS		47,394	45,006	17,920	21,810
TOTAL ASSETS		76,897	77,082	49,245	45,626
LIABILITIES					
Trade and other payables	17	16,877	16,061	7,850	5,273
Provisions	18	534	–	–	–
Loans and borrowings	19	6,132	3,181	2,396	1,749
TOTAL CURRENT LIABILITIES		23,543	19,242	10,246	7,022
Long-term borrowings	19	14,979	20,322	11,039	13,425
Retirement benefit liabilities	21	14,025	15,914	14,025	15,914
Deferred tax liabilities	22	–	1,197	–	175
TOTAL NON-CURRENT LIABILITIES		29,004	37,433	25,064	29,514
TOTAL LIABILITIES		52,547	56,675	35,310	36,536
EQUITY					
Share capital	23	2,389	2,389	2,389	2,389
Share premium		1,588	1,588	1,588	1,588
Translation reserve		498	489	–	–
Reserve for own shares		(1,407)	(1,407)	(1,407)	(1,407)
Cash flow hedging reserve		–	341	–	335
Cost of hedging reserve		–	(119)	–	(119)
Retained earnings		21,282	17,126	11,365	6,304
TOTAL SHAREHOLDERS' EQUITY		24,350	20,407	13,935	9,090
TOTAL EQUITY AND LIABILITIES		76,897	77,082	49,245	45,626

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account of the Parent Company has not been presented.

The Parent Company reported a profit for the period ended 28 March 2026 of £3,809k (2025: loss of £2,689k).

The financial statements on pages 103-142 were approved by the Board of Directors on 14 July 2026 and were signed on its behalf by:



M A J Cropper
Chairman
Company Registration No: 00030226
14 July 2026

The accompanying notes form part of the financial statements.

GROUP STATEMENT OF CASH FLOWS

For the period ended 28 March 2026 (2025: for the period ended 29 March 2025)

	Note	Group 2026 £'000	Group 2025 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period		2,904	(5,269)
ADJUSTMENTS FOR:			
Tax expense / (income)	5	982	(1,419)
Depreciation and amortisation	4	3,022	4,086
Impairment of property, plant and equipment	4	–	6,914
Impairment of right-of-use assets	4	–	315
Earn out adjustment on contingent consideration on business acquisition	4	–	(27)
Net IAS 19 pension adjustments within profit		(28)	(25)
Past service pension deficit payments		(1,284)	(1,505)
Foreign exchange differences		(187)	207
(Profit)/loss on disposal of fixed assets	4	(36)	4
Interest payable and similar charges	3	2,019	2,092
Share-based payments		173	4
Purchase of emission allowances		(2,204)	(268)
Surrender of emission allowances		1,379	414
CHANGES IN WORKING CAPITAL:			
(Increase) / decrease in inventories		(592)	498
(Increase) in trade and other receivables		(436)	(573)
Increase in trade and other payables		685	1,873
Tax received		1,150	57
NET CASH GENERATED FROM OPERATING ACTIVITIES		7,547	7,378
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	(892)	(1,742)
Proceeds from the sale of property, plant and equipment		38	–
Contingent consideration on business acquisition paid	17	–	(1,236)
NET CASH USED IN INVESTING ACTIVITIES		(854)	(2,978)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	19	(2,256)	(499)
Repayment of lease liabilities	19	(1,109)	(1,338)
Interest paid		(884)	(961)
Interest received		14	–
NET CASH USED IN FINANCING ACTIVITIES		(4,235)	(2,798)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,458	1,602
Effects of exchange rate fluctuations on cash held		(13)	(199)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,445	1,403
Cash and cash equivalents at the start of the period		10,614	9,211
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		13,059	10,614

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY – GROUP

All figures in £'000	Share capital	Share premium	Translation reserve	Reserve for own shares	Cost of hedging reserve	Cash flow hedging reserve	Retained earnings	Total
AT 30 MARCH 2024	2,389	1,588	579	(1,407)	(246)	782	21,882	25,567
Comprehensive expense for the period	–	–	–	–	–	–	(5,269)	(5,269)
Total other comprehensive (expense)/income	–	–	(90)	–	127	(441)	509	105
Share-based payment charge	–	–	–	–	–	–	4	4
Total contributions by and distributions to owners of the Group	–	–	–	–	–	–	4	4
AT 29 MARCH 2025	2,389	1,588	489	(1,407)	(119)	341	17,126	20,407
Comprehensive income for the period	–	–	–	–	–	–	2,904	2,904
Total other comprehensive income/(expense)	–	–	9	–	119	(341)	1,079	866
Share-based payment charge	–	–	–	–	–	–	173	173
Total contributions by and distributions to owners of the Group	–	–	–	–	–	–	173	173
AT 28 MARCH 2026	2,389	1,588	498	(1,407)	–	–	21,282	24,350

STATEMENT OF CHANGES IN EQUITY – COMPANY

All figures in £'000	Share capital	Share premium	Reserve for own shares	Cost of hedging reserve	Cash flow hedging reserve	Retained earnings	Total
AT 30 MARCH 2024	2,389	1,588	(1,407)	(246)	776	8,480	11,580
Comprehensive expense for the period	–	–	–	–	–	(2,689)	(2,689)
Total other comprehensive income/(expense)	–	–	–	127	(441)	509	195
Share-based payment charge	–	–	–	–	–	4	4
Total contributions by and distributions to owners of the Group	–	–	–	–	–	4	4
AT 29 MARCH 2025	2,389	1,588	(1,407)	(119)	335	6,304	9,090
Comprehensive income for the period	–	–	–	–	–	3,809	3,809
Total other comprehensive income/(expense)	–	–	–	119	(335)	1,079	863
Share-based payment charge	–	–	–	–	–	173	173
Total contributions by and distributions to owners of the Group	–	–	–	–	–	173	173
AT 28 MARCH 2026	2,389	1,588	(1,407)	–	–	11,365	13,935

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

STATEMENT OF COMPLIANCE

These financial statements are consolidated financial statements for the Group consisting of James Cropper plc, a company registered in the UK, and all its subsidiaries. The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements of the parent company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and the following disclosure exemptions have been adopted:

- A statement of cash flows has not been presented.
- An analysis of revenue from contracts with customers has not been given.

The Group has taken advantage of the exemption not to disclose intra-group transactions that are eliminated on consolidation.

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(A) STANDARDS AND AMENDMENTS THAT ARE EFFECTIVE FOR THE FIRST TIME IN THE PERIOD AND COULD BE APPLICABLE TO THE GROUP:

- Lack of Exchangeability – Amendments to IAS21

The change to the accounting standard does not have a material impact on the Group.

(B) STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE GROUP:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and 7
- IFRS 18 Presentation and Disclosure in Financial Statements

None of the above accounting standard changes are expected to have a material impact on the Group. IFRS 18 is expected to result in additional disclosures particularly

The accompanying notes form part of the financial statements.

around SOCI categories and management defined performance measures.

BASIS OF PREPARATION

The accounting 'year' for the Group is a 52-week accounting period ended 28 March 2026 (2025: 52-week accounting period ended 29 March 2025).

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention except for the revaluation of certain financial instruments to fair value.

The financial statements are presented in pounds sterling, being the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest thousand pounds, except where otherwise indicated.

On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual Statement of Comprehensive Income and related notes that form a part of these approved financial statements.

GOING CONCERN

The Group sets an annual budget and longer-term plan against which performance is compared. The Board operates a monthly reporting and quarterly forecasting cycle, which it uses to monitor profitability and liquidity and ensure the Group has sufficient debt facilities to enable its ongoing viability.

The Board believes that a 14-month planning horizon to 25 September 2027, based on the Board approved annual budget and plan, is an appropriate period over which to evaluate the Group's ability to continue as a going concern.

In carrying out its going concern evaluation the Board prepared base case profit and loss account, balance sheet and cash flow forecasts for the period to 25 September 2027 reflecting the Board approved annual budget and plan. The base case forecasts reflect the ongoing initiatives to improve performance of the Paper & Packaging business that have been implemented and are currently progressing ahead of schedule.

The Board assessed various downside sensitivities, including modelling a severe but plausible downside forecast that reduced revenue and gross margins significantly below the levels assumed in the

base case forecast. The Board also carried out reverse stress tests to identify the extent to which revenue, profit and cash generation would have to fall in order to cause challenges to liquidity or bank covenant compliance.

In carrying out these assessments the Board considered recent trading and cash flow performance, market and customer risks, the potential impact of changes to US tariff arrangements and the likelihood of elevated energy prices for an extended period due to the Middle East conflict resulting in higher costs and end-market disruption. The Board also considered opportunities to improve revenue, reduce costs and increase profit and cash performance and the likely level of capital expenditure required across the forecast period. As a result the severe but plausible downside forecast and reverse stress test forecast included a number of direct and indirect cost mitigations, including savings in labour and overhead costs and deferral of non-essential capital expenditure.

Based on this evaluation the Directors consider that the Group and company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Therefore the Directors have adopted the going concern basis in preparing the financial statements.

BASIS OF CONSOLIDATION

The financial statements of the Group consolidate the accounts of the parent company and all of its subsidiaries. All subsidiaries have the same reporting date.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses or intra-group asset sales are reversed on consolidation, the asset is also tested for impairment from a Group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies of the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the date of acquisition, or up to the effective date of disposal as applicable.

NOTES TO THE FINANCIAL STATEMENTS cont.

(A) REVENUE RECOGNITION

Revenue represents income derived from contracts for the provision of goods or services by the Company and its subsidiary undertakings to customers in exchange for consideration in the ordinary course of the Group's business.

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service, or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

Goods are identified as products made from either natural fibres (e.g. paper or moulded paper products) or human-made fibres (e.g. highly technical nonwoven products made by the Advanced Materials division).

Revenue is recognised when:

- the Group has transferred control to the buyer.
- all significant performance obligations have been met.
- the Group retains neither continuing managerial involvement nor effective control over the goods.
- it is probable that the economic benefits associated with the transaction will flow to the Group.
- the amount of revenue can be measured reliably.

Transfer of control varies depending on the individual terms of the contract of sale. For sales in the UK, transfer of control occurs when the goods are despatched to the customer. However, for some international shipments, transfer of control occurs either upon loading the goods onto the relevant carrier or when the goods have arrived in the overseas port. The point of transfer of control for international shipments is dictated by the terms of each sale.

Although the majority of the Group's contracts with customers are not complex, with revenue being fixed for a specific quantity of goods, the Group has identified a number of contracts in which customers are given volume rebates and/or other promotional rebates based on quantities purchased over a contractually agreed period of time. Rebates payable to customers are contingent on the occurrence or non-occurrence of a future event, e.g. the customer meeting certain agreed criteria. Rebates are recorded using the most likely

method (the single most likely amount in a range of possible consideration amounts).

Management makes estimates on an ongoing basis, primarily based on current customer spending and historic data, in order to assess customer revenues and to calculate the value of rebates to be deducted from revenue. Where rebates are expected to be given to customers, the rebates are quantified and charged directly to the Statement of Comprehensive Income over the period to which they relate and are recognised as a deduction from revenue.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

(B) OPERATING SEGMENTS

IFRS 8 Operating Segments requires that entities reflect the 'management approach' to reporting the financial performance of its operating segments.

Management has determined the segments that are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, identified as the Executive Committee that makes strategic decisions. This committee considers the business principally based on three operating segments. Operating segments are those components of the Group that are engaged in providing a group of related products that are subject to risks and returns that are different to other operating segments.

Geographical areas are components where the eventual product destination is in a particular geographic environment which is subject to risks and returns that are different from other such areas. Costs are allocated to segments based on the segment to which they relate. Central costs are recharged on an appropriate basis.

(C) EMISSION QUOTAS

The Group participates in the UK Emissions Trading Scheme. Emission allowances are received free of charge from the UK Government or purchased in the market.

Free allowances are recognised on receipt at a nominal value of £nil. No asset or deferred income is recognised.

Purchased allowances are recognised as intangible assets at cost only to the extent that the Group holds allowances in excess of its emissions to date.

A liability is recognised for emissions made during the compliance period when they exceed the allowances held at the reporting date. The liability is measured at the market price of allowances required to settle the shortfall.

At each reporting date:

- emissions to date are measured,
- allowances held (free and purchased) are deducted,
- any shortfall is recognised as a liability at the prevailing market price, and
- no liability is recognised where allowances held exceed emissions.
- The cost of emissions for the period is recognised in operating costs and represents:
- the carrying amount of purchased allowances surrendered, plus
- the market value of any shortfall in allowances required to settle the obligation.

On surrender of allowances:

- purchased allowances are derecognised at carrying amount;
- free allowances are derecognised at £nil; and
- the emissions liability is extinguished in full.

(D) FOREIGN CURRENCIES

The consolidated financial statements are presented in pounds sterling, which is the Group's presentation currency. Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations are translated at foreign exchange rates ruling at the Statement of Financial Position date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from translation of foreign operations are taken directly to the translation reserve; they are released into the Statement of Comprehensive Income upon disposal.

(E) INTANGIBLE FIXED ASSETS

Intangible assets are stated at cost less accumulated amortisation and accumulated impairments losses, if any. The following useful lives have been determined for intangible assets.

Customer relationships	10 years
Technology*	10 years
Computer software	3–10 years

* Internally developed hydrogen production technology related to platinum group materials coatings and electrolysis.

Goodwill is tested annually for impairment, whereby the recoverable amount of the respective CGU, determined through a value in use calculation, is compared to its carrying amount.

(F) PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost less residual value of each asset evenly over its expected useful life, as follows:

Freehold buildings	14–40 years
Plant and machinery	2–20 years

Residual values and useful lives are reviewed annually. Land is not depreciated.

(G) IMPAIRMENT OF ASSETS

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount.

Where the carrying value of an asset exceeds its recoverable amount, the carrying value of the asset is written down to its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use and is calculated for individual assets. If an

asset does not generate cash flows that are largely independent of those from other assets or groups of assets, the recoverable amount of the CGU to which the asset belongs is determined.

Discount rates reflecting the asset-specific risks and the time value of money are used for the value in use calculation.

(H) RESEARCH AND DEVELOPMENT

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when all of the following criteria are met:

- It is demonstrable that the asset will generate future economic benefits.
- It is the intention to complete the intangible asset so that it will be available for use or sale.
- Adequate resources are available to complete the development.
- The asset can be used or sold.
- It is technically feasible to complete the asset.
- The expenditure attributable to the asset during development can be reliably measured.

Other development expenditures are recognised as an expense as incurred. Development costs with a finite useful life that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit.

Research and development expenditure credit (RDEC) is recognised within other operating income on an accrual basis.

(I) IFRS 16 'LEASES'

The Group leases various warehouses, machinery, production lines and motor vehicles. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for other borrowing purposes.

Assets and liabilities arising from an lease are initially measured on a present value basis. Lease liabilities are secured on the assets leased. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The liability is subsequently stated at amortised cost using the effective interest rate method.

Right-of-use assets are measured at cost comprising the following:

- (i) the amount of the initial measurement of the lease liability;
- (ii) any lease payments made at or before the commencement date less any lease incentives received;
- (iii) any initial direct costs; and
- (iv) estimated restoration costs.

Right-of-use assets are subsequently carried at cost less accumulated depreciation and impairment losses.

Depreciation is provided on all right-of-use assets at rates calculated to write off the cost less residual value of each asset evenly over the lease term.

Short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Statement of Comprehensive Income. The Group has no short-term, low-value leases, or leases with variable payments.

(J) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour,

NOTES TO THE FINANCIAL STATEMENTS cont.

other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Engineering spares are included within inventories.

(K) GRANTS

Capital grants are credited to a deferral account and released to income over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to the Statement of Comprehensive Income in the period to which they relate.

(L) INVESTMENTS IN SUBSIDIARY UNDERTAKINGS AND AMOUNT OWED BY GROUP UNDERTAKINGS

Investments in subsidiary undertakings are stated at cost less any impairment in value.

Amounts owed by Group undertakings are recognised initially at fair value and are subsequently carried at amortised cost using the effective interest method, less any impairment.

(M) TRADE RECEIVABLES

Trade receivables are recorded at their initial transaction price after appropriate revision for impairment. A provision for impairment is calculated using an expected credit loss impairment model.

Under this impairment model approach, in line with IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date.

To measure expected credit losses, the Group assesses historic credit loss experiences and adjusts for current and forward-looking information on macroeconomic factors affecting the Group's customers, including the state of the economy and industry-specific factors in countries where the Group operates. Trade receivables are held at amortised cost using the effective interest method, less any impairment.

(N) TRADE PAYABLES

Trade payables are stated at their fair value. Trade payables are subsequently recorded at amortised cost using the effective interest method.

(O) OTHER INCOME

Other income includes the research and development expenditure credit (RDEC), royalties received and grants received for funded projects.

(P) HEDGE ACCOUNTING

Cash flow hedge:
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the Statement of Comprehensive Income.

Hedging relationships are classified as cash flow hedges where the hedging instrument hedges exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, such as interest payments on variable rate debt.

(Q) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown as borrowings within current liabilities on the Statement of Financial Position.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the Statement of Cash Flows.

(R) BORROWING COSTS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

(S) INTEREST

Interest is recognised in the Statement of Comprehensive Income on an accrual basis using the effective interest method.

(T) SHARE-BASED PAYMENTS AND OWN SHARES HELD

The Group operates an equity settled share-based payment scheme, being a Long-Term Incentive Plan (LTIP) for certain Directors and senior managers.

The Employee Benefit Trust (EBT) holds shares for the granting and vesting of shares under the LTIP scheme. The cost of purchasing and transferring own shares held by the EBT are shown as movements against equity.

Shares held by the EBT are accounted for as own shares and are presented as a deduction from equity in both the Company and Group financial statements. The costs of purchasing own shares held by the EBT are shown as a deduction within shareholders' equity in the Statement of Changes in Equity.

The Group recognises an expense to the Statement of Comprehensive Income representing the fair value of outstanding equity settled share-based payment awards to employees which have not vested as at the period end.

The fair values are charged to the Statement of Comprehensive Income over the relevant vesting period adjusted to reflect actual and expected vesting levels.

(U) CAPITAL MANAGEMENT

The Group and Company's capital includes share capital, reserves and retained earnings. The Group and Company's policies are designed to ensure the ability to continue as a going concern, in order to provide returns to the shareholders and benefits to other stakeholders. The Group and Company invest in financial assets to provide an adequate level of return to the shareholders commensurate with the level of risk.

The Group and Company manage the capital structure and adjust this in light of changes in the economic conditions and risks associated with the underlying assets. In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of any dividend paid to the shareholders, return capital to the shareholders, issue new shares, or sell assets to reduce debt. Details of borrowings are set out in note 19 and details of shares are set out in note 23. The Group and Company are not subject to any externally imposed capital requirements. There have been no material changes in the management of capital during the period.

(V) TAXATION

Tax on the Statement of Comprehensive Income for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, according to the accounting treatment of the related transaction.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they are not expected to reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised.

(W) RETIREMENT BENEFITS

The Group operates various pension schemes. The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial valuations. The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement. A defined contribution plan is a pension plan under which the Group pays fixed contributions.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows at a rate based on the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

If there is a net surplus on the schemes, the value of the asset is measured at the economic benefit, calculated as the difference between the expected value of future service costs to the Staff Scheme and the total contributions required from the Company under the Schedule of Contributions.

If a material surplus occurs, the Company will seek external legal advice to determine whether the Company has an unconditional right to a refund of surplus in the future.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income and in the Statement of Changes in Equity.

Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays agreed contributions to the schemes. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

(X) ALTERNATIVE PERFORMANCE MEASURES

In the reporting of financial information, the Group has adopted certain alternative performance measures of historic or future financial performance, position or cash flows other than those defined or specified under International Financial Reporting Standards (IFRS).

Where alternative performance measures have been used, it is the belief of the Group that such measures help provide a clearer understanding of the underlying performance, removing the impact of exceptional items and IAS 19 adjustments that can distort core operating profitability of the Group and make year-on-year comparison of performance challenging.

Alternative performance measures should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measures.

Exceptional items are material income or costs which derive from events or transactions which are unusual or infrequent in their nature and are disclosed separately in the notes to the financial statements.

Exceptional items are presented in the Statement of Comprehensive Income in the income or expense to which they relate.

(Y) DILAPIDATION PROVISIONS

The Group recognises a provision for dilapidation obligations associated with leased properties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. A provision is recognised when the Group has a present obligation to restore leased premises to their required condition at the end of the lease term, and a reliable estimate can be made of the amount of the obligation.

The provision represents the present value of the expected costs to settle the obligation, based on management's best estimate of the work required and expected timing of settlement. The provision is unwound over the lease term using a discount rate that reflects the time value of money, with the unwinding recognised in finance costs.

Changes in the estimated amount or timing of expected costs are recognised in the Statement of Comprehensive Income, and the provision is adjusted accordingly.

(Z) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the use of estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Although these estimates are based on

NOTES TO THE FINANCIAL STATEMENTS cont.

management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Group’s key sources of significant estimates are as detailed below:

(i) Retirement benefits

IAS 19 Employee Benefits requires the Group to make assumptions including, but not limited to, rates of inflation, discount rates and life expectancies.

The use of different assumptions, in any of the above calculations, could have a material effect on the accounting values of the relevant Statement of Financial Position assets and liabilities, which could also result in a change to the cost of such liabilities as recognised in Other Comprehensive Income over time.

These assumptions are subject to periodic review. The Group takes specialist advice and seeks to follow the most appropriate method, applied consistently from year to year.

See note 21 for additional information and a sensitivity analysis highlighting the impact of a change in key assumptions.

(ii) Impairment of property plant and equipment, right-of-use assets, investments in subsidiary undertakings and amounts owed by group undertakings

IAS 36 requires an entity to assess whether there is any indication that an asset may be impaired. The Group considers that successive years of operating losses and the underlying market conditions that have contributed to those losses are an indication of potential impairment of the fixed assets in the Paper & Packaging CGUs. Therefore an impairment review was carried out, which resulted in no additional impairment charge against the carrying value of the property plant and equipment and right-of-use assets in the Paper & Packaging CGUs. There was insufficient evidence to reverse the impairment recognised in the prior year. Accordingly, the prior-year impairment has been retained.

The impairment review required the Group to make assumptions including, but not limited to, future revenue growth rates and the discount rate to apply to future cash flows. The use of different assumptions could have a material effect on the impairment charge included in the Statement of Comprehensive income and the fixed asset carrying value included in the Statement of Financial Position.

The Group considered various scenarios and market sensitivities in assessing the future revenue growth rate assumptions to use in the impairment calculation. The Group took specialist advice to determine the discount rate to apply to future cash flows.

Similar judgements were made by the parent company in relation to the investments in subsidiary undertakings and amounts owed by group undertakings, resulting in impairments in accordance with IAS 36 and IFRS 9 as set out in notes 12 and 13.

2 SEGMENTAL REPORTING

IFRS 8 Operating Segments requires that entities adopt the ‘management approach’ to reporting the financial performance of its operating segments. Management has determined the segments that are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, identified as the Executive Committee that makes strategic decisions. This committee considers the business principally via three segments, principally based in the UK:

James Cropper Paper & Packaging (Paper & Packaging): comprising James Cropper Speciality Papers Limited, a manufacturer of specialist paper and boards, James Cropper Converting Limited, a converter of paper and James Cropper 3D Products Limited, a manufacturer of moulded fibre products.

James Cropper Advanced Materials (Advanced Materials): comprising Technical Fibre Products Limited and its subsidiaries – manufacturers of advanced materials.

Group Services and Eliminations – comprise central functions providing services to the subsidiary companies, and the elimination of inter-segment revenue, profit and investments.

‘Adjusted Operating Profit before exceptional items and IAS 19’ refers to operating profit prior to exceptional items and the IAS 19 pension adjustment.

The ‘IAS 19 pension adjustment’ refers to the impact on operating profit of the pension schemes’ operating costs, as described in the IAS 19 section of the Financial Review.

Inter-segment transactions are performed in the normal course of business and at arm’s length.

OPERATING SEGMENTS
PERIOD ENDED 28 MARCH 2026

All figures in £'000	Paper & Packaging	Advanced Materials	Group services And eliminations	Continuing operations
REVENUE				
External	63,138	39,794	–	102,932
Internal	51	–	(51)	–
	63,189	39,794	(51)	102,932
SEGMENT PROFIT/(LOSS)				
Adjusted operating (loss)/profit before exceptional items and IAS 19	(1,261)	9,599	(2,454)	5,884
Exceptional costs	(1,113)	–	1,106	(7)
IAS 19 pension adjustment	–	–	28	28
OPERATING (LOSS)/PROFIT	(2,374)	9,599	(1,320)	5,905
Interest payable and similar charges				(2,019)
PROFIT BEFORE TAX				3,886
Tax income				(982)
PROFIT FOR THE PERIOD				2,904

PERIOD ENDED 29 MARCH 2025

All figures in £'000	Paper & Packaging	Advanced Materials	Group services And eliminations	Continuing operations
REVENUE				
External	63,657	35,686	–	99,343
	63,657	35,686	–	99,343
SEGMENT PROFIT/(LOSS)				
Adjusted operating (loss)/profit before exceptional items and IAS 19	(4,142)	8,992	(2,242)	2,608
Exceptional costs	(7,229)	–	–	(7,229)
IAS 19 pension adjustments to loss	–	–	25	25
OPERATING (LOSS)/PROFIT	(11,371)	8,992	(2,217)	(4,596)
Interest payable and similar charges				(2,092)
LOSS BEFORE TAX				(6,688)
Tax income				1,419
LOSS FOR THE PERIOD				(5,269)

In arriving at operating profit/(loss) the following significant costs have been charged in individual operating segments. The cost of raw materials and consumables used in the year ended 28 March 2026 in the Advanced Materials operating segment was £9.1m (2025: £7.5m) and in the Paper & Packaging operating segment was £26.0m (2025: £28.4m). The cost of employee benefit costs in the year ended 28 March 2026 in the Advanced Materials operating segment was £9.6m (2025: £9.2m), in the Paper & Packaging operating segment was £16.4m (2025: £17.4m) and in the Group services and eliminations segment £6.5m (2025: £6.1m).

NOTES TO THE FINANCIAL STATEMENTS cont.

The Group's country of domicile is the UK. Revenue from external customers is based on the customers' location. Non-current assets are based on the location of the assets and exclude financial assets, deferred tax assets and post-employment benefit net assets.

	Revenue from external customers		Non-current assets excluding deferred tax	
	2026	2025	2026	2025
All figures in £'000				
UK	36,966	42,934	23,203	22,964
Europe	28,644	26,012	–	–
US	28,931	23,260	3,632	3,957
Asia	7,166	5,234	–	–
Rest of the Americas	645	1,176	–	–
Australasia	345	524	–	–
Africa	235	203	–	–
TOTAL	102,932	99,343	26,835	26,921

Included in revenue is the following amount, which accounted for more than 10% of total revenue in the current year, but not in the prior year. The customer referred to as customer A in the prior year annual financial statements no longer accounts for more than 10% of revenue.

All figures in £'000	2026
Customer A – Paper & Packaging	10,461

	Paper & Packaging	Advanced Materials	Group Services	Total
All figures in £'000				
Additions to non-current assets	1,179	981	39	2,199

3 FINANCE COSTS

Finance costs include costs in respect of interest payable on borrowings and on defined benefit pension schemes.

Finance income includes interest received from short-term deposits.

All figures in £'000	2026	2025
FINANCE COSTS		
Interest payable on bank borrowings	714	835
Interest payable in relation to lease liabilities	217	198
Net finance costs arising on defined benefit schemes	862	829
Other finance charges	71	104
Fair value adjustments on derivatives	169	127
TOTAL FINANCE COSTS	2,033	2,093
FINANCE INCOME		
Finance income in respect of cash and short-term investments	(14)	(1)
TOTAL FINANCE INCOME	(14)	(1)
NET FINANCE COSTS	2,019	2,092

The accompanying notes form part of the financial statements.

4 PROFIT/(LOSS) BEFORE TAXATION

All figures in £'000

The following items have been charged/(credited) in arriving at profit/(loss) before tax:	Note	2026	2025
Employee benefit costs	24	32,492	32,709
Depreciation and amortisation			
– Intangible assets	9	306	245
– Property, plant and equipment	10	1,922	2,975
– Right-of-use assets	11	794	866
Impairment of property, plant and equipment	10	–	6,914
Impairment of right-of-use assets	11	–	315
		3,022	11,315
Other income:			
– Government grants received		–	(20)
– Research and development tax credits		(201)	(255)
– Sale of intellectual property		(1,465)	–
– Sale of scrap material		–	(35)
		(1,666)	(310)

Other expenses:		
– Administration costs	7,632	7,265
– Consultancy, legal and professional fees	1,877	1,422
– Distribution costs	3,646	2,342
– Dilapidation costs	245	–
– Earn-out adjustment on contingent consideration on business acquisition	–	(27)
– Environmental taxation	957	173
– Foreign exchange differences	(44)	100
– Insurance	1,416	1,544
– (Profit)/loss on disposal of property, plant and equipment and intangible assets	(36)	4
– Repairs and maintenance expenditure on property, plant and equipment	4,018	3,911
– IT licence and operating costs	1,089	1,027
– Sales and marketing costs	1,180	989
	21,980	18,750
Provision for impairment charge – trade receivables	90	83

Government grants relate to assistance received for research projects and the development of new technology. Research and Development expenditure across the Group for the year ended 28 March 2026 was £1,005k (2025: £1,284k) and is recognised in other expenses, energy costs and employee benefit costs. Environmental tax includes carbon emissions and other environmental levies.

SERVICES PROVIDED BY THE GROUP'S AUDITOR AND NETWORK FIRMS

During the year the Group obtained the following services from the Group's auditor at costs as detailed below:

All figures in £'000	2026	2025
AUDIT SERVICES		
Fees payable to the Company's auditor for the audit of parent Company and consolidated accounts	91	90
Remuneration payable to the Company's auditor for the auditing of subsidiary accounts and associates of the Company pursuant to legislation (including that of countries and territories outside Great Britain)	199	243
Expenses billed	14	16
	304	349
Other non-audit services	–	–

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

5 TAXATION

Analysis of Group tax charges in the period.

All figures in £'000			
Continuing operations	Note	2026	2025
Current tax		81	51
Adjustments in respect of prior period current tax		(26)	26
TOTAL CURRENT TAX		55	77
Deferred tax		952	(1,464)
Adjustments in respect of prior period deferred tax		(25)	(32)
TOTAL DEFERRED TAX	22	927	(1,496)
TAX PER STATEMENT OF COMPREHENSIVE INCOME		982	(1,419)
TAX ON ITEMS CHARGED TO OTHER COMPREHENSIVE INCOME			
Deferred tax on actuarial gains/(losses) on retirement benefit liabilities		360	169
TAX ON ITEMS CHARGED TO EQUITY			
Deferred tax on share options		3	(3)

The tax for the period is in-line with (2025: higher than) the standard rate of corporation tax in the UK of 25% (2025: 25%).

The differences are explained below:

All figures in £'000		
Continuing operations	Group 2026	Group 2025
PROFIT / (LOSS) BEFORE TAX	3,886	(6,688)
Profit/(Loss) on ordinary activities multiplied by rate of corporation tax in the UK of 25% (2025: 25%)	972	(1,672)
Effects of:		
Adjustments to tax in respect of prior period	(51)	(6)
Share options	(14)	2
Expenses not deductible for tax purposes	177	419
Deferred tax not recognised in respect of overseas jurisdictions	(102)	(168)
Foreign tax suffered	-	6
TOTAL TAX CHARGE/(INCOME) FOR THE PERIOD	982	(1,419)

6 EARNINGS PER SHARE

Basic earnings per share is calculated on the Group's profit of £2,904k for the period attributable to equity shareholders (2025: loss £5,269k) divided by 9.4m (2025: 9.4m), being the weighted average number of shares in issue during the year.

Diluted earnings per share reflects any commitments made by the Group to issue shares in the future. The weighted average number of ordinary shares in issue is adjusted to assume conversion of dilutive potential ordinary shares. At 28 March 2026 there were 6,905 potentially dilutive share options outstanding (2025: nil).

	2026				2025	
	Profit £'000	Weighted average number of shares '000	Amount per share pence	Loss £'000	Weighted average number of shares '000	Amount per share pence
Basic EPS	2,904	9,431	30.8	(5,269)	9,431	(55.9)
Diluted EPS	2,904	9,438	30.8	(5,269)	9,431	(55.9)

The accompanying notes form part of the financial statements.

The weighted average number of shares for the prior year has been restated to exclude 124k shares held in Trust, which are treated as treasury shares under IAS 33. As a result, the prior year basic loss per share has been restated from 55.1p to 55.9p. This correction has no impact on the prior year statement of financial position, statement of cash flows or total comprehensive income.

7 DIVIDENDS

The Directors are not proposing a final dividend in respect of the period ended 28 March 2026 (2025: nil per share). The total dividend declared for the period is nil pence per share (2025: nil pence per share).

8 GOODWILL

All figures in £'000	Group		Company	
	2026	2025	2026	2025
COST AND CARRYING VALUE				
At 29 March 2025/30 March 2024	1,264	1,264	-	-
At 28 March 2026/29 March 2025	1,264	1,264	-	-

Goodwill arose on the acquisition of PV3 Technologies Ltd (now known as TFP Hydrogen Products Ltd) by Technical Fibre Products Ltd on 18 January 2021.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount of goodwill has been determined based on value in use calculations using cash flow projections from a Board approved budget and 5-year plan covering the period to 31 March 2031. The discount rate used to calculate value in use was 14% and the long-term growth rate used to calculate the terminal value was 1.8%. The value in use exceeds the carrying amount and consequently no impairment has been suffered.

9 INTANGIBLE ASSETS

Group	Computer software	Customer relationships	Technology	Emission allowances	Total
All figures in £'000					
COST					
At 29 March 2025	4,559	567	359	-	5,485
Additions	-	-	-	2,204	2,204
Transfer from property, plant and equipment	83	-	-	-	83
Disposals/surrender of allowances	-	-	-	(1,379)	(1,379)
At 28 March 2026	4,642	567	359	825	6,393

AGGREGATE AMORTISATION

At 29 March 2025	4,277	237	152	-	4,666
Charge for period	213	57	36	-	306
At 30 March 2026	4,490	294	188	-	4,972

NET BOOK VALUE AT 28 MARCH 2026	152	273	171	825	1,421
NET BOOK VALUE AT 29 MARCH 2025	282	330	207	-	819

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

Group All figures in £'000	Computer software	Customer relationships	Technology	Emission allowances	Total
COST					
At 30 March 2024	4,559	567	359	146	5,631
Additions	–	–	–	268	268
Disposals/surrender of allowances	–	–	–	(414)	(414)
At 29 March 2025	4,559	567	359	–	5,485
AGGREGATE AMORTISATION					
At 30 March 2024	4,124	181	116	–	4,421
Charge for period	153	56	36	–	245
At 29 March 2025	4,277	237	152	–	4,666
NET BOOK VALUE AT 29 MARCH 2025					
	282	330	207	–	819
NET BOOK VALUE AT 30 MARCH 2024					
	435	386	243	146	1,210

The computer software capitalised in the current year relates to telephony software.

The emission allowances relate to allowances purchased through the UK Emissions Trading Scheme (UKETS) and are valued at market value at the date of initial recognition. Allowances are purchased throughout each compliance period and are used to meet the Group's emissions obligations.

Customer relationships and technology were assets acquired through the purchase of TFP Hydrogen Products Ltd by Technical Fibre Products Ltd on 18 January 2021.

Company All figures in £'000	Computer software	Emission allowances	Total
COST			
At 29 March 2025	4,392	–	4,392
Transfer from property, plant and equipment	83	–	83
At 28 March 2026	4,475	–	4,475
ACCUMULATED AMORTISATION			
At 29 March 2025	4,111	–	4,111
Charge for the period	212	–	212
At 28 March 2026	4,323	–	4,323
NET BOOK VALUE AT 28 MARCH 2026			
	152	–	152
NET BOOK VALUE AT 29 MARCH 2025			
	281	–	281

The accompanying notes form part of the financial statements.

Company All figures in £'000	Computer software	Emission allowances	Total
COST			
At 30 March 2024	4,392	146	4,538
Additions	–	268	268
Disposals/surrender of allowances	–	(414)	(414)
At 29 March 2025	4,392	–	4,392
ACCUMULATED AMORTISATION			
At 30 March 2024	3,974	–	3,974
Charge for the period	137	–	137
At 29 March 2025	4,111	–	4,111
NET BOOK VALUE AT 29 MARCH 2025			
	281	–	281
NET BOOK VALUE AT 30 MARCH 2024			
	418	146	564

10 PROPERTY, PLANT AND EQUIPMENT

Group All figures in £'000	Note	Freehold land & buildings	Plant & machinery	Assets under Construction ¹	Total
COST					
At 29 March 2025		15,636	100,836	1,840	118,312
Transfers		–	332	(332)	–
Transfer to intangible assets		–	–	(83)	(83)
Additions		–	315	577	892
Disposals		–	(91)	–	(91)
Effects of movements in foreign exchange		–	(94)	1	(93)
At 28 March 2026		15,636	101,298	2,003	118,937
ACCUMULATED DEPRECIATION & IMPAIRMENT					
At 29 March 2025		9,751	87,722	1,394	98,867
Charge for the period	4	272	1,650	–	1,922
Transfers		–	551	(551)	–
Disposal		–	(89)	–	(89)
Effects of movements in foreign exchange		–	(43)	–	(43)
Impairment	4	–	–	–	–
At 29 March 2025		10,023	89,791	843	100,657
NET BOOK VALUE AT 28 MARCH 2026					
		5,613	11,507	1,160	18,280
NET BOOK VALUE AT 29 MARCH 2025					
		5,885	13,114	446	19,445

1 Assets under construction comprise the expenditure to date on the decarbonisation programme and top loft structural work as well as innovation and operational improvements in the Hydrogen business.

In the prior year the Group recognised an impairment loss in respect of the net book value of the fixed assets in its Paper & Packaging Cash Generating Units (CGUs), in respect of property, plant and equipment assets and right-of-use assets. On transfer of the cost of impaired assets from assets under construction to plant & machinery, the corresponding impairment is transferred.

During the current year management identified indicators of impairment relating to these assets as the Paper & Packaging business remains loss making at an operating level and consequently an impairment assessment was performed in accordance with IAS 36 Impairment of Assets.

Cash flows in the Paper & Packaging business cannot be attributed to specific assets. Therefore the impairment review was carried out based on the three principal Cash Generating Units within the business, being James Cropper Speciality Papers Limited, James Cropper Converting Limited and James Cropper 3D Products Limited.

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

The recoverable amount is based on value in use with future cash flows in each of the CGUs discounted at a pre-tax weighted average cost of capital of 14.7% which the Board believes reflects the time value of money and risks specific to the CGUs. In carrying out the impairment review, the Board considered future growth rates of global paper and packaging markets. The Board prepared forecasts for the five-year period starting on 29 March 2026, with annual revenue growth forecast in single digits across this period. The Group used a growth rate of 1.8% for each CGU to extrapolate cash projections beyond this five-year period.

The recoverable amount exceeded the carrying amount and therefore no further impairment was recognised. Although the recoverable amount exceeded the carrying amount, management concluded that the turnaround plan of the Paper&Packaging division is at too early a stage to merit a change in estimates and reverse the impairment recognised in the prior year, as required by IAS 36. Accordingly, the prior year impairment has been retained.

A 1% decrease in annual revenue growth in the five-year forecast period or an increase in the discount rate by 1% would not have a material impact on headroom, and would not result in additional impairment.

Group All figures in £'000	Note	Freehold land & buildings	Plant & machinery	Assets under Construction ¹	Total
COST					
At 30 March 2024		15,349	98,289	3,098	116,736
Transfers		–	2,312	(2,312)	–
Additions		287	401	1,054	1,742
Disposals		–	(29)	–	(29)
Effects of movements in foreign exchange		–	(137)	–	(137)
At 29 March 2025		15,636	100,836	1,840	118,312
ACCUMULATED DEPRECIATION & IMPAIRMENT					
At 30 March 2024		8,572	79,674	823	89,069
Charge for the period	4	325	2,650	–	2,975
Disposal		–	(29)	–	(29)
Effects of movements in foreign exchange		–	(62)	–	(62)
Impairment	4	854	5,489	571	6,914
At 29 March 2025		9,751	87,722	1,394	98,867
NET BOOK VALUE AT 29 MARCH 2025		5,885	13,114	446	19,445
NET BOOK VALUE AT 30 MARCH 2024		6,777	18,615	2,275	27,667

1 Assets under construction comprise the expenditure to date on the decarbonisation programme and top loft structural work as well as innovation and operational improvements in the Hydrogen business.

Company All figures in £'000		Freehold land & buildings	Plant & machinery	Assets under Construction	Total
COST					
At 29 March 2025		1,884	2,973	126	4,983
Additions		–	7	4	11
Transfers		–	27	(27)	–
Transfer to intangible assets		–	–	(83)	(83)
At 28 March 2026		1,884	3,007	20	4,911
ACCUMULATED DEPRECIATION					
At 29 March 2025		641	2,390	–	3,031
Charge for period		32	104	–	136
At 28 March 2026		673	2,494	–	3,167
NET BOOK VALUE AT 28 MARCH 2026		1,211	513	20	1,744
NET BOOK VALUE AT 29 MARCH 2025		1,243	583	126	1,952

The accompanying notes form part of the financial statements.

Company All figures in £'000	Freehold land & buildings	Plant & machinery	Assets under Construction	Total
COST				
At 30 March 2024	1,857	2,769	–	4,626
Additions	27	204	126	357
At 29 March 2025	1,884	2,973	126	4,983
ACCUMULATED DEPRECIATION				
At 30 March 2024	609	2,321	–	2,930
Charge for period	32	69	–	101
At 29 March 2025	641	2,390	–	3,031
NET BOOK VALUE AT 29 MARCH 2025	1,243	583	126	1,952
NET BOOK VALUE AT 30 MARCH 2024	1,248	448	–	1,696

11 RIGHT-OF-USE ASSETS

Group All figures in £'000	Note	Land & buildings	Plant, equipment & vehicles	Total
COST				
At 29 March 2025		3,630	6,007	9,637
Additions		1,271	36	1,307
Disposals		(432)	(459)	(891)
Effects of movements in foreign exchange		(55)	–	(55)
At 28 March 2026		4,414	5,584	9,998
ACCUMULATED DEPRECIATION				
At 29 March 2025		1,455	2,789	4,244
Charge for the period	4	422	372	794
Disposals		(432)	(459)	(891)
Effects of movements in foreign exchange		(19)	–	(19)
Impairment		–	–	–
At 28 March 2026		1,426	2,702	4,128
NET BOOK VALUE AT 28 MARCH 2026		2,988	2,882	5,870
NET BOOK VALUE AT 29 MARCH 2025		2,175	3,218	5,393

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

Group			Plant, equipment &	
All figures in £'000	Note	Land & buildings	vehicles	Total
COST				
At 30 March 2024		4,129	5,857	9,986
Additions		385	218	603
Disposals		(805)	(68)	(873)
Effects of movements in foreign exchange		(79)	–	(79)
At 30 March 2024		3,630	6,007	9,637
ACCUMULATED DEPRECIATION				
At 30 March 2024		1,836	2,122	3,958
Charge for the period	4	392	474	866
Disposals		(805)	(64)	(869)
Effects of movements in foreign exchange		(26)	–	(26)
Impairment		58	257	315
At 30 March 2024		1,455	2,789	4,244
NET BOOK VALUE AT 29 MARCH 2025		2,175	3,218	5,393
NET BOOK VALUE AT 30 MARCH 2024		2,293	3,735	6,028

Total cash outflow in respect of leases in the year was £1,109k (2025: £1,338k). There were no expenses relating to variable lease payments not included in lease liabilities or expenses relating to short-term or low-value assets.

Company		Plant, equipment &	
All figures in £'000		vehicles	Total
COST			
At 29 March 2025		712	712
Additions		28	28
Disposals		(222)	(222)
At 28 March 2026		518	518
ACCUMULATED DEPRECIATION			
At 29 March 2025		382	382
Charge for the period		145	145
Disposals		(222)	(222)
At 28 March 2026		305	305
NET BOOK VALUE AT 28 MARCH 2026		213	213
NET BOOK VALUE AT 29 MARCH 2025		330	330

Company		Plant, equipment &	
All figures in £'000		vehicles	Total
COST			
At 30 March 2024		564	564
Additions		216	216
Disposals		(68)	(68)
At 29 March 2025		712	712
ACCUMULATED DEPRECIATION			
At 30 March 2024		294	294
Charge for the period		152	152
Disposals		(64)	(64)
At 29 March 2025		382	382
NET BOOK VALUE AT 29 MARCH 2025		330	330
NET BOOK VALUE AT 30 MARCH 2024		270	270

NOTES TO THE FINANCIAL STATEMENTS cont.

12 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

All figures in £'000	Company	
	2026	2025
At cost	7,350	7,350
Less: provision for impairment	(5,000)	(5,000)
At 28 March 2026/29 March 2025	2,350	2,350

Investments in subsidiary undertakings are stated at cost less provision for impairment. The investment in James Cropper Speciality Papers Limited remains fully impaired following an impairment review in the year. During the year, the investment held by James Cropper Speciality Papers Limited in James Cropper (Guangzhou) Trading Co Limited was realised.

AUDIT EXEMPTION OF SUBSIDIARIES

The following subsidiary undertakings are exempt from the requirement to have their financial statements audited for the year ended 28 March 2026 by virtue of s.479A of the Companies Act 2006:

- James Cropper 3D Products Limited (Company number: 09633167)
- James Cropper Overseas Trading Limited (Company number: 11829843)
- TFP Hydrogen Products Limited (Company number: 07553427)

The subsidiaries listed above have the registered address: Burnside Mills, Kendal, Cumbria, LA9 6PZ

The Company has provided a guarantee under s.479C of the Companies Act 2006 in respect of all liabilities of these subsidiaries at the end of the financial year. A copy of the guarantee has been filed at Companies House.

A list of principal subsidiary undertakings is given below:

Company name	Country of incorporation	Registered office of (see below)	% holding of ordinary shares	Direct or indirect holding	Nature of business
James Cropper Speciality Papers Limited	England	(i)	100	Direct	Manufacturer of specialist paper and board
James Cropper Converting Limited	England	(i)	100	Direct	Paper converter
James Cropper 3D Products Limited	England	(i)	100	Direct	Manufacturer of moulded fibre products
Technical Fibre Products Limited	England	(i)	100	Direct	Manufacturer of advanced materials
TFP Hydrogen Products Limited	England	(i)	100	Indirect	Manufacturer of electrochemical materials
Tech Fibers Inc	USA	(ii)	100	Indirect	Holding company
Technical Fibre Products Inc	USA	(ii)	100	Indirect	Sales and marketing organisation
Metal Coated Fibers Inc	USA	(ii)	100	Indirect	Manufacturer of metal coated carbon fibres
Electro Fiber Technologies LLC	USA	(ii)	100	Indirect	Manufacturer of metal coated fibres
James Cropper EBT Limited	England	(i)	100	Direct	Dormant company
Melmore Company Limited	England	(i)	100	Direct	Dormant company
James Cropper Paper Limited	England	(i)	100	Direct	Dormant company
The Paper Mill Shop Company Limited	England	(i)	100	Direct	Dormant company
James Cropper Overseas Trading Limited	England	(i)	100	Direct	Marketing organisation
James Cropper Germany GmbH	Germany	(iii)	100	Indirect	Marketing organisation

(i) Burnside Mills, Kendal, Cumbria, England, LA9 6PZ

(ii) 679 Mariaville Road, Schenectady, NY 12306, USA

(iii) c/o ADKL Abels Decker Kuhfuß & Partner mbB, Breite Straße 29-31, 40213 Düsseldorf, Germany

The accompanying notes form part of the financial statements.

13 AMOUNTS OWED BY GROUP UNDERTAKINGS

All figures in £'000	Company	
	2026	2025
Amounts owed by Group undertakings	50,194	41,762
Less: Provision for impairment of loans	(26,828)	(26,943)
Amounts owed by Group undertakings – net	23,366	14,819

Amounts owed by Group undertakings include loans of £26,000k (2025: £26,000k) and intercompany funding accounts of £24,194k (2025: £15,762k). The loans are repayable on 31 March 2029 and bear interest at 5.70% (2025: 6.95%) per annum. It is not the intention for the intercompany funding accounts to be settled within 12 months. A provision for impairment of £16,000k (2025: £16,000k) has been raised against the intercompany loans and £10,828k (2025: £10,943k) against the intercompany funding accounts.

14 OTHER FINANCIAL ASSETS

All figures in £'000	Group		Company	
	2026	2025	2026	2025
Interest rate cap	–	384	–	384
Current asset	–	384	–	384

The loss arising in the Statement of Comprehensive Income on fair value hedging instruments was £169k (2025: £121k). The loss arising in the Statement of Other Comprehensive Income on fair value hedging instruments was £215k (2025: £314k).

15 INVENTORIES

All figures in £'000	Group 2026	Group 2025
Materials	7,100	6,490
Work in progress	2,546	2,062
Finished goods	6,233	6,732
	15,879	15,284

Inventories are stated after a provision for impairment of £3,412k (2025: £1,407k).

The total cost of inventories recognised in the Statement of Comprehensive Income for the year ended 28 March 2026, including direct and overhead costs absorbed into the cost of goods sold, was £67,364k (2025: £65,996k). These costs are included in the Statement of Comprehensive Income in raw materials and consumables used, changes in inventories of finished goods and work in progress, energy costs, employee benefit costs and other expenses.

The Company does not hold any inventories.

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

16 TRADE AND OTHER RECEIVABLES

All figures in £'000	Group 2026	Group 2025	Company 2026	Company 2025
Trade receivables	16,751	15,364	–	–
Less: Provision for impairment of receivables	(686)	(596)	–	–
Trade receivables – net	16,065	14,768	–	–
Amounts owed by Group undertakings	–	–	6,285	10,784
Other receivables	171	496	124	126
Prepayments and accrued income	1,759	1,994	415	1,105
	17,995	17,258	6,824	12,015

The carrying value of trade and other receivables classified at amortised cost approximates to fair value.

The Group does not hold any collateral as security.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. Refer to note 20 for further detail.

The expected loss rates are based on the Group's historic credit losses experienced. The historic loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the current state of the economy and industry-specific factors as the key factors in the countries where the Group operates.

17 TRADE AND OTHER PAYABLES

All figures in £'000	Group 2026	Group 2025	Company 2026	Company 2025
Trade payables	7,645	9,341	586	601
Deferred income	408	–	–	–
Amounts owed to Group undertakings	–	–	4,932	2,990
Other tax and social security payable	651	287	176	199
Other payables	516	709	277	248
Accruals	7,657	5,724	1,879	1,235
DUE WITHIN ONE YEAR	16,877	16,061	7,850	5,273

The fair values of trade and other payables approximate to their carrying values. Accruals includes balances in relation to rebates, bonuses and tax and social security costs.

18 PROVISIONS

DILAPIDATION PROVISIONS

The Group is required to restore certain leased properties to their original condition at the end of the lease term. A provision is recognised for the estimated costs of reinstatement expected to be incurred upon lease expiry.

All figures in £'000	Group 2026
At 29 March 2025	0
Recognised in the current year in:	
— other expenses	245
— right-of-use assets	289
At 28 March 2026	534

NATURE OF THE OBLIGATION

The provision relates to contractual obligations under property leases to return leased premises to their original condition. The obligation arises from the terms of the lease agreements and is expected to be settled through restoration works at the end of the lease term. An obligation existed in prior periods but was not previously recognised. Management has assessed the impact of this omission and concluded that it is not material to the prior period financial statements.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the error has been corrected in the current period, with no restatement of comparative information. The opening balance of the provision at 29 March 2025 is therefore £nil.

EXPECTED TIMING OF OUTFLOWS

The majority of the provision is expected to be settled between 2030 and 2031, corresponding to the expiry dates of the underlying leases.

UNCERTAINTIES AND KEY ASSUMPTIONS

The provision is based on management's best estimate of the expected cost of reinstatement, including assumptions regarding:

- the extent of restoration required
- expected cost levels at the time of settlement
- condition of the property at lease end

REIMBURSEMENTS

No reimbursement asset has been recognised, as the Group does not have a contractual right to recover any of the restoration costs from third parties.

19 BORROWINGS

All figures in £'000	Note	Group	Company		
		2026	2025	2026	2025
CURRENT					
Bank loans and overdrafts due within one year or on demand:					
Unsecured bank loans ¹		5,088	2,247	2,300	1,619
Lease liabilities		1,044	934	96	130
	20.3	6,132	3,181	2,396	1,749
NON-CURRENT LOANS					
Unsecured bank loans ¹		10,943	16,096	10,942	13,260
Lease liabilities		4,036	4,226	97	165
	20.3	14,979	20,322	11,039	13,425

1 The bank loans bear interest at rates of SONIA + 1.95% and SOFRA + 2.75%.

NOTES TO THE FINANCIAL STATEMENTS cont.

RECONCILIATION OF NET CASH FLOW TO NET DEBT

Group All figures in £'000	29 March 2025	Cash flow	Non-cash additions	Finance costs	Interest paid	Reclassify	Exchange movement	28 March 2026
Loans repayable within 1 year	2,247	(2,256)	–	1,145	(1,118)	5,070	–	5,088
Loans repayable after 1 year	16,096	–	–	–	–	(5,070)	(83)	10,943
	18,343	(2,256)	–	1,145	(1,118)	–	(83)	16,031
Lease liabilities repayable within 1 year	934	(1,109)	–	217	(43)	1,045	–	1,044
Lease liabilities repayable after 1 year	4,226	–	908	–	–	(1,045)	(53)	4,036
	5,160	(1,109)	908	217	(43)	–	(53)	5,080
Total borrowings	23,503	(3,365)	908	1,362	(1,161)	–	(136)	21,111
Cash and cash equivalents	10,614	2,458	–	–	–	–	(13)	13,059
Net Debt	12,889	(5,823)	908	1,362	(1,161)	–	(123)	8,052

20 FINANCIAL INSTRUMENTS AND RISK

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, currency risk and interest rate risk. This note presents information about the fair value of the Group's financial instruments, the Group's exposure to each of the risks noted and the Group's objectives, policies and processes for measuring and managing risk. The Board has overall responsibility for the risk management strategy and coordinates activity across the Group. This responsibility is discussed further in the Directors' report. Exposure to the financial risks noted arise in the normal course of the Group's business.

20.1 FINANCIAL INSTRUMENTS BY CATEGORY

The fair values of the financial assets and liabilities of the Group are as follows:

Group		Fair value through profit or loss		Amortised cost loans and receivables	
All figures in £'000	Note	2026	2025	2026	2025
FINANCIAL ASSETS					
CURRENT					
Trade receivables	16	–	–	16,065	14,768
Other receivables	16	–	–	171	496
Other financial assets – derivatives	14	–	384	–	–
Cash and cash equivalents		–	–	13,059	10,614
		–	384	29,295	25,878
FINANCIAL LIABILITIES					
CURRENT					
Trade payables	17	–	–	7,645	9,341
Deferred income	17	–	–	408	
Other payables	17	–	–	516	709
Accruals	17	–	–	7,657	5,724
Loans and borrowings	18	–	–	6,132	3,181
		–	–	22,358	18,955
NON-CURRENT					
Loans and borrowings	18	–	–	14,979	20,322

The accompanying notes form part of the financial statements.

The fair values of the financial assets and liabilities of the Company are as follows:

Company All figures in £'000	Note	Fair value through profit or loss		Amortised cost loans and receivables	
		2026	2025	2026	2025
FINANCIAL ASSETS					
NON-CURRENT					
Amounts owed by Group undertakings	13	–	–	23,366	14,819
		–	–	23,366	14,819
CURRENT					
Amounts owed by Group undertakings	16	–	–	6,285	10,784
Other receivables	16	–	–	124	126
Other financial assets – derivatives	14	–	384	–	–
Cash and cash equivalents		–	–	10,864	8,836
		–	384	17,273	19,746
FINANCIAL LIABILITIES					
CURRENT					
Trade payables	17	–	–	586	601
Amounts owed to Group undertakings	17	–	–	4,932	2,990
Other payables	17	–	–	277	248
Accruals	17	–	–	1,879	1,235
Loans and borrowings	18	–	–	2,396	1,749
		–	–	10,070	6,823
NON-CURRENT					
Loans and borrowings	18	–	–	11,039	13,425
Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings. Due to their short-term nature, the carrying values of cash and cash equivalents, trade and other receivables, and trade and other payables approximates to their fair value. The table below analyses financial instruments carried at fair value, by valuation method.					
Fair value estimates of derivatives are based on relevant market information and using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows for each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, spot and forward rates, as well as option volatility. To comply with the provisions of IFRS 13, the Company incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the respective counterparty’s non-performance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of non-performance risk, the Company has considered the impact of netting and any applicable credit enhancements such as collateral postings, thresholds, mutual puts and guarantees.					
All figures in £'000		2026 Level 2	2026 Total	2025 Level 2	2025 Total
FINANCIAL ASSETS (GROUP AND COMPANY)					
Derivatives		–	–	384	384

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

20.2 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, and trade and other receivables. Credit risk arising from the Group's normal commercial activities are controlled by individual business units operating in accordance with Group policies and procedures. The credit risk in respect of cash balances held by banks is managed by only engaging with major reputable financial institutions. Exposure to credit risk arises from the potential for a customer to default on their invoiced sales. The Group has credit insurance in place. For both insured and uninsured customers, the financial strength and credit worthiness of the customer is assessed based on a variety of internal and external information. Specific credit risk controls that match the risk profile of customers are applied. Ongoing credit risk is managed through regular review of ageing analysis, together with credit limits for each customer. Trade receivables consist of a large number of customers in various industries and geographical areas. The Group does not hold any collateral relating to other financial assets at each annual reporting date.

Trade receivables as at the reporting date were:

Group		
All figures in £'000	2026	2025
Paper & Packaging	8,797	8,310
Advanced Materials	7,954	7,054
Trade receivables	16,751	15,364
Provision for impairment on trade receivables	(686)	(596)
	16,065	14,768

The Company does not have trade receivables.

PROVISION FOR IMPAIRMENT – GROUP

The majority of trade receivables are covered by credit insurance. All trade receivables have been reviewed under the expected credit loss impairment model and a provision of £686k (2025: £596k) has been recorded accordingly. The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. The expected loss rates are based on the Group's historic credit losses experienced. The historic loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historic loss rates for expected changes in these factors. Trade receivables are written off when there is no reasonable expectation of recovery.

On the above basis, the expected credit loss for trade receivables as at the reporting date was determined as follows:

2026	Trade Receivables days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
All figures in £'000					
Expected credit loss rate	1%	20%	33%	100%	4%
Gross carrying amount	15,327	1,205	1	218	16,751
Lifetime expected credit loss	225	242	1	218	686

2025	Trade Receivables days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
All figures in £'000					
Expected credit loss rate	2%	67%	80%	85%	4%
Gross carrying amount	14,963	281	10	109	15,364
Lifetime expected credit loss	307	188	8	93	596

The movements in the provision for impairment on trade receivables during the year was as follows:

Group		
All figures in £'000	2026	2025
At 29 March 2025/30 March 2024	596	513
Increase during the period	90	83
At 28 March 2026/29 March 2025	686	596

The accompanying notes form part of the financial statements.

PROVISION FOR IMPAIRMENT – COMPANY

Intra-group loan receivables are as follows:

All figures in £'000	2026	2025
James Cropper Speciality Papers Limited	12,000	12,000
James Cropper Converting Limited	3,000	3,000
James Cropper 3D Products Limited	4,000	4,000
Technical Fibre Products Limited	7,000	7,000
	26,000	26,000
Lifetime expected credit loss	(16,000)	(16,000)
Net intra-group loans	10,000	10,000

The movement in the lifetime expected credit loss on intra-group loan receivables during the year was as follows:

Company		
All figures in £'000	2026	2025
At 29 March 2025/30 March 2024	16,000	16,000
Charged during the period	–	–
At 28 March 2026/29 March 2025	16,000	16,000

20.3 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not have sufficient funds to meet liabilities. The Group's policy is to maintain a mix of short-, medium- and long-term borrowings with a number of banks. Short-term flexibility is achieved through overdraft facilities.

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The maturity profile of the carrying amount of the current and non-current financial liabilities at the reporting date was as follows:

Group	2026			2025		
	Debt liabilities	Lease liabilities	Total	Debt liabilities	Lease liabilities	Total
All figures in £'000						
In less than one year	5,074	1,192	6,266	2,278	1,120	3,398
In more than one year but not more than two years	3,420	1,173	4,593	5,136	1,064	6,200
In more than two years but not more than five years	7,680	1,814	9,494	11,100	1,982	13,082
In more than five years	–	1,433	1,433	–	1,781	1,781
	16,174	5,612	21,786	18,514	5,947	24,461

Company	2026			2025		
	Debt liabilities	Lease liabilities	Total	Debt liabilities	Lease liabilities	Total
All figures in £'000						
In less than one year	2,300	93	2,393	1,651	138	1,789
In more than one year but not more than two years	3,420	66	3,486	2,300	103	2,403
In more than two years but not more than five years	7,680	16	7,696	11,100	85	11,185
In more than five years	–	–	–	–	–	–
	13,400	175	13,575	15,051	326	15,377

TRADE PAYABLES

Trade payables at the reporting date were:

	Group 2026	Group 2025	Company 2026	Company 2025
All figures in £'000				
Trade payables	7,645	9,341	586	601
Total contractual cash flows	7,645	9,341	586	601

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

BORROWING FACILITIES

The Group has the following undrawn committed borrowing facilities available at the reporting date:

Group	2026	2025
All figures in £'000	Floating rate	Floating rate
Expiring within one year	–	3,500

The Group's expiry profile of the drawn down facilities is as follows:

	Group 2026	Group 2025	Company 2026	Company 2025
All figures in £'000				
Year ending:				
March 2026	–	2,208	–	1,600
March 2027	5,074	5,136	2,300	2,300
March 2028	3,420	3,420	3,420	3,420
March 2029	3,840	3,840	3,840	3,840
March 2030	3,840	3,840	3,840	3,840
	16,174	18,444	13,400	15,000

20.4 CURRENCY RISK

The Group publishes its consolidated financial statements in sterling and has subsidiaries that operate in the United States of America and Europe. In addition, the Group trades with certain debtors and creditors in foreign currencies. As a result, it is subject to foreign currency exchange risk arising from exchange rate movements which will be reflected in the Group's transaction costs.

The Group is exposed to foreign exchange risks primarily with respect to US Dollars and the Euro. Where possible, the Group maintains a policy of balancing sales and purchases denominated in foreign currencies. Where an imbalance remains, the Group has entered into certain forward exchange contracts.

Represented below is the net exposure to foreign currencies, reported in pounds sterling, and arising from all Group activities, at the reporting date.

2026 Group					
All figures in £'000	USD	Euro	Other	Local currency	Total
Trade receivables	3,755	2,054	5	10,251	16,065
Trade payables	1,520	1,435	–	4,690	7,645
Net exposure	2,235	619	5	5,561	8,420

2025 Group					
All figures in £'000	USD	Euro	Other	Local currency	Total
Trade receivables	1,962	2,104	42	10,660	14,768
Trade payables	2,179	1,047	–	6,115	9,341
Net exposure	(217)	1,057	42	4,545	5,427

This represents the net exposure to foreign currencies, reported in pounds sterling, and arising from all Group activities.

At the reporting date, the Company's exposure to foreign currency risk was as follows:

2026 Company					
All figures in £'000	USD	Euro	Other	Local currency	Total
Trade receivables	–	–	–	–	–
Trade payables	2	–	–	584	586
Net exposure	2	–	–	584	586

The accompanying notes form part of the financial statements.

2025 Company					
All figures in £'000	USD	Euro	Other	Local currency	Total
Trade receivables	–	–	–	–	–
Trade payables	1	–	–	600	601
Net exposure	1	–	–	600	601

A 1% strengthening of the pound against the Euro and the US Dollar at the reporting date would have had the following impact on profit.

Impact on profit	Group 2026	Group 2025	Company 2026	Company 2025
All figures in £'000				
USD	(22)	2	–	–
Euro	(6)	(11)	–	–

This sensitivity analysis is indicative only and it should be noted that the Group's exposure to such market rate changes is continually changing. The calculations assume all other variables remain constant.

20.5 INTEREST RATE RISK

Interest rate risk derives from the Group's exposure to changes in the value of an asset or liability or future cash flow as a result of changes in interest rates. The Group finances its operations through a mixture of retained profit and bank borrowings. The Group borrows in the desired currencies at fixed or floating rates of interest.

The net exposure to interest rates, measured on variable rate debt instruments, at the reporting date is summarised below.

	Group 2026	Group 2025	Company 2026	Company 2025
All figures presented in £'000				
Interest-bearing liabilities – floating borrowings	16,031	18,343	13,243	14,879
Interest-bearing liabilities – fixed lease liabilities	5,079	5,160	192	295
Interest-bearing liabilities	21,110	23,503	13,435	15,174

The effective interest rates at the reporting date were as follows:

	2026 %	2025 %
Borrowings	5.5	4.2

The sensitivity analysis below assumes a 100 basis point change in interest rates from their levels at the reporting date, with all other variables held constant. A 1% rise in interest rates would result in an additional £160k interest expense for the Group and £132k for the Company. The impact of a decrease in rates would be an equivalent reduction in the annual charge.

	Group 2026	Group 2025	Company 2026	Company 2025
All figures presented in £'000				
Statement of Comprehensive Income	160	36	132	–

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

20.6 DERIVATIVE CONTRACTS

GROUP AND COMPANY

Derivative assets		
All figures in £'000	2026	2025
Derivatives designated as hedging instruments		
Interest rate cap	–	384
Total derivatives designated as hedging instruments	–	384
Total derivative financial assets	–	384
Current portion	–	384

The Group has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments. The Group enters into hedge relationships where the critical terms of the hedging instrument and the hedged item match. The Group performs a qualitative assessment at the origination of the hedge to determine its prospective effectiveness. Quantitative effectiveness tests are performed at each period end to determine the continuing effectiveness of the relationship. Where changes occur to the hedged item which result in the critical terms no longer matching, the hypothetical derivative method is used to assess effectiveness.

CASH FLOW INTEREST RATE CAP

The Group entered into a SONIA interest rate cap, with an effective date of 28 March 2022 that ran until 30 March 2026, to manage exposure to interest rate fluctuations. The Group has a floating rate liability with an interest profile linked to SONIA compounded in arrears. The Cap was set at 1.5% per annum on a notional £15,000,000 to protect the Group from the risk of interest rates rising above the Cap Rate, limiting the Group's exposure to higher interest rates.

The effects of the cash flow interest rate swap hedging relationships are as follows at the reporting date:

Group and company		
All figures in £'000	2026	2025
Carrying amount of the derivatives	–	384
Change in fair value of the designated hedging instrument	(384)	(435)
Notional amount	15,000	15,000
Maturity date	30 March 2026	30 March 2026

21 RETIREMENT BENEFITS

The Group operates a number of pension schemes. Two of these schemes, the James Cropper plc Works Pension Plan ('Works Scheme') and the James Cropper plc Pension Scheme ('Staff Scheme') are funded defined benefit schemes. The Group also operates a defined contribution scheme and makes contributions to personal pension plans for its employees in the USA.

Pension costs for the defined contribution scheme and personal pension contributions are as follows:

All figures in £'000	2026	2025
Defined contribution schemes	980	970
Personal pension contributions	60	76

Other pension costs totalled £419k (2025: £464k) and represent life assurance charges, government pension protection fund levies and other current service costs.

DEFINED BENEFIT PLANS

With effect from 1 April 2011 active members' benefits were reduced such that future increases in pensionable salaries were restricted to a cap of 2% per annum. As from 1 April 2017 (Works Scheme) and 1 July 2017 (Staff Scheme) increases in pension once it is in-payment will be in line with the annual increase in CPI.

The Staff and Works Schemes remain defined benefit schemes but they will no longer be 'final salary' schemes. The most recent actuarial valuations of the Staff Scheme and the Works Scheme were undertaken in 2025 by qualified independent actuaries. The major assumptions used by the actuary for each scheme were as noted below. The expected return on plan assets is calculated by using a weighted average across each category of asset:

	Staff Scheme		Works Scheme	
All figures in %	2026	2025	2026	2025
CPI inflation assumption	3.00	2.80	3.05	2.90
RPI inflation assumption	3.35	3.20	3.30	3.20
Rate of increase in pensionable salaries	1.70	1.65	1.70	1.65
Discount rate	6.00	5.65	6.10	5.75
Pension increases for in-payment benefits capped at 5%, with a 3% floor	3.70	3.65	3.55	3.50
Pension increases for in-payment benefits capped at 2.5%, with a 0% floor	2.15	2.10	2.15	2.10

In respect of mortality for the Staff and Works Scheme members, the assumptions adopted are 120% and 130% respectively of the SAPS 'S4' series table, mirroring the assumptions used by the actuary in the 2025 triennial valuation. Future improvements are in line with the CMI core 2023 projection model with long-term trend improvements of 1.25% pa.

The long-term expected rate of return on cash is determined by reference to bank base rates at the SFP dates. The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the reporting date. The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

The method adopted for determining the discount rate has been selected as the most appropriate following specialist advice and the discount rate has been calculated based on a yield curve of an appropriate duration to the schemes' liabilities.

The amounts recognised in the Statement of Financial Position ('SFP') are determined as follows:

All figures in £'000	2026	2025	2024	2023	2022
Defined benefit obligation ('DB0')	(79,360)	(80,568)	(87,020)	(89,305)	(121,651)
Fair value of assets ('FVA')	65,335	64,654	69,727	73,165	109,909
Deficit	(14,025)	(15,914)	(17,293)	(16,140)	(11,742)
Effect of limit on recoverable surplus	–	–	–	–	(1,388)
Net liability recognised in the SFP	(14,025)	(15,914)	(17,293)	(16,140)	(13,130)
Staff Scheme	(3,714)	(3,659)	(3,558)	(2,144)	1,623
Works Scheme	(10,311)	(12,255)	(13,735)	(13,996)	(13,365)
Deficit	(14,025)	(15,914)	(17,293)	(16,140)	(11,742)
Effect of limit on recoverable surplus	–	–	–	–	(1,388)
Net liability recognised in the SFP	(14,025)	(15,914)	(17,293)	(16,140)	(13,130)

Overall, the combined funding position on an IAS 19 measure for both schemes has improved over the year from a deficit of £15,914k to a deficit of £14,025k. The mean term of the liabilities at the reporting date was 10 years for the Staff Scheme (2025: 10 years) and 13 years for the Works Scheme (2024: 13 years). The Group has considered the potential impact of the Virgin Media ruling. The Trustees are investigating relevant rule amendments and whether the required section 37 actuarial confirmations were obtained. The Group has not been informed of any findings affecting Scheme liabilities as at 28 March 2026, so no adjustment has been recognised in the accounts.

The key risks relating to the pension schemes can be found in the Pension Report on page 43.

NOTES TO THE FINANCIAL STATEMENTS cont.

The fair value of the plan assets comprises the following categories of asset in the stated proportions:

	Staff Scheme		Works Scheme	
	2026	2025	2026	2025
All figures in %				
Managed growth	68.5	67.9	65.3	63.4
Annuities	2.8	3.6	1.0	1.1
Cash	2.0	2.6	2.3	2.5
Matching assets	26.6	25.9	31.3	33.0

The pension plan assets do not include any investments in the shares of the Company (2025: nil).

Apart from the annuities and cash, the assets of the schemes are held in an unquoted investment fund managed by the schemes’ fiduciary manager and comprising combinations of the above assets. Within those funds, the indirect equity exposures are predominantly quoted. The matching assets primarily comprise UK gilts and other fixed interest securities, together with swaps and cash, designed to match the sensitivity of the schemes’ liabilities to movements in long-term interest rates and inflation expectations.

The amounts recognised in the Statement of Comprehensive Income are as follows:

All figures in £'000	2026	2025
Total included within employee benefit costs – current service costs and administrative costs	247	297
Interest income on plan assets	(3,568)	(3,417)
Interest cost on defined benefit obligation	4,430	4,246
Total included within interest	862	829
Total	1,109	1,126

Analysis of the movement in the Statement of Financial Position liability:

All figures in £'000	2026	2025
At 29 March 2025/30 March 2024	(15,914)	(17,293)
Total expense as above	(1,109)	(1,126)
Contributions paid	1,559	1,827
Actuarial gains/(losses) recognised in Other Comprehensive Income	1,439	678
At 28 March 2026/29 March 2025	(14,025)	(15,914)

The actual return on plan assets was £4,628k (2025: £2,041k deficit).

Following the April 2025 triennial valuations, a deficit recovery plan was agreed with the Trustees with a schedule of contributions which includes additional contributions into the Works Scheme of £0.93m per annum from 1 April 2026 to 31 March 2028, £1.15m per annum from 1 April 2028 to 31 October 2031 and £1.58m per annum for the period between 1 November 2031 to 30 June 2033. Additional contributions of £0.35m per annum between 1 April 2026 and 31 March 2028 and £0.43m per annum between 1 April 2028 and 31 October 2031 will also be made into the Staff Scheme. The minimum funding requirement does not give rise to an additional liability under IFRIC 14.

The cumulative amount of actuarial losses recognised in the Statement of Comprehensive Income, since the adoption of IAS 19, are £15,706k (2025: £17,145k).

	2026				2025			
	Works Scheme FVA	Works Scheme DBO	Staff Scheme FVA	Staff Scheme DBO	Works Scheme FVA	Works Scheme DBO	Staff Scheme FVA	Staff Scheme DBO
All figures in £'000								
At 29 March 2025/30 March 2024	35,034	(47,289)	29,620	(33,279)	37,247	(50,982)	32,480	(36,038)
Interest income on plan assets	1,957	–	1,611	–	1,856	–	1,561	–
Current service costs	–	(194)	–	(59)	–	(242)	–	(55)
Benefits paid	(3,468)	3,468	(2,259)	2,259	(2,597)	2,597	(2,499)	2,499
Contributions by plan participants	169	(169)	46	(46)	186	(186)	51	(51)
Employer contributions	1,444	–	121	–	1,695	–	132	–
Interest cost on the DBO	–	(2,618)	–	(1,812)	–	(2,509)	–	(1,737)
Return on plan assets	583	–	477	–	(3,353)	–	(2,105)	–
Actuarial gain on DBO	–	772	–	(393)	–	4,033	–	2,103
At 28 March 2026/29 March 2025	35,719	(46,030)	29,616	(33,330)	35,034	(47,289)	29,620	(33,279)

EXPERIENCE ADJUSTMENTS

All figures in £'000	2026	2025	2024	2023	2022
Arising on plan assets	1,060	(5,458)	(3,759)	(35,803)	(5,356)
Percentage of scheme assets	1.62%	(8.44%)	(5.39%)	(48.93%)	(4.87%)
Arising on plan liabilities	379	6,136	1,972	30,489	11,521
Percentage of scheme liabilities	0.48%	7.62%	2.27%	34.14%	9.47%

SENSITIVITY ANALYSES

The sensitivity analyses below have been determined based on reasonable possible changes to the respective assumptions made at the end of the reporting period, while holding all other assumptions constant. The sensitivity analyses may not be representative of the actual changes in the net retirement benefits as it is unlikely that the changes in assumptions would occur in isolation of one another.

Staff Scheme	Current assumption	Sensitivity	£'000	Effect on DBO
Discount rate	6.0% p.a.	0.5% decrease	1,533	+4.6%
Price inflation	3.35% p.a. (RPI)	0.5% increase	400	+1.2%
Mortality	120% of SAPS 'S4' series table	Increase in life expectancy of 1 year	1,167	+3.5%

Works Scheme	Current assumption	Sensitivity	£'000	Effect on DBO
Discount rate	6.1% p.a.	0.5% decrease	2,624	+5.7%
Price inflation	3.3% p.a. (RPI)	0.5% increase	506	+1.1%
Mortality	130% of SAPS 'S4' series table	Increase in life expectancy of 1 year	1,427	+3.1%

NOTES TO THE FINANCIAL STATEMENTS cont.

22 DEFERRED TAXATION

The movement on the deferred tax account is shown below:

All figures in £'000	Group 2026	Group 2025	Company 2026	Company 2025
At 29 March 2025/30 March 2024	3,958	2,628	3,909	4,286
(Charge)/credit to other comprehensive income	(360)	(169)	(360)	(169)
Credit to equity	(3)	3	(3)	3
Adjustments in respect of prior years	25	32	(33)	(67)
Credit/(charge) to Statement of Comprehensive Income	(952)	1,464	(13)	(144)
At 28 March 2026/29 March 2025	2,668	3,958	3,500	3,909

Given the right of set off, deferred tax assets and liabilities have been presented on a net basis in the current year in both the Group and Company SOFP. Further detail on the constituent assets and liabilities is presented below:

DEFERRED TAX ASSETS

All figures in £'000	Group				Company			
	Pension	Share options	Other	Total	Pension	Share options	Other	Total
At 30 March 2024	4,323	6	1,071	5,400	4,324	6	54	4,384
Adjustment in respect of prior years	–	–	(33)	(33)	–	–	(14)	(14)
(Charge)/credit to Statement of Comprehensive Income	(173)	7	120	(46)	(173)	7	46	(120)
Credit to equity	–	3	–	3	–	3	–	3
Charge to other comprehensive income	(169)	–	–	(169)	(169)	–	–	(169)
At 29 March 2025	3,981	16	1,158	5,155	3,982	16	86	4,084
Adjustment in respect of prior years	(2)	–	59	57	(3)	–	(30)	(33)
(Charge)/credit to Statement of Comprehensive Income	(111)	51	(770)	(830)	(111)	51	9	(51)
Charge to equity	–	(3)	–	(3)	–	(3)	–	(3)
Charge to other comprehensive income	(360)	–	–	(360)	(360)	–	–	(360)
AT 28 MARCH 2026	3,508	64	447	4,019	3,508	64	65	3,637

DEFERRED TAX LIABILITIES

All figures in £'000	Group		Company	
	Accelerated capital allowances	Total	Accelerated capital allowances	Total
At 30 March 2024	(2,772)	(2,772)	(98)	(98)
Adjustment in respect of prior years	65	65	(53)	(53)
Credit/(charge) to Statement of Comprehensive Income	1,510	1,510	(24)	(24)
At 29 March 2025	(1,197)	(1,197)	(175)	(175)
Adjustment in respect of prior years	(32)	(32)	–	–
(Charge)/credit to Statement of Comprehensive Income	(122)	(122)	38	38
AT 28 MARCH 2026	(1,351)	(1,351)	(137)	(137)

The Group has not recognised a deferred tax asset on the tax losses incurred by its US subsidiaries of £795k (2025: £1,848k) due to uncertainty around the availability of future taxable profits against which the losses can be utilised.

The accompanying notes form part of the financial statements.

23 SHARE CAPITAL

GROUP AND COMPANY

Issued and fully paid	Number of ordinary shares	£'000
At 29 March 2025	9,554,803	2,389
At 28 March 2026	9,554,803	2,389

The number of ordinary shares presented above includes 124,246 shares held in Trust. These shares are treated as own shares and deducted from equity in accordance with IAS 32.

POTENTIAL ISSUE OF ORDINARY SHARES

Under the Group's Long-Term Incentive Plan for Executive Directors and senior executives, such individuals hold rights over ordinary shares that may result in the issue of up to 470,794 ordinary shares of 25p by 1 August 2028 (2025: 169,669 ordinary shares of 25p by 9 September 2027). There were no share options exercised in the period (2025: nil). Further information on Directors' share options can be seen in the Remuneration Committee Report.

LONG-TERM INCENTIVE PLAN

	Options at 29 March 2025	Options granted in the period	Options exercised in the period	Options not expected to vest	Options lapsed in the period	Options at 28 March 2026
Share options	169,669	345,009	–	–	43,884	470,794

The amount of gains made by Directors on share options exercised in the year totalled £nil (2025: £nil).

The Statement of Comprehensive Income includes an LTIP debit of £189,312 for the year in relation to Directors (2025: £9,441 credit).

CASH-SETTLED OPTIONS

Conditional cash awards ('Cash Awards') grant participating employees a conditional right to be paid a cash amount based on the proceeds of the sale of a specified number of ordinary shares following vesting of the award. Under the LTIP Plan, conditional cash awards were granted to Executive Directors and senior management as follows:

	Options at 29 March 2025	Options granted in the period	Options exercised in the period	Options not expected to vest	Options lapsed in the period	Options at 29 March 2026
Cash-settled options	78,361	–	917	–	8,248	69,196

No profit was made on the exercise of cash-settled share options by directors in the current or prior year.

24 EMPLOYEES AND DIRECTORS

Employee benefit costs during the period:

All figures in £'000	Group 2026	Group 2025	Company 2026	Company 2025
Wages and salaries	26,899	28,383	5,151	4,890
Social security costs	3,132	2,816	597	526
Pension costs (note 20)	1,459	1,510	372	345
Termination benefits	1,002	–	134	–
	32,492	32,709	6,254	5,761

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

The average monthly number of people (including Executive Directors) employed in the Group during the year, analysed by division was as follows:

	Full-time equivalent		Headcount	
	2026	2025	2026	2025
All figures in number				
James Cropper Paper Products	297	341	301	344
Technical Fibre Products	147	150	152	153
James Cropper plc	80	86	93	100
	524	577	546	597

25 CAPITAL COMMITMENTS

All figures in £'000	Group 2026	Group 2025	Company 2026	Company 2025
Contracts placed for future capital expenditure not provided in the financial statements	271	73	–	–

26 CONTINGENCIES AND EVENTS POST THE REPORTING PERIOD

On 1 July 2026 the Group entered into a Receivables Finance Agreement with HSBC Invoice Finance Limited, secured against the receivables ledgers in the Group's four principal UK trading subsidiary entities. This facility runs for a minimum period of 36 months and has availability up to £15m subject to the value of eligible debtors. The interest rate on the facility is SONIA +1.75%.

On 7 July 2026 the Group made a one-off repayment of £7.1m on its UK bank loan, reducing the balance outstanding to £5.9m, which is repayable in 14 equal quarterly instalments of £421,429 from December 2026 to March 2030 inclusive.

27 EXCEPTIONAL ITEMS

All figures in £'000	Group 2026	Group 2025
Restructuring costs	1,227	–
Impairment of property, plant and equipment	–	6,914
Impairment of right-of-use assets	–	315
Income from disposal of non-core Intellectual Property rights	(1,465)	–
Dilapidation costs	245	–
EXCEPTIONAL ITEMS IN OPERATING PROFIT /(LOSS)	7	7,229

RESTRUCTURING COSTS

These relate to organisational restructuring activities during the year including a redundancy program.

INCOME FROM DISPOSAL ON NON-CORE INTELLECTUAL PROPERTY RIGHTS

During the year, the Group disposed of certain non-core IP assets, generating income of £1,465k.

DILAPIDATION COSTS

A dilapidation charge of £245k has been recognised in respect of leased properties where obligations became clearer during the year. While the underlying obligations relate to historic lease arrangements, the charge has been recognised in the current period following updated assessments of the expected costs.

The adjustments above are treated as exceptional items as they distort the underlying operating profitability of the Group and make comparison of performance challenging.

28 RELATED PARTY TRANSACTIONS

GROUP

The Group has taken advantage of the exemption not to disclose intra-group transactions that are eliminated on consolidation. During the period, TFP Hydrogen Products Ltd paid £32k (2025: £26k) to NRD Ventures Ltd, a company in which David Hodgson (Director of TFP Hydrogen Products Ltd) is a Director, for rental of premises in Launceston, Cornwall, used as the main premises for TFP Hydrogen Products Ltd.

COMPANY

The Company paid £38k (2025: £33k) to Ellergreen Group LLP, a company in which M A J Cropper is a Director, for imports of electricity from a hydro-electric plant and use of a reservoir. The Company paid £9k (2025: £0k) to M A J Cropper for solar energy used at the effluent plant.

The Company also has the following transactions and balances with subsidiary entities:

2026 All figures in £'000	Management charges	Receivable/ (Payable)	Loans and net intercompany funding
James Cropper Speciality Papers Limited	6,650	730	25,501
James Cropper Converting Limited	–	23	53
James Cropper 3D Products Limited	–	238	14,502
Technical Fibre Products Limited	3,704	5,134	5,020
James Cropper Overseas Trading Limited	–	160	193
TFP Hydrogen Products Limited	–	(5)	–
	10,354	6,280	45,269

2025 All figures in £'000	Management charges	Receivable/ (Payable)	Loans and net intercompany funding
James Cropper Speciality Papers Limited	5,789	615	17,592
James Cropper Converting Limited	469	4,520	3,220
James Cropper 3D Products Limited	521	30	13,886
Technical Fibre Products Limited	3,532	3,982	4,028
James Cropper Overseas Trading Limited	–	157	64
TFP Hydrogen Products Limited	–	1,462	–
	10,311	10,766	38,790

Intercompany funding payables are presented within Trade and Other Payables.

COMPENSATION FOR KEY MANAGEMENT AND DIRECTORS

In accordance with IAS 24 'Related Party Disclosures', key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and includes Directors (both executive and non-executive) of James Cropper plc. The remuneration of the Directors is disclosed in the Report of the Remuneration Committee (pages 83-90).

All figures in £'000	2026	2025
Salaries and fees	812	975
Short-term employee benefits	53	87
Short-term bonuses	234	14
Pension costs	32	31
LTIP charge	189	(9)
Total	1,320	1,098

In addition to the amounts set out in the table, during FY26 the Company reimbursed certain relocation expenses totalling £30k in accordance with a contract of employment.

No gains were made by Directors on share options exercised in the year.

SHAREHOLDER INFORMATION

REPORTING

Interim results announced	17 November 2025
Full-year results announced	15 July 2026
Notification of AGM issued before AGM – at J36 Conference Centre, Crooklands, Milnthorpe LA7 7NU	11 August 2026
	9 September 2026

DIVIDENDS ON ORDINARY SHARES

No interim dividends were declared by the Board during the financial year ended 28 March 2026. The Board is not proposing a final dividend at the AGM taking place on 9 September 2026.

EXTERNAL AUDITOR

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TAX ADVISORS

PricewaterhouseCoopers LLP

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