

Strip Tinning Holdings plc
Annual report and financial statements
for the year ended 31 December 2025

Registered number: 13832126

Strip Tinning Holdings plc

Annual report and financial statements for the year ended 31 December 2025

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Strip Tinning Holdings plc

Directors, advisers and registered office

Directors

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P George

M Taylor

M Perrins

K Edwards

Company secretary

K Edwards

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Strip Tinning Holdings plc

Chairman's statement for the year ended 31 December 2025

Since my appointment as Non-Executive Chair in June 2025, I am delighted with the progress the Group has made. 2025 was a challenging but ultimately successful year with the key focus being managing cash whilst preparing for the growth in 2026. The team made some difficult decisions and worked hard to reduce our cash burn. The Executive Directors and Non-Executives have shared some of this by reducing our salaries to help the business and I thank them and our key suppliers for supporting us throughout the year. The reduction in cash burn, together with the 2022, 2023 and 2024 Research and Development tax credits received in 2025 have helped the business to get through the financial year without raising any further finance. Huge credit must be given to the Executive team for their hard work to ensure that the existing business, the two PDLC roof glass projects and the Zoox project in particular remained on track for launch in 2026.

I would like to thank and congratulate all the employees of the Group for what has been achieved this year. The investment in the team that we put in place in 2024 and maintained through 2025 has helped us to keep on track with all the new projects which demonstrates their expertise and commitment to the business as a whole. We enter 2026 with a much-improved business and our quality of service has never been better. We will continue to focus on the development of the three new projects before looking at increasing our pipeline further once serial production is underway.

During the year we have limited our pace of growth and implemented cost and capex reductions worth over £3.5m in 2025 and 2026 whilst ensuring the new projects remain on track. We have reduced headcount in glazing and reduced other costs where possible. Cash is expected to be less constrained over the next 12 months although the working capital requirement of the new projects does put some strain on cash flow as we move towards the end of 2026 and into 2027. We have included a number of assumptions and contingencies in our financial models, along with a number of mitigating actions available to the Group that are detailed below in the Directors report. To support working capital requirements as our new projects ramp up towards the end of 2026, we will continue to look at new funding from additional debt sources (notably under the Government Export Credit Guarantee scheme) and grants.

Following the above actions, we have emerged as a leaner, higher performing organisation, with the right team to deliver on our significant existing growth opportunities and future plans. Our people, capacity, and financial resources are in place to launch the new products and as such, we look forward to delivering on the new projects we have won and seeing our sales begin to grow.

The experience of our Board has proven to be of immense value during the year, helping us to maintain our focus on operational excellence and targeted markets, as well as positioning us for the growth ahead. In order to maintain the positive momentum across the business, the Board has met at-least monthly throughout the year, and so I would like to thank the Board members for the commitment they have shown.

On a personal note I have enjoyed the start to my new role as Non-Executive Chairperson and although it has been challenging for the Board to navigate the macro backdrop, the business is in a stronger position at the beginning of 2026. Trading in 2026 has started well, we have received the Production Part Approval Process (PPAP) order for the Zoox Robotaxi project and will move into serial production in the next quarter. We look forward with confidence to delivering the new projects in 2026 and beyond.



Paul George
Non-Executive Chair

Strip Tinning Holdings plc

Chief Executive Officer's statement for the year ended 31 December 2025

Results for the financial year

The Board is pleased to confirm that FY25 Adjusted EBITDA loss was better than market expectations (prior to 2 February 2026 trading update) at £0.5m. That this was delivered against a backdrop of limited funding availability, macro challenges such as tariffs, metals pricing spikes, foreign exchange movements, and fluctuating customer demands is testament to the strong management team we have developed.

Sales were £8.6m (FY24 £9.0m) with the decline from FY24 being in line with the business strategy to pivot from the traditional lower margin simple automotive connectors into higher margin connectors used in battery systems for both automotive and non-automotive applications. The product portfolio shift together with operational improvements is reflected in the continued improvements in the Group's gross margin which improved to 40.4% (FY24 33.1%).

2025 has been all about very tight cost control and launch readiness preparations. Further information on the status of our three major new projects is included in the Strategic Report. In terms of cost control, we have been keenly focused on cash management and made significant progress improving debtor days from 73 to 66 and inventory reducing by 18% against 2024. Creditor payment performance improved leading to improving payment terms with some suppliers. Cash at year end was £617k (FY24 £512k) again showing positive momentum.

Operational highlights

- Health, safety and environment continued to be a key focus with investment and upgrades made to our chemical processes used to make flexible printed circuits. The continual improvement initiatives were verified by exceptional ISO45001 & ISO140001 audit results.
- Re-layout of our factories – with three major new projects scheduled to launch in 2026, 2025 saw major improvements made to our existing factory buildings and the addition of a further seven and half thousand square feet building on the same business park as our existing buildings.
- Additional clean rooms have been added to cope with the ramp up of the Zoox Robotaxi battery Cell Contacting system (CCS).
- The Group has invested heavily in improving quality controls with DMC laser marking for part identification, MES to control linked processes, more sophisticated electrical testing and 3D AOI (Automated Optical Inspection) to increase inspection throughput and automate the process.
- The second half of the year has seen promotions and restructuring together with recruitment, to strengthen the team. This is anticipated to continue throughout 2026 as we deliver on the new projects.

Outlook

As previously communicated the Board remains firmly focused on delivery of the three major projects and are confident of being EBITDA profitable in 2026. During 2025 this has resulted in some new business opportunities being declined in order to focus available resources on contracted new business. One of the PDLC projects launched in February 2026 and the other is due for launch late Q2 2026. The Zoox project is on track for launch in early Q2 as announced.

The pipeline and levels of enquiries for our products remains extremely strong and we are confident that once our major contracts enter serial production over the next few months we will be able to start exploiting these opportunities during 2026 as resources become more readily available.


Mark Perrins
Chief Executive Officer

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025

The Directors present their strategic report and the audited financial statements for the year ended 31 December 2025.

Business Model & Structure

Products

Strip Tinning has four major product groups, all serving the automotive electrical connector market. Our Glazing segment is made up of Busbar and Connectors, whilst our Battery Technology (BT) segment contains Flexible Printed Circuits (FPC) and Cell Contacting Systems (CCS). The Battery Technology segment has other uses such as static battery storage and other adjacent markets.

Glazing:

- Busbar - ultra fine gauge plated metals such as tinned copper strip to provide a circuit for electrical connections in a vehicle and Tungsten wire used for heating elements.
- Automotive electrical connectors - customised to specific vehicle requirements using our patented technologies across design and manufacturing techniques. Connector types include cable connectors, flat foil connectors, and, increasingly, FPC connectors. These connectors provide a broad range of functionality from heated windscreens to antenna GPS / FM / TV digital signal reception and internet access, emergency response, camera and Radar / Lidar systems and “smart glass” applications for tinting, solar power generating glass, and embedded LED lighting. FPC connectors are also becoming adopted in “distributed power” electronic control unit (ECUs) solutions located around the vehicle architecture as OEMs transition away from “centralised” wiring harnesses and Strip Tinning is well placed to provide connectors to grow with this market trend.

BT:

- FPC - circuits printed onto a flexible substrate, allowing the circuit to tolerate flexing during use as well as being thinner, lighter and simpler to install. The use of this technology is well established across all forms of electrical equipment, including in the automotive sector. The specific technology employed by us allows FPCs to be printed over much greater lengths than is customary in most applications. This is valuable in EVs as battery packs are becoming larger, often requiring FPCs of over one metre in length and at times in lengths of up to 2.4m.
- CCS – represented by large, sophisticated electrical connectors for EV batteries. The CCS electrically connects the individual cells within a battery module and provide monitoring of the cells for charge (efficiency) and temperature (safety). The CCS products draw heavily on our existing capabilities, being made from a combination of busbar, FPC, lamination, plastic encapsulation and connector technologies to produce a replacement for heavy and labour intensive wiring looms with a much lighter and preassembled module with fewer failure modes and increased functionality. The CCS can be used with battery packs for a great range of applications, including truck, off-highway, and static power applications. We are one of just a handful of early movers helping to develop this new market in Europe and the USA.

Strip Tinning products are used by most major vehicle OEMs, with a bias towards the premium end of the market and EVs, as these vehicle types typically have more sophisticated electronic features. Our products are supplied in high volumes.

Customers

The major customers for Glazing products are large multinational corporations where we have longstanding (20+ years) trading relationships.

For our BT products, we supply the makers of the battery packs. In some cases, this is the vehicle OEM and in others Tier 1 suppliers of the pack itself or sub-systems within the pack. We also work with technology development companies who are designing new battery pack concepts.

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

How we sell

Strip Tinning supports clients with design input on innovations but predominately operates as a Tier 2 automotive supplier as its products are incorporated within either glazing assemblies or battery pack assemblies for delivery by a Tier 1 into the OEM assembly line. Based on our track record, patent portfolio, trade accreditations, and established market position from over 60 years of continuous trading, the business is approached directly by its Tier 1 customers with new product enquiries, but also attends Trade Fairs such as GlassTec and The Battery Show to actively promote new products and to reach complimentary customers outside of automotive, including in alternate applications such as defence, aerospace, static power / energy storage and architectural “smart” glass.

Suppliers

The Supply Chain Director drives improvements with new and existing suppliers to ensure quality, cost and capacity requirements are optimised. The Group believes expert management and development of the supply chain for metals (raw materials and formed) and complex FPC provides a competitive advantage. The Group believe a collaborative relationship with suppliers is key to success.

The Group has continued to develop and diversify its copper supply base to increase competition and resilience, using a combination of UK, European and Chinese suppliers. This reinforces Strip Tinning’s standing with customers in regard to security of a critical material supply in a tight market. The wider CCS supply chain is continually being developed to prepare for increases in volume. This has covered both material suppliers, and capital equipment specification.

Manufacturing

All manufacturing currently takes place at our Birmingham site which comprises lean manufacturing cells, clean rooms for FPC production and state of the art CCS production.

The raw materials for the fundamental manufacturing processes (which rely on formal patents and informal know-how) comprise a number of metals / alloys (principally copper and tin), film and plastic resins combined with bought-in specialist wires, laminates and some plastic connectors to assemble a complete finished product.

The business invests heavily in R&D and is able to turn around prototypes and product concepts very quickly. However we are ultimately geared up to manufacture and assemble at serial production volumes and as such hold relevant accreditations:

- Automotive Quality Management System – IATF 16949
- Automotive Quality Management System – ISO 9001
- Environmental Management System – ISO 14001
- Occupational Health & Management Safety System – ISO45001

These accreditations contribute to “How we sell” as they pre-qualify us as a business that has reached the required standard for volume automotive component supply.

Logistics

Currently, 89% of Strip Tinning product is exported to over 26 countries, including China, South Korea, Japan, Mexico, and Morocco.

IT Systems

We have worked hard over the year to keep our IT systems resilient and mitigate cyber risks as far as possible, including the implementation of Cyber security plus in the first quarter of 2025. We continue to develop our SAP Warehouse Management System (WMS) and our wider systems in the business.

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

Organisation Structure and Recruitment

Strip Tinning is led by its Board which comprises two executive directors (see below) and three non-executive directors who are:

- Paul George, Non-executive Chair and Chair of the Audit Committee - Paul has extensive experience in audit, reporting and governance having, until April 2020, spent 16 years as an executive director at the Financial Reporting Council (FRC), most recently responsible for corporate governance and reporting having before that been responsible for the Conduct Division.
- Matthew Taylor, Chair of the Remuneration Committee - Matthew joined the Board as non-executive director after retiring from a long career in the automotive industry, most recently as CEO of Bekaert SA in 2020. Bekaert SA is a €5 billion revenue, 30,000 employee global steel wire business headquartered in Belgium with 45 % of its business in automotive.
- Richard Barton, Deputy Chairman - focussed primarily on the Group's product and sales strategy - Richard has worked at Strip Tinning since 1984 when he joined his father who had founded the Group in 1957.

The executive leadership team of the Group comprises:

- Mark Perrins, CEO and PLC Director – promoted to CEO in June 2024 leads the Business and is responsible for maximising its value – Mark joined Strip Tinning in March 2022. With a progressive career in Automotive, Mark brings a wealth of experience in operations, quality, and continuous improvement. Between 2016 and 2022, Mark worked for Plastic Omnium, a Global Tier 1 automotive business making plastic exterior body parts. During his time with Plastic Omnium, Mark held the positions of European Quality Director, UK Operations Director, and Plant Director.
- Kevin Edwards, CFO and PLC Director - Kevin is an experienced Chief Financial Officer in the automotive sector and held the role in Multinational businesses as well as Venture backed manufacturing businesses over the last 25 years.

The Group also have a number of key individuals in the team who bring a wealth of industry knowledge and experience to the team.

- Sales Director– responsible for sales and marketing - has built a reputation for identifying growth opportunities. Has a proven track record for enabling R&D to deliver mutual reward and has authored published patents to support this goal. Has twenty years of automotive componentry supply-chain experience and has been instrumental in the evolution of the Group, with successful product launches into the automotive-glazing and EV battery sectors.
- Supply Chain Director – responsible for strategic sourcing of materials for new business and for production planning and materials purchasing, as well as the SAP B1 ERP system. They have had a very successful 30-year career in the automotive sector, most recently with Plastic Omnium where they held senior positions in supply chain and operations.
- Operations Director – has 10 years' experience in their role at Strip Tinning following on from similar roles in the automotive, nuclear and infrastructure industries. A Six Sigma Black Belt skilled in the deployment of Continuous Improvement strategies worldwide.

The Group operates within a single cohesive structure across the different product areas, ensuring optimum use of resources and sharing of know-how and resources.

During 2025 we have retained key staff and recruited a small select number of new staff members to increase our capabilities, especially in respect of engineering and industrialisation, and the EV sector to help realise the ambitions of the business.

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

KPIs

We use the following primary KPIs to manage the business:

Financial

	FY2025	FY2024
Revenue	£8,592,000	£9,027,000
Material costs as a % of revenue	32.6%	38.8%
Direct staff costs as a % of revenue	17.9%	18.9%
Adjusted EBITDA (loss)/profit (Note 6)	<u>(£492,000)</u>	<u>(£1,932,000)</u>

Revenue growth is a key metric for the Group as it is a strategic aim and required to cover the fixed cost base and justify the additional overhead taken on to support the planned growth. Although revenue decreased in 2025, this was due to a strategic decision to remove unprofitable business and focus on more complex, higher margin projects. This was anticipated and factored into our market expectations. Material costs and direct labour costs are the largest expenses the Group incurs. Expressed as a % of sales, the KPIs act as a measure of efficiency and quality and the lower the % the higher the ultimate Gross Margin and contribution to overhead. Through a combination of improved material purchasing and increased prototype orders material costs have reduced to 32.6%. Productivity improvements lead to a 1% decrease in direct labour costs. Adjusted EBITDA is judged to be the most valid operating profit measure of Group performance. The decrease in EBITDA losses was planned as the Group worked to reduce its cost base whilst retaining the engineering resources to deliver the new projects the Group has won. A reconciliation from Operating loss to Adjusted EBITDA is set out below and in Note 6.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Operating loss	(2,272)	(3,397)
Depreciation	871	956
Loss on disposal of fixed assets	45	-
Amortisation and impairment	280	178
EBITDA	<u>(1,075)</u>	<u>(2,263)</u>
Foreign exchange	(1)	93
Share based payments	173	97
R&D tax credit fees	278	-
Non-recurring staff redundancy costs	35	88
Convertible loan fees	-	53
Aborted fund raise legal fees	97	-
Adjusted EBITDA	<u>(492)</u>	<u>(1,932)</u>

More detail and commentary on the movements in these KPIs is included in the following sections of this report.

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

Non-Financial

The business also uses a range of non-financial KPIs to measure performance. Health & Safety is the first agenda item at every Board meeting, audit performance against our critical operating and quality accreditations is tracked, and manufacturing processes are monitored for up-time.

Examples of non-financial KPIs:

KPI	2025 Result	2024 Result
Reportable Accidents	1	0
Minor Accidents	3	9
H&S Hazards Spotted (to avoid potential accident)	200 recorded & closed	206 recorded & closed
International Organization for Standardization (ISO) Third Party Audits	0 Non Conformances	0 Non Conformances

The business believes that Health & Safety is a fundamental tenet of Corporate Social Responsibility and that it also acts as a proxy for a Quality mindset. The ISO accreditations represent third party validation of the standards our customers expect us to work to. Our Overall Equipment Effectiveness (OEE) measures allow us to track asset utilisation and reliability so that operational efficiency is optimised and capital expenditure targeted.

A suite of logistics trackers has been developed to monitor the use of non-standard freight and the level of tariffs incurred. These have led to reductions in premium freight, VAT reclaims and a project to evaluate the benefits of Inward Processing Relief.

The business monitors the metrics available on delivery and quality performance provided by certain customers via web portals that lead to a supplier rating / score denoting customer satisfaction levels.

The operational management meeting tracks a range of KPIs across Engineering, Sales, Finance, HR, Supply Chain, Manufacturing Operations, H&S, and New Programmes.

Review of the Year

The progress made in 2025 has been reviewed in the Chief Executive Officer's statement above. In summary this was a year where the business worked hard on its cost base while maintaining focus on the key project launches for 2026.

Key achievements were:

- Gross Margins rose through the year with the average rising from 33% in 2024 to 40% in 2025 and are expected to hold at approximately 40% from 2026. The enhanced competitiveness of the business is being seen in a strong pipeline of new business programmes, during 2025 the Group worked to deliver its existing business as well as implement the processes and machines required for the new large nominations.
- Cash management improved across the business, such that we closed the year with our Net Cash Generated from operations in the year £1.6m (2024 used £2.3m).

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

Review of the Year (continued)

- Cash Flow management to deliver and manage the new nominations and to remain within our current debt facilities.
- Investment was maintained in the BT business. Design and manufacturing capabilities were further enhanced and focus was given to delivering the new project due for launch in 2026.
- The support capabilities of the business were also enhanced, notably to reduce costs and improve efficiencies to ensure the business had the cash resources to deliver on its key projects.

Priorities for 2026

The Board have helped establish the priorities of how to move forward with the key focus being on:

- Strategy – the key focus this year will be to deliver serial production of the three key projects due for launch and deliver an EBITDA profit;
- Successful Product Launches – the business has been successful in winning major new product nominations. It is now essential that we focus on successfully delivering these new products into production, on time, on cost and achieving the expected quality and delivery requirements;
- Customers – we need to deliver customer satisfaction based notably on quality products and delivery on time, in full to order;
- Employees – we recognise we operate in a competitive market for talent and we need to provide a competitive remuneration package and a stimulating, fulfilling work environment with incentives designed to be mutually beneficial to employees and Group performance;
- Suppliers – we need to achieve better value for money and optimise stock holdings on our material purchases.
- Production effectiveness - both to ensure customer satisfaction as detailed above but also strong financial returns based on continuous productivity improvements, improved material supply (lower cost and stock holdings) and further reduction in Costs of Non-Quality (CNQ);
- Cash management – cash is key enabler for the Group – we work to optimise its use in particular by driving down working capital, structuring capital expenditure and finding new sources of cash such as applicable grants;
- Further sales growth – once the three major projects have successfully launched, we will resume efforts to win major new business and to grow the sales pipeline.
- Funding – The board continues to seek additional funding and deliver the growth and support the product launches in the current plan;
- Product design – where we must continue to innovate whilst designing for manufacture, with automation and process engineering at the forefront of the product design to ensure repeatable low-cost production of high quality components;
- Investment in capabilities – an on-going programme to prepare ourselves to meet growing demand for EV products and, through selective automation, to continue to improve production efficiencies and quality;
- ESG – as a Group we are actively contributing to the world's zero carbon agenda and we aim to do all we can to minimise our own environmental footprint as well as achieving the highest standards on social contribution and governance.

Sales

Sales at £8.6m were down 4% on 2024 (£9.0m). BT product sales were significantly improved at £2.1m (2024: £1.0m) due to prototype orders and C phase and D phase orders for the new programmes. Glazing product sales were down 23% overall on 2024. Within this, Busbar sales and Connector sales were down 16% and 36% respectively on the back of the general weakness in the automotive sector and the final contract terminations agreed as part of the price rises negotiated in H2 2022 (implemented from Q1 2023). This was partially offset by slightly higher Tungsten call-off of 12.5%.

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

Core Gross Margin

Gross Margin was significantly up at 40% (2024: 33%). Price rises were important and product mix assisted, but other metrics across Gross Margin lines improved due to positive initiatives enacted by the business. Absolute material spend improved by £0.9m with lower sales, with material spend as a percentage of sales reducing to 32.6% (2024: 38.8%) as a result of lower connector sales. Similarly, Direct Payroll cost dropped in absolute terms by £0.2m, with the cost representing 17.9% of Sales (2024: 18.9%). Direct Staff head count was 52 in 2024 and reduced to 45 by the end of 2025. Shipping costs showed slight increase versus 2024 and was at £0.35m, measured at 4.1% of sales (2024: 3%). This shows the continued focus the Group has given to actively managing the costs despite severe inflationary pressures in the last 18 months.

Operating Expenses

With the reduction in heads and focus on staff costs in 2025, staff costs (excluding direct staff) were £0.6m lower than 2024. This was due to our drive to reduce costs and ensure the business was as productive as possible. Operating expenses also showed a £0.3m decrease on prior year overall, excluding the £0.6m staff reductions. Some notable specific where quality costs reduced by £0.17m on 2024, consultants' costs were reduced by £0.1m and professional fees were reduced by £0.18m.

Operating Loss

Adjusted EBITDA was a £0.5m loss, against a £1.9m loss in 2024. Adjustments are limited mainly to share based payments of £0.2m, R&D tax credit £0.3m, and one off legal costs from January 2025 of £0.1m relating to an aborted fund raise undertaken in Q1 2025.

The Operating Loss for 2025 decreased to £2.3m from £3.4m and the EBITDA loss was £1.1m versus £2.2m EBITDA loss in 2024, mainly as a result of increased Gross Margin and a reduction in administrative costs.

Working Capital

Trade Receivables were improved at £1.6m versus £1.8m in 2024, with a targeted effort at resolving any invoice queries as well as being firm on payment to credit terms. Trade Payables increased from £0.7m to £0.9m on the back of improved material purchasing, maintaining good supplier relationships and receiving improved credit terms from suppliers.

Stock opened at £1.3m at the beginning of 2025 and had been managed to £1.1m by 2025 year end. Managing stock and its cash impact has been a key focus in 2025 and will continue to be closely monitored and managed.

Operating cash flows

The business closed the year with £0.6m in the bank (2024: £0.5m), albeit with some drawdown of the Group Confidential Invoice Discounting (CID) facility. Cash generated from operations was £0.4m (2024: used £2.3m) which is a significant improvement in the year. Debt repayments (capital plus interest) consumed a further £1.0m (2024: £0.9m). £0.2m cash was directed towards capital expenditure on the BT product line during the year, against which £0.2m of asset finance was raised. These cash outflows were mitigated by the R&D tax credit income received in the year of £1.1m.

Based on the financial performance and the desire to invest for growth, no dividend was paid, in line with the declared dividend strategy.

The Group has cut its costs in 2025 to manage its current cash resources. It plans to continue operating within its current financial constraints over the next 12 months. During this time we will look to secure additional resources, to fund in particular the ramp up of the existing projects as well as new sales opportunities in the latter half of 2026.

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

Investments in intangible assets

During the period, £0.7m was invested in product, systems, and hardware, this was mainly focussed on creating the processes and technical delivery to scale the new projects.

Funding & Foreign Exchange

Cash management operates within a range of board approved policies to manage financial risk and liquidity as cost effectively as possible. No transactions of a speculative nature are permitted. Group exposures are to the Euro and US dollar. The net impact in the year of exchange rate fluctuations on operating profit was a loss of £0.1m (2024: £0.1m). We look to hedge some of our currency exposure through hedge contracts.

Risks and uncertainties

The Audit Committee has a delegated responsibility from the Board to oversee risk management and internal controls and assess their effectiveness.

The Board as a whole work with the Senior Management Team to assess operating company risks and the materiality of the risks in the context of the strategy and the mitigations / controls in place.

The Executive Directors are responsible for communicating and disseminating risk policies and encouraging open communication on risk. The Senior Management Team cascade risk management roles at operational and project level to embed strategic and tactical risk identification, assessment and mitigations in decision making and management of external relationships.

The Board has overall responsibility for ensuring risk is appropriately managed across the Group and has carried out a robust assessment of the principal risks to the business. The key strategic risks to the Group are regularly reviewed by the Board. The principal strategic risks identified in 2025 are discussed below. These risks are not intended to be an extensive analysis of all risks that may arise.

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

Risks and uncertainties (continued)

Risk	Mitigating actions	Perceived Risk trend	Link to Strategy
Reputation		Decrease in risk	
The Board is acutely aware of the importance of reputation, be that for product quality or business conduct and integrity	There is continued focus on product quality and new product development to ensure innovation and the Board actively monitors customer relationships to ensure sufficient engagement and understanding of customer requirements to mitigate losing customers	Customer satisfaction scores are improving, Customer Audits have been successfully completed	Sales growth
BT business unit scale-up		No change in risk	
Growth management of the BT business unit is critical, from ensuring the right technologies and human resources are invested in, to meeting customer expectations	Technologies, such as the laser weld line, have been developed in conjunction with customers and further engineering resources have been bought in to manage the scale up	Challenges remain in execution	Sales growth
Funding		Decrease in risk	
Making sure sufficient financing is in place to profitably grow the EV business to deliver its potential	Government grant support is assisting with mitigating this risk and further grant funding opportunities are actively being considered	Immediate risk reduced, but will remain under review due to phasing and scale of EV opportunity	Sales growth
Ensuring the business continues to have sufficient funds to finance working capital requirements arising from the increased sales in the latter part of 2026	Continue to develop sales pipeline , ensure costs are managed and kept to a minimum. Review forecasts and actively ensure the business has Debt or equity funding it requires	Current risk has reduced, constant review is required while we scale up operation	Finance control
Operational failures		Decrease in risk	
The Group is reliant on production equipment and software to manufacture its products	Contingency plans are in place in line with the requirements of our IATF accreditation, further bolstered with guidance from the Institute of Printed Circuits https://www.ipc.org/	Work is continuing on software upgrades, cross training of staff and succession planning for specialist skills	Increased automation / productivity
IT Strategy & Delivery		Decrease in risk	
There is a requirement for a robust IT strategy which enables delivery of key strategic projects as well as supporting day to day activities.	Cyber essentials plus was achieved in Q1 and we continue to develop our IT systems such as our Warehouse Management System (WMS)	We continue to develop our WMS system in 2026	Increased automation / productivity

Directors' Section 172 statement

Businesses do not operate in isolation. Without a good understanding of who the key stakeholders are and their needs, a business will fail to deliver sustainable value to shareholders and other stakeholders. The Directors take their duties under Section 172(1) of the Companies Act 2006 seriously and consider that they have acted in the way they consider, in good faith, would promote the success of the Group for the benefit of its members as a whole, having regard to the stakeholders.

The Board considers its key stakeholders to be its customers, suppliers, employees, and shareholders. The Board takes seriously the views of these stakeholders in setting and implementing our strategy.

To the extent that it is relevant, the impact on the environment and the communities in which the Group operates is considered when making decisions.

This section describes how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 in exercising their duty to promote the success of the Group for the benefit of its members as a whole.

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

Directors' Section 172 statement (continued)

The interests of the Group's customers

To have a sustainable future, it is essential that the Board makes decisions which are the best for Strip Tinning in the long term. These decisions are focused on long-term success, not short-term gains. Continued product development, with a number of patents pending or under evaluation for product innovation in 2025, serve the interests of customers. Customer satisfaction is measured in conjunction with customers via scorecards which provide a reference point to discuss performance and any issues to resolve. One audit of Strip Tinning was undertaken by a customer during 2025, which was completed successfully. The Sales Director is responsible for continued engagement with customers to promote new products and the latest technology trends.

The interests of the Group's suppliers

Strip Tinning seeks to balance least cost, security of supply, and sustainable long-term partnerships with its supply base. The Group has stepped up efforts to qualify its supply base to ensure a match with customer cost and quality expectations and volume requirements, led by Supply Chain Director. This helps foster collaborative relationships with suppliers.

The interests of the Group's employees

Staff Communication

Senior Management actively engage with employees to ensure that the opinions and ideas of staff are considered, and that staff are kept up to date and informed. Group wide meetings for each shift are held to communicate significant events such as the annual and interim financial results. These "all hands" meetings are supplemented by smaller group workshops led by Senior Managers to provide updates on, for example, contract wins and progress towards major nominations. Daily and weekly reviews take place to monitor operational KPIs such as Sales and Production targets. A Management Review was held in December with all Departmental Heads, to review 2025 and set new objectives to cascade through the organisation for 2026.

The Works Council / Forum with employee representatives met four times during the year to aid internal communication. This forum assisted with the consultation process for a redundancy programme necessitated by the efficiencies achieved in the business and helped deliver the required headcount and cost reductions. The longer-term impact of this is that there is now an established mechanism for dialogue between employees and the Senior Management team to manage headcount in line with fluctuations in demand.

Health, safety and wellbeing

Protecting the health and safety of all employees is paramount. Health & Safety is the first item on every Board Meeting Agenda to ensure a Health & Safety culture is instilled throughout the business. The business successfully passed its external Health and Safety Executive (HSE) audit. Employee representatives are on the H&S Committee to ensure full representation and drive continuous improvement.

Minor accident KPIs for 2025 were an improvement over 2024 with a comprehensive monitoring and reporting system in place. Although we did have one reportable accident in the year, the staff member involved has now fully recovered.

Alongside the safety of our staff, wellbeing and physical and mental welfare is considered. It is recognised that there will be times in everyone's lives, whether related to work or not, where employees need additional support. In these situations, the business has taken a sensitive and pragmatic approach to reach the best possible outcomes in individual situations.

Strip Tinning Holdings plc

Strategic report for the year ended 31 December 2025 (continued)

Directors' Section 172 statement (continued)

People Plan and Development and Training

As part of the strategic planning process, a people plan review is used to identify the job roles which are critical to the ongoing success of Strip Tinning. This enables a proactive plan for the future resource needs of the business, mitigate against any resourcing risks and identify the development needs of staff. The plan is critical to making sure that the right people are in the right jobs, at the right time, both now and in the future.

The business has a priority to develop apprenticeship schemes to support, complement and enhance staff recruitment, retention and development. This will provide Strip Tinning with 'home-grown' employees with the right fit, knowledge and skills for the business. Strip Tinning is also now a member of the Institute of Printed Circuits (IPC) trade association <https://www.ipc.org/>.

Living wage and Non-Contributory Pension

Strip Tinning pays the UK national living wage for all employees, regardless of age. Increases are built into the Group financial plan. Strip Tinning also provides a non-contributory pension, paying 8% of salary, and life assurance for all employees.

Share Incentive Plan (SIP)

Strip Tinning operates an all-employee SIP scheme as a means of further encouraging the involvement of employees in the Group's performance. Future awards, subject to HMRC rules and shareholder agreements, will be performance related.

The interests of the Group's shareholders

It is recognised that maintaining a reputation for high standards of business conduct is essential to protect shareholders interests. The Board receives regular updates in respect of matters of regulatory compliance from its Nominated Adviser and retained lawyers, and the business has policies, procedures and processes in place in respect of modern slavery, bribery and corruption, and tax evasion, as well as the Corporate Governance framework outlined within this Annual Report. The Group works to an investor calendar, providing in person updates to shareholders a number of times per year for annual results, half year results, and trading updates. The Group additionally seeks to provide clear guidance and transparency of our business operations to investors, including via Regulatory News Service updates as appropriate. The Group has one class of shares, so all shareholders are treated equally.

The impact of the Group's operations on the environment

The Board recognises the importance of minimising any adverse impact of our operations on the environment. Metals and plastic waste from production is collected for recycling. The Group also continued its energy reduction initiatives, optimising machinery productivity / workflows and shut downs and installing LEDs across the site. The Board has continued an EV only company car strategy which continued throughout 2025.

This report was approved by the Board on 26 March 2026 and signed on its behalf.



K Edwards
Director

Strip Tinning Holdings plc

Directors' report for the year ended 31 December 2025

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2025.

Principal Activities

The principal activities of the Group are the design and manufacture of a full suite of glazing connectors, some of which are covered by patents, together with advanced Flexible Printed Circuits (FPC) and Cell Contact Systems (CCS) for Electric Vehicles (EVs).

The Directors have set out their update on strategy and its development in the Chief Executive's Review and Strategic Report and that includes a review of the markets that the Group is addressing as well as the actions being taken to meet the strategic goals of the Group.

Strategic report

The following items have been included within the strategic report on pages 4 to 14:

- Business review
- Key performance indicators
- Principal risks and uncertainties
- The directors' duties under s172 of the Companies Act including those relating to employees and other Group stakeholders

Results and dividends

The loss for the year, after taxation, amounted to £2,107,000 (2024: loss of £4,700,000). No dividends were declared and paid during the year to 31 December 2025 and will not be paid in 2026 in line with the investment and growth strategy of the Group (2024: £Nil).

Directors

The directors who served during the year and subsequently were:

R W Barton

P George

A Robson (resigned 12 June 2025)

M Taylor

M Perrins

K Edwards

Going concern

The Directors, having made suitable enquiries, analysis and judgements, consider that the Group has adequate resources to continue in business for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

In making this assessment the Directors have considered the Group budgets for the period up to June 2027, routinely updated forward forecasts for revenue, costs and cash flows, the impact of cost cutting already completed and applied sensitivities to these forecasts. The key assumptions included within the forecasts, and thus informing the Directors' views on the going concern position of the Group, are as follows:

- Sales run rates are starting to increase in Q1 of 2026 with the new contracts starting to increase in volumes, we are forecasting that this will increase further as we reach launch dates of key nominations in Q2 and Q3 of 2026;
- The impact of reciprocal tariffs on products ultimately supplied to the US will be passed to customers;
- The potential impact of the current Ukraine and Iran wars have been considered on the cost base of the business, though the directors note that the main supply base is in UK, Europe and China. Some logistical impact is anticipated but the impact is not forecast to be significant.

Strip Tinning Holdings plc

Directors' report for the year ended 31 December 2025 (continued)

Going concern (continued)

- As activity increases recruitment of new staff continues in line with the new projects forecasts however we are continually looking at ways to improve efficiencies;
- Utilisation of the CID facility is maintained at c.75% of the sales ledger at any point in time. We currently have an agreed facility of 85%;
- Further external funding, over and above the current facilities available to the group, is not required throughout the forecast period to support the above activities.

The Directors have delivered an improved end to the 2025 year and the launch of the new projects will improve the forecasts and this in turn means that our finances start to improve as the new projects launch into serial production. The Group continues to monitor cash headroom in our existing forecasts. As such, and should activity levels fall below those summarised above, the Directors have made some of the following assumptions and could take further mitigating actions if required;

- Delaying new staff recruitment if sales are slower than expected;
- Further overhead reduction programmes if activity levels reduce; and
- An ability to draw further against the existing CID facility, which can provide further liquidity of up to 85% of debtors below £1.5m.

Notwithstanding the above, the Directors remain optimistic of securing additional resources to fund in particular the ramp up in sales in the latter half of 2026 from nominations already won and announced. These resources may include funding from the Government's Export Credit Guarantee Scheme, and/or from other grants one of which has started and another we are planning on progressing in the coming months. The Directors consider that the prospects from such opportunities will improve as we move towards being profitable in 2026.

Based on the above assessment of a range of reasonably possible scenarios, including the risks and uncertainties of the current forecast and the associated mitigations available to manage those risks, the Directors continue to adopt the going concern basis in preparing the financial statements.

Research and development activities

Research and development activities continue to be a high priority for the development of new products and maintaining the technological excellence of existing products. The business has consistently invested 10% of turnover into R&D activities and has been officially recognised by HMRC as a Knowledge Intensive Business. Specific areas of research conducted in the period have covered manufacturing automation, connectors based on Flexible Printed Circuit (FPC) technologies, and waterproof connectors. Patent applications are in progress to add to the existing patent portfolio.

Future developments

The Group is intent on winning new projects in its established Glazing operation, whilst developing its novel Cell Contact System connector for the high growth Battery Electric Vehicle market segment.

Financial risks

The financial risks facing the Group are set out in note 21 to these financial statements. The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), liquidity risk, capital risk and credit risk. The Group's financial risk management objective is to understand the nature and impact of the financial risks and exposures facing the business and mitigate these as far as possible without engaging in any speculative transactions.

Engagement with employees

The Directors support the participation of employees in the activities of the Group, encourage employees to become involved in the pursuit of safety, efficiency and high performance, and provide employees with regular communication on the Group's plans, performance and programmes.

Strip Tinning Holdings plc

Directors' report for the year ended 31 December 2025 (continued)

Significant and director shareholdings

The following shareholders held more than 3% of the Company's ordinary shares at 31 December 2025:

	<i>Number of £0.01 shares</i>	<i>Percentage %</i>
R W Barton	7,679,055	42.1
GPIM	2,164,850	11.9
Shard Capital Partners LLP	956,925	5.3
Rathbone plc	979,252	5.4
Anne Barton	985,815	5.4
River and Mercantile Asset Management Limited	975,150	5.4
Mavern Capital Partners UK LLP	569,699	3.1
Canaccord Genuity Wealth Management	569,699	3.1

Director's interests in shares at 31 December 2025 were as follows

	<i>Number of £0.01 shares held</i>	<i>Number of options over £0.01 shares</i>
R W Barton (including those held by his wife)	8,664,870	-
M Perrins	27,273	1,625,258
K Edwards	-	752,968
P George	26,256	-
M Taylor	71,622	-

No share options were exercised during the year.

Director's indemnity

The Company's Articles of Association provide, subject to the provisions of United Kingdom legislation, for an indemnity for Directors and Officers of the Company with regard to liabilities that they may incur in the discharge of their duties or in the exercise of their powers, including any liability relating to proceedings brought against them which relates to anything done, or omitted, or anything alleged to have been done or omitted by them as officers or employees of the Company. Directors' Liability Insurance, as permitted by these Articles, is in place in respect of all the Company's Directors.

Website publication

The Directors are responsible for ensuring that the Annual Report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. As required by the AIM Rules of the Companies, they are required to prepare the Group financial statements in accordance with applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Strip Tinning Holdings plc

Directors' report for the year ended 31 December 2025 (continued)

Directors' responsibilities statement

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 of the Group and parent Company and of the profit or loss of the Group for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the parent Company and to prevent and detect fraud and other irregularities.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the performance, business model and strategy of the Group.

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

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards in conformity with and as applied in accordance with the provisions of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties faced.

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Strip Tinning Holdings plc

Directors' report for the year ended 31 December 2025 (continued)

Auditor

Dains Audit Limited were retained as the Group's external auditor. As recommended by the Audit Committee and pursuant to section 487 of the Companies Act 2006, the Company will propose a resolution at the AGM to reappoint Dains Audit Limited as auditor and authorise the Directors to agree their remuneration.

On behalf of the board

A handwritten signature in black ink, appearing to be 'K Edwards', written in a cursive style.

K Edwards
Director
26 March 2026

Strip Tinning Holdings plc

The Board and Corporate Governance Statements

The Board

In 2025 the Board comprised the Non-Executive Chair who is independent, Chief Executive Officer, Chief Financial Officer, Deputy Chair, and one independent Non-Executive Director. The Board members have recent relevant financial experience by virtue of their professional qualifications and their previous executive roles and demonstrate a breadth of experience across the automotive manufacturing sectors through their current and previous roles.

Paul George, Senior Independent Non-Executive Director and Non-Executive Chair from mid-June 2025. Paul has extensive experience in audit, reporting and governance having, until April 2020, spent 16 years as an executive director at the Financial Reporting Council (FRC), most recently responsible for corporate governance and reporting having before that been responsible for the Conduct Division. Whilst at the FRC he was Chair of the International Forum of Independent Audit Regulators and a member of the International Accounting Standards Board Advisory Forum. Prior to the FRC, Paul was an executive director of MCG PLC and an audit partner at KPMG. Paul is also a partner of Board Excellence, a business providing Board advisory services, and a Non-Executive Director and Chair of the Audit Committee at AIM-listed real-estate company, The Property Franchise Group plc.

Deputy Chair, Richard Barton

Richard has been CEO of Strip Tinning since 1986. Part of the founding family, Richard transformed Strip Tinning from a family run business to an internationally renowned designer and manufacturer of highly innovative and technical components to the automotive glazing sector, supplying all the world's major glazing automotive manufacturers and exporting to over 30 countries. Richard was central to the development of the core product evolution into Flexible Printed Circuits (FPC) and advanced Cell Contact Systems (CCS) for electric vehicle battery packs.

Kevin Edwards, Chief Financial Officer

Kevin is an established Finance Director with over 25 years of experience working in high-growth manufacturing and technology companies, particularly within the automotive sector. Throughout his career, Kevin has held a range of senior finance roles, demonstrating his capability to lead companies toward financial stability and growth. From 2015 to 2024, Kevin served as the Chief Financial Officer (CFO) and Chief Operating Officer (COO) at Lightwave RF Ltd, formerly quoted on AIM. Prior to his role at Lightwave RF Ltd, Kevin spent over five years at Complex Cold Forming Ltd, a speciality automotive component company. Here, he played a crucial role in leading the management buyout (MBO) from Melrose PLC.

Mark Perrins, Chief Executive Officer

Mark joined Strip Tinning in March 2022 as Managing Director and was promoted in June 2024 to be CEO and to join the Board. With a progressive career in Automotive he has brought a wealth of experience in operations, quality, and continuous improvement and has led the strategic growth of the business. Between 2016 and 2022, Mark worked for Plastic Omnium, a Global Tier 1 automotive business making plastic exterior body parts. During his time with Plastic Omnium, Mark held the positions of European Quality Director, UK Operations Director, and Plant Director. Mark previously worked at Lear Corporation (Global Fortune 150, Tier 1 automotive business), where he held both Divisional Quality Manager and Plant Manager roles within the seating division. Mark has also previously worked for Koito, a Japanese, Tier 1 automotive business and a Toyota Group Company. It was during his time with Koito and working closely with Toyota where he honed his Lean TPS skills.

Matthew Taylor, Independent Non-Executive Director

Matthew was CEO of Bekaert SA until 2020. Bekaert SA is a €5 billion revenue, 30,000 employee global steel wire business headquartered in Belgium with 45% of its business in automotive. Prior to this role, Matthew was CEO of Edwards Vacuum, CEO of JC Bamford, and Global MD of Land Rover following his early career in sales and marketing roles with Ford after a short spell in the Royal Navy. Matthew is also a Non-Executive Director on the board of AIM listed Surface Transforms plc, another leading British Automotive Supply Chain business where he is Chair of the Audit Committee and sits on the remuneration committee. He is also a Non-Executive Director at Mpac Group plc.

Strip Tinning Holdings plc

The Board and Corporate Governance Statements (continued)

Corporate Governance

AIM-quoted companies are required to adopt a recognised corporate governance code with effect from their admission to trading on AIM however, there is no prescribed corporate governance regime for AIM companies. The QCA has published the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"), a set of corporate governance guidelines, which include a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. The Directors acknowledge the importance of high standards of corporate governance and intend, given the Group's size and the constitution of the Board, to comply with the QCA Code.

The Board is committed to high standards of corporate governance and recognises that it is accountable to shareholders for good governance. The Group's corporate governance procedures define the duties and constitution of the Board and the various Board committees and, as appropriate, specify responsibilities and level of responsibility. For details around how the Group applies specific principles of the Code please refer to the Group's website www.striptinning.com.

Based on the needs of the business and its current stage of development, the Board met monthly during 2025 to formally review operational and management performance, set out the overall strategic direction for Strip Tinning and then ensure that the Group has the right level of resources available to support strategic goals. The Board is satisfied that the necessary controls and resources are in place such that these responsibilities can be properly discharged.

The attendance record at these scheduled Board meetings was as follows:

Board Meeting Attendance record	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Adam Robson	✓	✓	✓	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Richard Barton	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mark Perrins	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul George	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Matthew Taylor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kevin Edwards	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Two further Board meetings were held during 2025, to formally review and approve the 2024 Statutory Accounts including appointing a new chairman after Adam Robson retired. A further meeting was also held to approve the new Options given to the Executive team. These formal time commitments for Directors were supplemented by meeting preparation time, being on hand to support the Senior Management Team with advice, and their roles on Board sub-committees, resulting in an estimated minimum time commitment of three days per month on average over 2025.

Board members have direct access to each other as required and Board meetings are conducted in person at the Strip Tinning factory, with a Microsoft Teams link being used on the infrequent occasions an individual Director is unable to physically attend. This interaction at the factory enables Directors to see first-hand issues the business is facing and improvements that are being made and brings to life the Board pack materials circulated in advance of the Board meetings. In this way, Directors are able to keep themselves appropriately up to date on the business. To supplement their individual areas of expertise, the Board and its individual members are able to access external advice. The Board have requested external advice to help review various contracts and the Remuneration Committee have received professional advice in regard to share option schemes.

Strip Tinning Holdings plc

The Board and Corporate Governance Statements (continued)

Corporate Governance (continued)

The principal framework for managing risk is via comparing the monthly management accounts to the strategic financial plan. This process is embedded, with a quarterly forecasting cycle to ensure guidance remains accurate and that the business has sufficient funding to achieve its strategic aims. This is combined with reviews of progress towards the major new nominations being sought by the Group and that the requisite level of resources is being devoted to achieving success. A particular focus during the year has been to oversee the extensive work undertaken by the executive team to reconfigure the production facilities and to drive improvements in quality. This work has been positively endorsed through the number of successful client audits and major nominations received.

It is recognised that maintaining a reputation for high standards of business conduct is essential to protect shareholders interests. The Board receives regular updates in respect of matters of regulatory compliance from its NOMAD and retained lawyers, and the business has policies, procedures and processes in place in respect of modern slavery, bribery and corruption, and tax evasion, as well as the Corporate Governance framework outlined within this Annual Report. The Board place great importance on communication with shareholders. The Group works to an investor calendar, providing in-person updates to shareholders a number of times per year for annual results, half year results, and trading updates. The Group additionally seeks to provide clear guidance and transparency of our business operations to investors, including via Regulatory News Service updates as appropriate. The business has hosted a number of institutional Investors at the factory during 2025. The Group has one class of shares so all shareholders are treated equally. The group will continue to look for additional capital with current and potentially new shareholders, to raise further investment to help with further expansion.

The corporate governance structures and processes and how they have been applied throughout the year ended 31 December 2025 are described below.

Audit and Risk Committee

The Audit and Risk committee is responsible for the appointment of the external auditor, agreeing the nature and scope of the audit and reviewing and making recommendations to the Board on matters related to the issue of financial information to the public. It assists all Directors in discharging their responsibility to ensure that accounting records are adequate and that the financial statements give a true and fair view.

Committee membership

The Audit and Risk Committee currently comprises the two Non-Executive directors, Paul George and Matthew Taylor. The Audit and Risk committee is chaired by Paul George. The Board considers that each of the committee members have recent relevant financial experience by virtue of their professional qualifications and their previous executive roles.

Nomination Committee

The Nomination Committee comprises Paul George, who acts as Chair, Richard Barton, and Matthew Taylor. The Nomination Committee is responsible for evaluating the need for and nature of additional appointments to the Board and identifying and nominating candidates, for Board approval, to fill board vacancies. The Nomination Committee met once in the year to discuss the Main Board appointment of Paul George to Non-Executive Chairman as the replacement of Adam Robson in 2025.

Strip Tinning Holdings plc

The Board and Corporate Governance Statements (continued)

Board Effectiveness

The Board continually assesses the appropriateness of its agendas, and the information needed to support the Board's role in setting strategy, overseeing performance and decision making. The Board is conscious it has had to maintain a focus on operational issues to assist in resetting the business for profitable growth following the challenges of the last three years but has looked closely at the matters the Board should concentrate on and how to ensure it remains strategically rather than operationally focused and Board agendas reflect this. The Chair has discussed the Board's effectiveness and focus with each of the directors individually and will continue to look at ways to enhance its effectiveness.

During the year the Board was constituted with a Non-Executive Chair who is considered to be independent, two other Executive Directors and two Non-Executive Directors one of whom is considered independent. The role of the Chair is to manage the Board in the best interests of its stakeholders, to ensure that shareholders' views are communicated to the Board and to be responsible for ensuring the Board's integrity and effectiveness. At this point in time and in the circumstances faced by the Group the Board considers the Board structure is appropriate for the Group, to make the most of the skills available to the business and enable navigation of the challenging trading environment and launch of the BT business. It is deemed that two independent Non-Executive Directors provide sufficient independence to protect the interest of shareholders whilst closely managing costs. The Board considers that with the need to carefully manage financial resources the time is not right to recruit further Independent Non-Executive Directors. This will be kept under review during 2026 as part of the Board's consideration of the revised QCA Code and succession plans and as the Group moves towards profitable growth.

In addition, there are processes in place enabling Directors to take independent advice at the Company's expense in the furtherance of their duties. The role of Company Secretary is undertaken by the Chief Financial Officer, Kevin Edwards, who has experience of delivering this function and is supported by the NOMAD, Share Registrar, and Legal Advisors.

Overall, the Board considered that it was operating effectively during 2025 and that in 2026 it should continue to ensure an appropriate balance between strategic matters, operational matters and dive deeper into specific aspects of the business.

Group Culture

Strip Tinning has transitioned from a family owned and run business to a listed entity with increased input from professional managers and a Board responsible for protecting the interests of external shareholders. The Board seeks to continue to foster, encourage and harness the entrepreneurial spirit and sales driven focus of the Group whilst instilling increased rigour and discipline to decision making and processes. The other significant cultural pillar of the business under family ownership has been staff welfare and reward. Examples demonstrating this include the commitment to the National Living Wage for all employees, non-contributory pension scheme, universal life assurance, staff uniforms, day off for birthday and significant Long Service Awards. The Board believes that maintaining this approach, as well as being the right thing to do, strengthens the business in the long run by promoting employee loyalty and retention in a tight labour market for skilled workers. The introduction, post listing, of the employee Share Incentive Plan is evidence of this. The continual growth of the business will open up new opportunities for employees to progress their career in a dynamic environment where going above and beyond is both recognised and rewarded.

Significant issues considered by the Audit and Risk Committee

The Committee had three scheduled meetings during the year which were attended by all members of the Committee. It has an agenda linked to the events in the Group's financial calendar. The external auditor met with the Chair and separately with the committee without management being present and more generally the Chair has direct contact with the audit partner as required.

Strip Tinning Holdings plc

The Board and Corporate Governance Statements (continued)

During the year the Committee:

- Reviewed the half-year and full-year results;
- Received and considered, as part of the review of the annual financial statements, reports from the external auditor in respect of the auditor's Group audit plan for the year and the results of the annual audit. These reports included the scope of the annual audit, the approach adopted by the auditor to address and conclude upon key estimates and other key audit areas, the basis on which the auditor assesses materiality, the terms of engagement for the auditor and an ongoing assessment of the impact of future accounting developments on the Group;
- Considered whether the annual report is fair, balanced and understandable. In doing so, the Committee reviewed and discussed with management the content and appropriateness of the information included within the 2024 annual report. This provided the Committee with the supporting detail to ensure that it was in a position to report to the board that the 2024 annual report, taken as a whole, was fair, balanced and understandable. This was on the basis that the business description, business model and strategy agreed with its own understanding of the Group, and the balance in the reporting of performance reflected both positive and negative issues and reflected the Group's activities during the year;
- Considered the effectiveness and independence of the external auditor. The auditor specifically demonstrated professional scepticism and challenged management assumptions;
- Made a recommendation to the Board to re-appoint Dains Audit Limited as external auditor;
- Reviewed the Group's policy on non-audit services and ensured appropriate safeguards are in place, currently there are no non-audit services provided by auditors; and
- Reviewed reports on the key business risks, including a review of the internal control processes used to identify, monitor and mitigate the principal and emerging risks and uncertainties.

The Committee received, reviewed, and challenged reports from management and the external auditor setting out the significant issues in relation to the 2024 annual report and made their own assessment. These issues were discussed and challenged with management during the year. They were also discussed with the auditor at the time the committee reviewed and agreed the auditor's Group audit plan and at the conclusion of the audit of the financial statements. The issues that were discussed included:

- Management override of controls
- Fraud in revenue recognition
- Accuracy and valuation of capitalised development costs
- Impairment of investments and inter-company debtors
- Going concern
- Valuation of Convertible Loans notes
- Valuation of Share Based Payments

The committee calls upon the external auditor and the executive directors to attend formal meetings as required. These meetings are held at least twice a year. The external auditor is given the opportunity to raise any matters or concerns they may have in the absence of the executive directors at separate meetings with the audit and risk committee or its chair.

Audit Renewal

We discussed the re-appointment of Dains Audit Limited and decided they were the best placed to continue in this role due to a combination of:

- their enthusiasm to undertake the audit;
- the quality of their team;
- the suitability of their audit approach; and
- the competitiveness of their fee.

Strip Tinning Holdings plc

The Board and Corporate Governance Statements (continued)

Auditor's independence

The Audit and Risk Committee reviews the independence of the external auditor by assessing the arrangements for the day-to-day management of the audit relationship as well as reviewing the auditor's report which describes their procedures for identifying and reporting conflicts of interest. To maintain the auditor's independence, the committee has also established the policy that the primary role of the external auditor is to perform services directly related to their audit responsibilities. Any non-audit services are approved by the Committee. Non-audit fees paid to the auditor amounted to £nil in the year. The Group uses other advisers for taxation advice and other services. The audit fees are disclosed in Note 5 to the financial statements.

The Audit and Risk Committee considers the re-appointment of the external auditor each year, as well as remuneration and other terms of engagement. The committee recommends the re-appointment of Dains Audit Limited as external auditor. There are currently no contractual obligations which restrict the choice of external auditor.

Internal financial control

The Directors recognise that they have overall responsibility for ensuring that the Group maintains a sound system of internal control to safeguard shareholders' investment and the Group's assets, and for reviewing the effectiveness of these internal controls. The system is designed with regard to the size of the Group to manage risks that may prevent the Group from achieving its business objectives, rather than to eliminate these risks. However, even the most effective system can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place from the start of the period until the date of approval of this report. This process is regularly reviewed by the Audit and Risk Committee and the Board throughout the year.

The effectiveness of the Group's system of internal control is periodically considered by the Committee and the Board. The review covers all material controls, including financial, operational and compliance controls and risk management. The monitoring of control procedures is achieved through regular review by the CFO, reporting to the Committee and to the Board. This review process considers whether significant risks have been identified, evaluated and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. The organisational structure of the Group gives clear management responsibilities in relation to internal financial control. Financial risks are controlled through clearly laid down authorisation levels. There is an annual budget which is approved by the directors. The results are reported monthly and compared to the budget. The Committee considered the extent to which monthly management reporting was consistent with the audited financial statements and received confirmation from the Chief Financial Officer and Group Financial Controller that there had been no material breaches in the internal control framework during the year.

Regular reporting by senior management ensures that, as far as possible, the controls and safeguards are being operated appropriately. This process is considered by the Audit and Risk Committee alongside the adequacy of the risk management and internal control systems, and the external auditors' reports. The internal control and risk management systems are considered to be appropriate. The Audit and Risk Committee receives a report from the external auditors annually.

Internal audit

The Committee has decided that, given the nature of the Group's business and assets and the overall size of the Group, the systems and procedures currently employed provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Group's assets, is in place. A traditional internal audit function is therefore considered unnecessary at this point in time.

Strip Tinning Holdings plc

The Board and Corporate Governance Statements (continued)

Risk management

The Audit and Risk Committee is responsible for assessing the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks. A description of the principal risks and the strategies to manage these risks are included on pages 10-11.

The Board discusses short-, medium- and long-term risks of achieving the Group's strategic goals at each meeting. The Audit and Risk Committee is satisfied that good progress has been made on the development of the tactical and strategic risk register in this way throughout the year. The Committee expects that the risk management framework will continue to evolve further throughout 2026, including as part of the external accreditations it maintains or is seeking to achieve.

Process for preparing consolidated financial statements

The Group has established internal control and risk management systems in relation to the process for preparing the consolidated financial statements. The key features of these systems are:

- Management regularly monitors and considers developments in accounting standards and best practice in financial reporting and reflects developments in the financial statements where appropriate. Committee members keep up to date through their other business activities and review of IASB announcements. The external auditor also keeps the committee apprised of these developments;
- The Committee and the Board review the draft financial statements. The Committee receives reports from management and the external auditor on significant judgements, changes in accounting policies, changes in accounting estimates and any other appropriate changes to the financial statements; and
- The annual financial statements are subject to external audit.

Anti-bribery and anti-corruption

Bribery and corrupt practices are never tolerated in the pursuit of Strip Tinning's business objectives or goals, within business relationships, or in the actions of its employees and associated parties. This commitment is driven from the Chief Executive and the board throughout the entire Group and this same commitment is expected of all who work with the Group and who act on our behalf or are employed or engaged in any capacity by us. The Strip Tinning anti-bribery policy reflects Strip Tinning's zero tolerance approach to acts of bribery.

Whistleblowing

The Board is responsible for the review of the Group's procedures for responding to the allegations of whistleblowers alongside input from the Audit and Risk Committee. Whistleblowing arrangements are in place to enable staff who may, in confidence, want to raise concerns about possible financial reporting irregularities. This whistleblowing procedure is communicated to staff within relevant employee policies. Strip Tinning endeavours to protect those who make disclosures of wrongdoing. Any reports made in good faith will be dealt with in confidence (to the extent possible), and the reporting employee shall not be discriminated against as a result of their actions. No reports were received in the year.



On behalf of the Board

Paul George
Audit and Risk Committee Chair
26 March 2026

Strip Tinning Holdings plc

Remuneration Committee report

The Remuneration Committee is comprised of Matthew Taylor (Chair) and Paul George. The Remuneration Committee sets the overall policy on remuneration and other terms of employment of Directors, including those on the Operating Board of Strip Tinning Limited.

The Remuneration Committee aims to ensure that the remuneration packages offered are competitive and designed to attract, retain and motivate Directors of the right calibre. When assessing the pay and benefits of the Directors, the Remuneration Committee takes account of remuneration and benefits information in the marketplace and the pay and employment conditions elsewhere in the Group.

Director remuneration

Directors' emoluments are set out in Note 7 of the Financial Statements. During the year pension contributions of £27,000 (2024: £21,000) were paid to Executive Directors and The Directors' taxable benefits amounted to £23,000 (2024: £25,000).

Remuneration for Non-Executive Directors consists of fees for their services in connection with Board and Committee meetings. These fees are determined by the Committee without the involvement of the Non-Executive Director concerned. Non-Executive Directors do not participate in any Group pension or share option schemes. Directors' contracts are designed to provide the assurance of continuity which the Group desires. There are no provisions for pre-determined compensation on termination.

Basic salary or fees for each Director are reviewed annually by the Remuneration Committee, taking into account the performance of the individual and information from independent sources on the rates of salary for similar posts.

During the year the non-executive Directors reduced their Salaries by 50% which is currently scheduled to continue until June 2026.

The Group operates a bonus scheme to incentivise Executive Directors to meet the financial and strategic objectives of the Group. Currently there is no plan to issue a bonus in relation to the 2025 tax year due to the cash constraints driven by the new nominations.

Service contracts

The Executive Directors of the Company do not have a notice period in excess of twelve months under the terms of their service contracts. Their service contracts contain no provisions for predetermined compensation on termination which exceed one year's salary and benefits in kind. Non-Executive Directors do not have service contracts with the Company but have letters of appointment.

Company policy on external appointments

The Company recognises that its Directors are likely to be invited to become non-executive directors of other companies and that exposure to such non-executive duties can broaden their experience and knowledge, which will benefit the Group. Executive and Non-Executive Directors are, therefore, subject to the approval of the Company's Board, allowed to accept non-executive appointments, as long as these are not with competing companies and are not likely to lead to conflicts of interest. Executive and Non-Executive Directors are allowed to retain the fees paid.

Strip Tinning Holdings plc

Remuneration Committee report (continued)

Share options

The Remuneration Committee is responsible for awarding options over ordinary shares to Executive Directors and certain senior managers under the Enterprise Management Incentive (EMI) Scheme and companywide Share Incentive Plan (SIP).

These schemes are intended to offer long-term incentives to Directors and senior management and the staff as a whole. The Remuneration Committee believes that the potential for share ownership and participation in growing the value of the Company increases the commitment and loyalty of Directors and staff.

A tranche of share options under the EMI LTIP scheme were allocated to Executive Directors and the Senior Management Team to incentivise maximisation of profitability and shareholder return at or around the time of the listing in February 2022 and linked to the expectations set out in the Admission Document, measured by a combination of Earnings Per Share and Total Shareholder Return. These options have lapsed.

A second tranche of share options under the EMI LTIP scheme were allocated to Executive Directors and the Senior Management Team in March 2023, linked to a cumulative three year EBITDA target and Total Shareholder Return: the total number of shares Executive Directors of Strip Tinning Holdings PLC hold options over is detailed in the Directors' report for the year ended 31 December 2025. These options have lapsed.

A third tranche of share options under the EMI LTIP scheme were allocated to Executive Directors and the Senior Management Team in August 2024, linked to a cumulative three year EBITDA target and Total Shareholder Return: the total number of shares Executive Directors of Strip Tinning Holdings PLC hold options over is detailed in the Directors' report for the year ended 31 December 2025.

A fourth tranche of share options under the EMI LTIP scheme were allocated to Executive Directors and the Senior Management Team in October 2025, linked to a time target and Total Shareholder Return: the total number of shares Executive Directors of Strip Tinning Holdings PLC hold options over is detailed in the Directors' Report for the year ended 31 December 2025.

An employee benefit trust was established in 2022, called The Strip Tinning Holdings PLC Share Incentive Plan Trust ("SIP Trust"), and Global Shares Trustees (UK) Limited ("SIP Trustee") appointed as the trustee of the SIP Trust. In 2022, "Free Share" awards totalling 322,345, representing 2.1% of the current year end issued share capital of the Company, were made, to be held in the SIP Trust for a period of three years before being released to participants. The Company's Executive Directors do not currently participate in the SIP and did not receive an award of Free Shares: No further SIP share awards were made during 2023, 2024 or 2025.



On behalf of the board
Matthew Taylor
Remuneration Committee Chair
26 March 2026

Strip Tinning Holdings plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIP TINNING HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2025

Opinion

We have audited the financial statements of Strip Tinning Holdings Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies.

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 31 December 2025 and of the Group's loss for the year 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.

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).

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 responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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, 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.

Our approach to the audit

As part of designing our audit approach, we obtained an understanding of the Group and its environment, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the parent company, the accounting processes and controls, and the industry in which they operate.

In establishing the overall approach to the Group audit, we assessed the components at which audit work will be performed.

The Group financial statements are a consolidation of two reporting units, comprising the Group's operating businesses. The Group audit team performed full scope audits of the complete financial information of Strip Tinning Holdings Plc and Strip Tinning Limited which accounted for 100% of the Group's total revenue and assets.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIP TINNING HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters 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.

Key audit matters	How our scope addressed this matter
<p>Impairment risks (Group and parent)</p> <p>The Group has capitalised development costs of £2.192m.</p> <p>In accordance with accounting standards, development costs are capitalised where projects are evaluated as viable and where the successful developments are being applied and contributing revenue to the Group.</p> <p>In addition, the Group has other intangibles, property, plant and equipment, and right-of-use assets of £4.259m, and the parent company has an investment in subsidiaries of £4.254m and an amount due from group undertakings of £9.209m.</p> <p>The existence of continuing operating losses provides an indicator that impairments may be present.</p> <p>Therefore, we consider there to be significant risk in relation to the achievement of the forecast future trading and cash flows used to support the carrying value of these assets.</p> <p>Management have concluded that no impairment is necessary.</p> <p>Details of the accounting policies, significant estimates and judgements relating to these assets are provided in note 2 to the financial statements.</p>	<p>We have tested the judgements made by management in undertaking the impairment tests which included, but were not limited to:</p> <ul style="list-style-type: none"> - assessment of the design and implementation of relevant controls; - identifying the cash generating units (CGUs) and validating the assumptions and evidence supporting the allocation of the associated revenue, costs and assets to CGUs; - engaging with our internal valuation expert to confirm the appropriateness of the models used by management to calculate the value in use for the CGU, the mathematical accuracy of the models, the calculation of the discount rate, and consistency with IAS 36; - reconciling the information used in the value in use models to the underlying accounting records and the budgets and forecasts for the Group; - comparing the forecasts to information used to assess going concern and challenging the robustness of the key assumptions, including those around revenue growth; - considering the appropriateness of the sensitivities applied by management, including reviewing the stress testing undertaken by management to assess the appropriateness of the assumptions applied for the relevant scenarios, assessing the level of underperformance against management's forecasts required to eliminate the headroom for the CGU and considering the level of headroom after the application of the relevant sensitivities; - Reviewing and considering the adequacy of the disclosures prepared by the directors, and the key sensitivities in their estimates, as set out in notes 2, 11, 12, 13 and 14 to the financial statements. <p>Nothing has come to our attention to suggest that the impairment conclusions reached by management are not appropriate.</p>

Strip Tinning Holdings plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIP TINNING HOLDINGS PLC (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

Key audit matters (continued)

Key audit matters	How our scope addressed this matter
<p>Convertible Loan Notes</p> <p>As part of the fundraising in January 2024, the Group has issued £4m of convertible loan notes.</p> <p>The accounting classification of a conversion feature as an equity instrument or as a derivative can have a significant effect on an entity's financial statements.</p> <p>The valuation of the derivative component requires the use of significant judgement and estimation, both at initial recognition and at each subsequent reporting date.</p> <p>Therefore we consider there to be significant risk in relation to the valuation of the convertible loan notes.</p> <p>Details of the accounting policies, significant estimates and judgements relating to these assets are provided in note 2 to the financial statements.</p>	<p>We have tested the judgements and estimation techniques applied by management in valuing the convertible loan notes. Our testing included, but was not limited to:</p> <ul style="list-style-type: none"> - Reviewing underlying subscription agreements to check for numerical consistency with the valuation workings; - Engaging with our internal valuation expert to confirm the appropriateness of the valuation methodology applied, the mathematical accuracy of the methodology, the accuracy of the volatility calculations, and challenge of the appropriateness of the underlying assumptions used by management; - Reviewing analysis of the instrument into its components and classification of the conversion feature; - Verifying the allocation of transaction costs to the respective derivative and liability components of the convertible loan note; - Assessing the reasonableness of management's judgement regarding the likely date of redemption of the convertible loan notes, and therefore the number of shares expected to convert; - Reviewing and considering the adequacy of the disclosures prepared by the directors, as set out in notes 2 and 18 to the financial statements. <p>Key observations:</p> <p>As a result of performing the above procedures, we have confirmed that management's valuation of the convertible loan notes is within an acceptable range and the judgements and estimation made by management is reasonable.</p>

Strip Tinning Holdings plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIP TINNING HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

Key audit matters (continued)

Key audit matters	How our scope addressed this matter
<p>Going concern</p> <p>We have determined going concern to be a key audit matter because of the expected lifetime value of nominations won in the year, and the level of resource and investment required to ensure that these are delivered on time and on budget in the foreseeable future. These matters have increased the level of estimation and judgement involved in relation to the going concern assessment.</p> <p>Details of the Directors' going concern assessment are disclosed in note 2 to the financial statements.</p>	<p>We have tested the judgements made by management in assessing the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting. This included:</p> <ul style="list-style-type: none"> - Critically assessing management's trading and cash flow budgets and forecasts, which cover the period to 30 June 2027. This included challenging the key estimates and judgements and the evidence underpinning them. In doing so, we specifically considered the principal trading and cash flow assumptions, available banking facilities and associated covenants. Our challenge of the revenue assumptions included consideration of nominations won, current order levels and information from major customers regarding expected future volumes and prices and the previous experience of these activity levels being met, and included information available up to the date of issuance of our report; - Testing the various scenarios and sensitivities performed by management in respect of the key assumptions underpinning the budgets and forecasts and challenging the sensitivities to ensure they reflected all reasonably foreseeable events and circumstances; - Confirming the mathematical accuracy of the model; - Assessment of the mitigations available to management in downside scenarios; - Assessment of the historical reliability of management's forecasting; and - Reviewing the disclosure prepared by the Directors set out in note 2 to the financial statements, and in the Annual Report, to ensure we consider it to be appropriate. <p>Key observations:</p> <p>As a result of performing the above procedures, we have not identified any material uncertainties relating to events of conditions that, individually or collectively, may cast significant doubt on the Group'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.</p>

Strip Tinning Holdings plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIP TINNING HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

Conclusions relating to going concern

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. To evaluate the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting, we completed the audit procedures detailed above.

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 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 application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

We apply the concept of materiality, both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£170,000 (2024: £150,000).	£170,000 (2024: £150,000).
How we determined materiality	2.0% (2024: 1.7%) of Group revenue	Capped at group materiality, which represents 4.2% (2024: 4.7%) of net assets
Rationale for benchmark applied	We believe that revenue is the appropriate measure to use as it is the key driver of the business value.	We believe that net assets is the appropriate measure to use as the company is a holding company with limited expenses.
Performance materiality	£144,500 (2024: £112,500).	£144,500 (2024: £112,500).
How we determined performance materiality	Performance materiality is set 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. Having considered a number of factors including the control environment and the level of transactions in the year, we have set performance materiality at 85% (2024: 75%) of materiality.	Performance materiality is set 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. Having considered a number of factors including the control environment and the level of transactions in the year, we have set performance materiality at 85% (2024: 75%) of materiality.

Strip Tinning Holdings plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIP TINNING HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

Component materiality

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The materiality for the component was £170,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £8,500 (Group audit) (2024 - £7,500) and £8,500 (Company audit) (2024 - £7,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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 course of 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 this gives rise to 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.

Opinions on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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.

Strip Tinning Holdings plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIP TINNING HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 18, 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 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with directors and other management, and from our commercial knowledge and experience of the automotive manufacturing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the financial reporting legislation, Companies Act 2006, the AIM listing rules, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Strip Tinning Holdings plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIP TINNING HOLDINGS PLC FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 this 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.



John Coates BSc BFP FCA (Senior Statutory Auditor)
For and on behalf of Dains Audit Limited
Statutory Auditor and Chartered Accountants

Birmingham

26 March 2026

Strip Tinning Holdings plc

Consolidated statement of comprehensive income for the year ended 31 December 2025

	Note	2025	2024
		£'000	£'000
Revenue	3	8,592	9,027
Cost of sales		(5,119)	(6,038)
Gross profit		3,473	2,989
Other operating income	4	276	230
Administrative expenses		(6,021)	(6,616)
Operating loss	5	(2,272)	(3,397)
Derivative fair value gain / (loss)	18	786	(905)
Finance income	8	1	71
Finance expense	8	(789)	(655)
Loss before taxation		(2,274)	(4,886)
Taxation	9	167	186
Loss and total comprehensive expense for the financial year		(2,107)	(4,700)
Basic and diluted loss per share (pence)	10	(11.6)	(25.9)

All amounts relate to continuing operations.

There is no other comprehensive income in either the current or prior year.

The notes on pages 42 to 72 form part of these financial statements.


Strip Tinning Holdings plc

Consolidated statement of financial position as at 31 December 2025

	Note	31 December 2025 £'000	31 December 2024 £'000
Assets			
Non current assets			
Intangible assets	11	2,653	2,230
Right-of-use assets	12	728	873
Property, plant and equipment	13	3,070	3,410
		6,451	6,513
Current assets			
Inventories	15	1,072	1,310
Trade and other receivables	16	2,066	2,143
Tax recoverable		202	1,177
Cash at bank and in hand		617	512
		3,957	5,142
Total assets		10,408	11,655
Liabilities			
Current liabilities			
Trade and other payables	17	(2,557)	(1,630)
Borrowings	18	(1,129)	(652)
Lease liabilities	19	(183)	(164)
		(3,869)	(2,446)
Non current liabilities			
Borrowings	18	(4,672)	(4,494)
Derivative fair value liability	18	(720)	(1,506)
Lease liabilities	19	(630)	(772)
Provisions	22	(265)	(251)
		(6,287)	(7,023)
Total liabilities		(10,156)	(9,469)
Net assets		252	2,186
Equity			
Called up share capital	24	182	182
Share premium account	24	7,931	7,931
Merger reserve	24	(100)	(100)
Other reserve	24	(3)	(3)
Accumulated loss		(7,758)	(5,824)
Total equity		252	2,186

The notes on pages 42 to 72 form part of these financial statements.

These financial statements on pages 37 to 72 were approved and authorised for issue by the board on 26 March 2026 and were signed on its behalf by:


K Edwards
Director
Strip Tinning Holdings plc

Registered number: 13832126

Strip Tinning Holdings plc

Company statement of financial position as at 31 December 2025

	Note	31 December 2025 £'000	31 December 2024 £'000
Assets			
Non current assets			
Investments	14	4,254	4,080
		4,254	4,080
Current assets			
Trade and other receivables	16	9,220	9,598
Cash at bank and in hand		-	-
		9,220	9,598
Total assets		13,474	13,678
Liabilities			
Current liabilities			
Trade and other payables	17	(163)	(107)
Non current liabilities			
Borrowings	18	(4,036)	(3,536)
Derivative fair value liability	18	(720)	(1,506)
		(4,756)	(5,042)
Total liabilities		(4,919)	(5,149)
Net assets		8,555	8,529
Equity			
Called up share capital	24	182	182
Share premium account	24	7,931	7,931
Merger reserve	24	3,645	3,645
Other reserve	24	(3)	(3)
Accumulated loss		(3,200)	(3,226)
Total equity		8,555	8,529

As permitted by section 408 of the Companies Act 2006, the parent Company's profit and loss account has not been included in these financial statements. The Company recorded a loss for the year of £147,000 (2024: £1,924,000).

The notes on pages 42 to 72 form part of these financial statements.

These financial statements on pages 37 to 72 were approved and authorised for issue by the board on 26 March 2026 and were signed on its behalf by:



K Edwards
Director
Strip Tinning Holdings plc

Registered number: 13832126

Strip Tinning Holdings plc

Consolidated statement of changes in equity for the year ended 31 December 2025

	Called up share capital £'000	Share premium account £'000	Merger reserve £'000	Other reserve £'000	Accumulated loss £'000	Total Equity £'000
Balance as at 1 January 2024	154	6,966	(100)	(3)	(1,221)	5,796
Loss and total comprehensive expense for the financial year	-	-	-	-	(4,700)	(4,700)
Share based payment (note 25)	-	-	-	-	97	97
Issue of share capital (note 24)	28	965	-	-	-	993
Total contributions by owners	28	965	-	-	97	1,090
Balance as at 31 December 2024	182	7,931	(100)	(3)	(5,824)	2,186
Loss and total comprehensive expense for the financial year	-	-	-	-	(2,107)	(2,107)
Share based payment (note 25)	-	-	-	-	173	173
Total contributions by owners	-	-	-	-	173	173
Balance as at 31 December 2025	182	7,931	(100)	(3)	(7,758)	252

Company statement of changes in equity for the year ended 31 December 2025

	Called up share capital £'000	Share premium account £'000	Merger reserve £'000	Other reserve £'000	Accumulated loss £'000	Total equity £'000
Balance as at 1 January 2024	154	6,966	3,645	(3)	(1,399)	9,363
Loss and total comprehensive expense for the financial year	-	-	-	-	(1,924)	(1,924)
Share based payment (note 25)	-	-	-	-	97	97
Balance as at 31 December 2024	182	7,931	3,645	(3)	(3,226)	8,529
Loss and total comprehensive expense for the financial year	-	-	-	-	(147)	(147)
Share based payment (note 25)	-	-	-	-	173	173
Total contributions by owners	-	-	-	-	173	173
Balance as at 31 December 2025	182	7,931	3,645	(3)	(3,200)	8,555

Strip Tinning Holdings plc

Consolidated cash flow statement for the year ended 31 December 2025

		2025	2024
		£'000	£'000
Cash flow from operating activities			
Loss for the financial year		(2,107)	(4,700)
Adjustment for:			
Depreciation of property, plant and equipment	13	655	739
Depreciation of right-of-use assets	12	299	217
Amortisation of intangible assets	11	280	178
Loss on sale of tangible fixed assets		45	-
Derivative fair value (gain) / loss	18	(786)	905
Amortisation of government grants		(11)	(26)
Share based payment	25	173	97
Finance costs	8	789	584
Taxation credit	9	(167)	(186)
Changes in working capital:			
(Increase)/decrease in inventories	15	238	(23)
Decrease in trade and other receivables	16	77	542
Increase/(decrease) in trade and other payables	17	939	(673)
Cash (used in)/generated from operations		424	(2,346)
Income tax received relating to R&D tax credits		1,142	-
Net cash (used in)/generated from operating activities		1,566	(2,346)
Cash flows from investing activities			
Interest received		-	71
Purchase of property, plant and equipment	13	(223)	(916)
Purchase of intangible assets	11	(703)	(765)
Net cash used in investing activities		(926)	(1,610)
Cash flows from financing activities			
Issue of share capital	25	-	1,106
Share issue costs paid	25	-	(113)
Proceeds of convertible loan note received	18	-	4,000
Loan note issue costs paid	18	-	(301)
Interest paid	20	(277)	(205)
Payment of lease liabilities	20	(277)	(201)
Invoice discounting finance advanced/(repaid)	20	312	(136)
Hire purchase finance received	20	249	475
Loan repayments	20	(81)	(74)
Repayment of capital element of hire purchase contracts	20	(461)	(426)
Net cash (used in)/generated from financing activities		(535)	4,125
Net increase in cash and cash equivalents		105	169
Cash and cash equivalents at the beginning of the year		512	343
Cash and cash equivalents at the end of the year (all cash at bank and in hand)		617	512

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025

1 Corporate information

Strip Tinning Holdings plc is a public company incorporated in the United Kingdom and listed on the Alternative Investment Market. The registered address of the Company is Arden Business Park, Arden Road, Frankley Birmingham, West Midlands, B45 0JA.

The principal activity of the Company is as a holding company for a subsidiary which manufactures automotive busbar, ancillary connectors and flexible printed circuits (FPC) (together the 'Group').

2 Accounting policies

Basis of preparation

The Group financial statements have been prepared in accordance with UK adopted international accounting standards ("IFRS") and in accordance with the requirements of the Companies Act 2006.

The parent Company financial statements have been prepared under applicable United Kingdom Financial Reporting Standards 101: Reduced Disclosure Framework ("FRS101") and the requirements of the Companies Act 2006. The following FRS 101 disclosure exemptions have been taken in respect of the parent Company only information:

- IAS 7 Statement of cash flows;
- IFRS 7 Financial instruments disclosures and;
- IAS 24 Key management remuneration.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The IASB has published the following amendments which were implemented by the group on 1 January 2025 but which have not had any significant impact on the Group's financial statements:

- Amendment to IAS 1 regarding the classification of liabilities being based on an entity's rights at the end of a reporting period and disclosure in respect of post period end covenants that have to be met in the 12 months post period end;
- IAS 7/IFRS 7 amendments in respect of supplier finance arrangements and disclosures that allow an investor to understand the nature of these;
- IFRS 16 Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.

The financial statements have been prepared under the historical cost convention. The financial statements and the accompanying notes are presented in thousands of pounds sterling ('£'000'), the functional and presentation currency of the Group, except where otherwise indicated.

Going concern

The Directors, having made suitable enquiries, analysis and judgements, consider that the Group has adequate resources to continue in business for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

In making this assessment the Directors have considered the Group budgets for the period up to June 2027, routinely updated forward forecasts for revenue, costs and cash flows, the impact of cost cutting already completed and applied sensitivities to these forecasts. The key assumptions included within the forecasts, and thus informing the Directors' views on the going concern position of the Group, are as follows:

- Sales run rates are starting to increase in Q1 of 2026 with the new contracts starting to increase in volumes, we are forecasting that this will increase further as we reach launch dates of key nominations in Q2 and Q3 of 2026;

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Going concern (continued)

- The impact of reciprocal tariffs on products ultimately supplied to the US will be passed to customers;
- The potential impact of the current Ukraine and Iran wars have been considered on the cost base of the business, though the directors note that the main supply base is in UK, Europe and China. Some logistical impact is anticipated but the impact is not forecast to be significant.
- As activity increases recruitment of new staff continues in line with the new projects forecasts however we are continually looking at ways to improve efficiencies;
- Utilisation of the CID facility is maintained at c.75% of the sales ledger at any point in time. We currently have an agreed facility of 85%;
- Further external funding, over and above the current facilities available to the group, is not required throughout the forecast period to support the above activities.

The Directors have delivered an improved end to the 2025 year and the launch of the new projects will improve the forecasts and this in turn means that our finances start to improve as the new projects launch into serial production. The Group continues to monitor cash headroom in our existing forecasts. As such, and should activity levels fall below those summarised above, the Directors have made some of the following assumptions and could take further mitigating actions if required;

- Delaying new staff recruitment if sales are slower than expected;
- Further overhead reduction programmes if activity levels reduce; and
- An ability to draw further against the existing CID facility, which can provide further liquidity of up to 85% of debtors below £1.5m.

Notwithstanding the above, the Directors remain optimistic of securing additional resources to fund in particular the ramp up in sales in the latter half of 2026 from nominations already won and announced. These resources may include funding from the Government's Export Credit Guarantee Scheme, and/or from other grants one of which has started and another we are planning on progressing in the coming months. The Directors consider that the prospects from such opportunities will improve as we move towards being profitable in 2026.

Based on the above assessment of a range of reasonably possible scenarios, including the risks and uncertainties of the current forecast and the associated mitigations available to manage those risks, the Directors continue to adopt the going concern basis in preparing the financial statements.

Standards, amendments and interpretations in issue but not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2025 and which the Group has chosen not to adopt early. These include the following standards which may be relevant to the Group:

- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments made to address diversity in accounting practice by clarifying requirements in two specific areas:
 - classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and
 - timing of derecognition of financial liabilities settled through electronic payment systems

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

- IFRS 18 Presentation and Disclosure in Financial Statements mandatory for periods commencing 1 January 2027. IFRS 18 introduces three key new requirements:

- specified categories and defined subtotals in the statement of profit or loss;
- improved principles for aggregation and disaggregation of information; and
- disclosures about management-defined performance measures

As a result of initial review of the new standards, interpretations and amendments which are not yet effective in these financial statements, none are expected to have a material effect on measurement or presentation of amounts in the Company or Group's future financial statements.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience, as well as expectations of future events and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Right-of-use assets

Judgement

The application of IFRS 16 involves an estimation of the appropriate incremental borrowing rate and judgement of the relevant lease period. The rate is reviewed in conjunction with the rates on similar borrowings and a judgement has been made where there are break options by reference to business plans and the most likely outcome.

Property, plant and equipment

Estimation

Property, plant and equipment as set out in note 13 is depreciated over the estimated useful lives of the assets. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are reviewed annually for continued appropriateness and events which may cause the estimate to be revised.

Impairment of investment

Estimation

Investments are tested for impairment in accordance with IAS 36 'Impairment of Assets'. Investments have separately identifiable cashflows. Key inputs into the estimation uncertainty are the discount rates reflecting the asset specific risks and the future cashflows from the investment. Carrying values of the investment can be seen in note 14. A discounted cashflow model shows a recoverable value with headroom of £38,402,000 above the investment amount. The key assumptions within this model are the Directors assessment of future cash flows (as summarised in "Going Concern" above), plus the future delivery of the current nominations, a Weighted Average Cost of Capital of 10.8% and a Growth Rate of 1.0%. Sensitivities have been applied to this amount, with a 0.1% increase in the discount rate reducing the headroom by £604,000 and a £25,000 reduction in final year cashflows from the investment reducing the headroom by £169,000.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Expected credit losses on intercompany receivables

Estimation

The intercompany receivable balance has been assessed for expected credit losses in accordance with IFRS 9 'Financial Instruments'. The receivable relates to a loan amount with no conditions attached, it is therefore assumed to be repayable on demand with no interest charged. However the commercial plan for repayment of the loan is for Strip Tinning Limited to start to repay the loan once it becomes cash generative. The recoverability has been assessed on the basis of the future cashflows of Strip Tinning Limited as summarised in "Going Concern" above, plus the future delivery of current nominations. Therefore the key input into the estimate are the future cashflows of Strip Tinning Limited. Discounting has not been considered as an estimate as the loan is interest free and repayable on demand. To estimate these future cashflows management have used their base case model, which external investors have relied on, which estimates that Strip Tinning Limited would be able to repay the balance in full by 2030, the key assumptions within this model are a Weighted Average Cost of Capital of 10.8% and a Growth Rate of 1.0%. To apply a sensitivity to this a model with identical inputs to the discounted cashflows model used for the impairment assessment of the investment in Strip Tinning Limited under IAS 36 has been used.

The model estimates that Strip Tinning Limited will be able to repay the balance in full by 2036, under an extreme sensitivity applied, assuming no new contracts were won going forward (so that revenues were solely from existing contracted work) versus the management base case model. Under both scenarios Strip Tinning Holdings plc would be willing to allow the loan to be paid over this period, and so it is concluded that no expected credit loss need be recognised.

Intangible assets

Judgement

The capitalisation of development costs is subject to a degree of judgement in respect of the point when the commercial viability of new technology and know-how is reached, supported by the results of testing and customer trials. The carrying values are shown in note 11. Once the trigger point is reached costs that can be reliably measured and directly relate to the development of relevant projects are capitalised. These include payroll costs, third party invoices for subcontract cost and materials cost in excess of the bill of materials.

Estimation

Capitalisation criteria in respect of financial recoverability involves estimated forecasts of future sales and margins with assumptions based on experience and trends when they are prepared which may change over time. The group has performed a sensitivity analysis and noted that a reasonable change in the underlying significant assumptions is not expected to result in an impairment of an intangible asset.

Amortisation commences once management consider that the asset is available for use, i.e. when it is judged to be in the location and condition necessary for it to be capable of operating in the manner intended by management and the cost is amortised over the estimated five to eight year useful life of the know-how based on experience of and future expected customer product cycles and lives.

Inventory

Judgement

The calculation of net realisable value provisions against inventory requires, in particular, an assessment of whether materials or components can be utilised in future production. Management identify stock for provision based on a combination of the past 12-month usage and the forecast next 12 month usage of the item code.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Inventory (continued)

Estimation

Stock which is identified as having more than one year's usage in stock is provided for on a sliding scale of 20%-90%. This has resulted in new provisions of £83,000 being made in the year, this stock has not been physically written off or scrapped, however its net realisable value has been provided against to reflect its likely future use in the business. A sensitivity is applied to provide 100% for all stock with more than one year's usage in stock, this would increase the provision applied by £80,000, however management believe that this stock does have some residual value and alternative usages, so the sliding scale is more appropriate.

Deferred taxation

Judgement

The recognition of deferred tax assets involves the assessment of forecasts in respect of future results and taxable profits and judgement as to the likelihood that these will be achieved and realise the assets.

Convertible Loan Notes

Judgement & Estimation

As part of the fundraising completed in January 2024, the Group issued a convertible loan note. In accordance with IFRS 9, the instrument has been split into two components:

- A financial liability measured at amortised cost, representing the host debt contract; and
- A derivative financial liability measured at fair value through profit or loss, reflecting the embedded conversion option.

The valuation of the derivative component requires the use of significant judgement and estimation, both at initial recognition and at each subsequent reporting date. The fair value of the conversion feature has been determined using a Monte Carlo simulation model, which reflects the option's dependence on the underlying share price at the date of conversion. During the year, the Group refined the presentation of the Monte Carlo outputs by applying a 1% / 99% percentile collar to reduce the impact of extreme tail outcomes within the simulated distribution. We also added an exit probability of 10 % to enhance the model. The inclusion of the exit probability would reduce the derivative liability by approximately £100,000 and the collar inclusion has reduced the valuation by approximately £300,000. These changes do not change the underlying valuation methodology but affects the statistical distribution of simulated outcomes.

Key assumptions used in the valuation model include the risk-free rate, share price volatility, and dividend yield:

- The risk-free rate applied at both initial recognition and at 31 December 2025 was 4%, based on the Bank of England base rate at the time. A 0.5% increase or decrease in the risk-free rate would result in a corresponding increase or decrease in the derivative liability of approximately £11,000.
- Volatility was estimated at 77.6% as at 31 December 2025, based on the historical share price performance of the Company. A 5% increase in volatility would result in an increase in the derivative liability of approximately £99,000, while a 5% decrease would reduce the liability by approximately £80,000.
- The dividend yield was estimated at 0%, reflecting the Company's retained losses and the expectation that no dividends will be paid in the foreseeable future.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Basis of consolidation

The Company was incorporated on 6 January 2022 with one £0.01 ordinary share and on 2 February 2022, became the Group parent Company when it issued 9,999,999 £0.01 ordinary shares in exchange for all the ordinary shares in Strip Tinning Limited. In addition, options over ordinary shares in Strip Tinning Limited were converted, on equivalent terms, to options over 813,045 shares in the Company. This is considered not to be a business combination and outside the scope of IFRS3 Business Combinations. This is a key judgement and, as a transaction where there was no change in the shareholders or holdings, is accordingly accounted for using merger accounting with no change in the book values of assets and liabilities with no fair value accounting applied.

The consolidated financial statements present the results of the Company and its subsidiary as if they have always formed a single group. Intercompany transactions and balances between Group companies are therefore eliminated in full. The share capital presented is that of Strip Tinning Holdings plc from the date of the capital reorganisation in 2022 with the difference on elimination of Strip Tinning Limited's capital being shown as a merger reserve.

The consolidated statement of comprehensive income reflects the consolidated results for the full comparative financial year ended 31 December 2022, inclusive of the results of the newly incorporated parent entity, plc, from 6 January 2022 onwards.

A subsidiary is an entity over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Revenue

Revenue principally comprises income from the sale of automotive glazing components comprising busbar, ancillary connectors and flexible printed circuits (FPC) together with a small degree of product tooling purchased by customers and represents the amount receivable for the sale of these component products or tooling, excluding VAT and trade discounts.

There are framework agreements with major customers including pricing per component and purchase orders are then received from customers for each delivery. Revenue is recognised to the extent that the performance obligations, being the agreement to transfer the product meeting the technical specifications is satisfied, which is when the customer obtains control of the product or of the tooling and is able to benefit from or direct the use of the product. This recognition occurs at a point in time, for tooling projects and all goods sales. The transfer takes place in accordance with the terms agreed with each customer, either at the point in time the goods are despatched to or received by the customer. Product is tested before dispatch, but any product returned by the customer as faulty is treated as a reduction in revenue. Any tooling revenue is recognised in full once the tooling project is complete and in use to make parts for the customer. This type of tooling built specifically for a customer project is retained physically by Strip Tinning under ownership of the customer once revenue has been recognised. This is separate and distinct to tooling which Strip Tinning has purchased and retains ownership of as not funded by the customer, which is shown in Property, Plant and Equipment.

When an amount has been invoiced or payment received in advance of the associated performance obligations being fulfilled, any amounts due are recognised as trade receivables and deferred income is recorded for the sales value of the performance obligations that have not been provided.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Grants

Income based grants

Income based grants are recognised in other operating income based on the specific terms related to them as follows:

- A grant is recognised in other operating income when the grant proceeds are received (or receivable) provided that the terms of the grant do not impose future performance-related conditions.
- If the terms of a grant impose performance-related conditions including incurring related expenditure, then the grant is only recognised in income as the related performance conditions are met.
- Any grants that are received before the revenue recognition criteria are met are recognised in the statement of financial position as an other creditor within liabilities.

Capital grants

Grants received relating to tangible and intangible fixed assets are treated as deferred income and released to the income statement over the expected useful lives of the assets concerned.

Employee benefits

The Group operates a defined contribution pension scheme. Contributions are recognised in the statement of comprehensive income in the year in which they become payable in accordance with the rules of the scheme.

Share based payment

The Company operates an equity-settled share-based compensation plan in which the Group receives services from employees as consideration for share options. The fair value is established at the point of grant using an appropriate pricing model and then the cost is recognised as an expense in administrative expenses in the statement of comprehensive income, together with a corresponding increase directly in equity over the period in which the services are fulfilled. This is the estimated period to vesting in respect of employees. The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Deferred tax credits in respect of the potential future tax deduction from exercise of options are initially included in the tax in the statement of comprehensive income. To the extent the potential corporate tax deduction exceeds the share-based payment charges, the deferred tax is taken directly to retained earnings in equity in accordance with IAS12.

Income tax

Current income tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date. Current tax is payable on taxable profits, which may differ from profit or loss in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting period. Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Computer software

Computer software assets are capitalised at the cost of acquiring and bringing into use the software. Subsequent to initial recognition it is stated at cost less accumulated amortisation and accumulated impairment. Software is amortised on a straight-line basis over its estimated useful life of two to ten years. Amortisation on all intangible assets is recognised in administrative expenses in the Statement of Comprehensive Income.

Research and development costs

An internally generated intangible asset arising from development (or the development phase) of an internal project to improve the efficiency, design or capability of the Group's product range is recognised if, and only if, all of the following have been demonstrated:

- It is technically feasible to complete the development such that it will be available for use, sale or licence.
- There is an intention to complete the development;
- There is an ability to use, sell or licence the resultant asset;
- The method by which probable future economic benefits will be generated is known;
- There are adequate technical, financial and other resources required to complete the development; and
- There are reliable measures that can identify the expenditure directly attributable to the project during its development.

The amount recognised is the expenditure incurred from the date when the project first meets the recognition criteria listed above. Expenses capitalised consist of employee costs incurred on development, direct costs including material or testing and an apportionment of appropriate overheads.

Where the above criteria are not met, research and development expenditure is charged to the income statement in the period in which it is incurred.

Capitalised development costs are initially measured at cost. After initial recognition, they are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

The depreciable amount of a development cost intangible asset with a finite useful life is amortised on a straight-line basis over its useful life, currently expected to range from five to eight years. Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation period and the amortisation method for the assets with a finite useful life is reviewed at least each financial year-end. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly.

Patent costs

Patent cost assets are initially measured at cost. After initial recognition, they are recognised at cost less any accumulated amortisation and any accumulated impairment losses. The costs are amortised over a five-year estimated useful life.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Property plant and equipment

Property, plant and equipment is recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost of an item of property, plant and equipment comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After recognition, all property, plant and equipment (including plant, computer equipment and fixtures) is carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over their expected useful lives on the following basis:

Leasehold improvements	straight line over life of lease
Plant and machinery	2-15 year straight line
Office equipment	2 year straight line
Tooling	5 year straight line

The residual value and the useful life of an asset is reviewed at least at each financial year-end and if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying value of the asset and are recognised in profit or loss.

Right-of-use assets and lease liabilities

Assets and liabilities arising from a lease with a duration of more than one year are initially measured at the present value of the lease payments and payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments including any expected dilapidation payments are discounted using the interest rate implicit in the lease or the incremental borrowing rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between repayments of the discounted liability, presented as a separate category within liabilities, and the lease liability finance charges. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received and any initial direct costs and are presented as a separate category within tangible fixed assets.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Any payments associated with short-term leases of equipment and all leases of low-value assets would be recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. There have been no significant short lease costs in the reporting period. Associated costs of all leases, such as maintenance, service charges and insurance, are expensed as incurred.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Impairment of intangible assets, right-of-use assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash flows. As a result, some assets are tested individually for impairment and some are tested at the overall Group level. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash flows of other assets or groups of assets (the “cash-generating unit”).

All individual assets or cash-generating units are reviewed for indicators of impairment at the end of each period and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset or cash-generating unit is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value. The impairment loss is allocated to reduce the carrying amount of the asset pro-rata on the basis of the carrying amount of each asset in the unit. Non-financial assets that suffered an impairment are reviewed for a possible reversal of the impairment at the end of each reporting period. An impairment loss is reversed if the asset’s or cash-generating unit’s recoverable amount exceeds its carrying amount.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase of raw materials or bought in manufacturing components on a first in first out basis, costs of conversion and an appropriate proportion of fixed and variable overheads incurred in bringing the finished goods inventories to their present location and condition. Net realisable value represents the estimated selling price less costs to complete and sell. Where necessary, provision is made to reduce cost to no more than net realisable value having regard to the nature and condition of inventory, as well as its anticipated utilisation and saleability.

Financial instruments

Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument and are classified based upon the purpose for which the asset was acquired. The Group’s business model is to hold all assets recognised within these financial statements to collect the cash flows.

Financial assets are initially recognised at fair value, which is usually the cost, plus directly attributable transaction costs. These comprise trade and other receivables and cash and cash equivalents. Financial assets are subsequently measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss (‘ECL’) provision for trade receivables. The Group measures loss allowances at an amount equal to lifetime ECL, which is estimated using past experience of the historical credit losses experienced over the three-year period prior to the period end. Historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group’s customers, such as inflation rates. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date. Management do not intend to recall these balances within twelve months. Expected credit losses on these balances are assessed differently to trade receivables, with an impairment assessment being carried out on the balance as outlined in the Critical Judgements and Estimates section above.

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and reward are transferred.

Financial liabilities

Financial liabilities include loans, hire purchase borrowings, lease liabilities, trade and other payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Loans and hire purchase borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument and subsequently carried at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

The Group utilises hire purchase asset backed finance to fund tangible fixed assets, drawing down finance against individual assets or bundles of assets, which may directly finance the asset purchase or be drawn down retrospectively. The related asset is recognised and measured in accordance with the tangible fixed asset policy with initial cost being the fair value of the asset. A corresponding hire purchase liability is recognised in respect of the capital repayments to be made. These interest-bearing liabilities are then measured at amortised cost with the interest, under the effective interest method, expensed over the repayment period at a constant rate.

In respect of convertible loan notes where there is an option to exchange loan notes for equity shares, the value of the conversion rights is recognised as a derivative fair value liability within non-current liabilities. This is valued at each balance sheet date using an appropriate option pricing model and was a £601,000 liability on the date of issue of the convertible loan. The balance of the net proceeds received is recognised as the initial loan note liability on issue and together with subsequent financing charges is shown within borrowings in non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Foreign currencies

Transactions entered into by the Group in a currency other than the functional currency of sterling are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement in administrative expenses.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

2 Accounting policies (continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an economic outflow will occur and a reliable estimate can be made including any additional evidence from post period end events. Where the timing of the estimate represents a relatively certain amount it is provided for within accruals.

Equity and reserves

Share capital represents the nominal value of shares that have been issued. Share premium represents the excess consideration received over the nominal value of share capital upon the sale of shares, less any incidental costs of issue. The company's merger reserve arises from the fair value attributed to the shares issued in exchange for the subsidiary's shares as no share premium account is recognised under Companies Act merger relief. On consolidation a merger reserve arises as a result of the difference between the nominal value of the parent company shares issued in exchange for subsidiary shares and the nominal value of those subsidiary shares.

Retained earnings include all current and prior period retained profits.

Presentation of non-statutory measures

The Group classifies certain one-off charges or credits that have a material impact on the financial results but are not related to the core underlying trading as 'exceptional' or 'non-recurring' items. These are disclosed separately in note 6 and adjusted results to provide further understanding of the financial performance of the Group.

3 Segmental reporting

IFRS 8, Operating Segments, requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker is considered to be the Executive Directors.

The operating segments are monitored by the chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results. All assets, liabilities and revenues are located in, or derived in, the United Kingdom. The Group has commenced the development and sales of specialised connectors for electric vehicle battery systems (the EV segment) which are expected to grow to be a material segment. Separate management reporting and information is prepared at a revenue and gross profit level only for a Glazing segment (sale of specialist automotive busbar and electrical connectors typically housed in vehicle glazing) and EV as follows:

<i>Year ended 31 December 2025</i>	<i>Glazing £'000</i>	<i>EV £'000</i>	<i>Total £'000</i>
Revenue	6,508	2,084	8,592
Cost of sales	(4,432)	(687)	(5,119)
Gross profit	<u>2,076</u>	<u>1,397</u>	<u>3,473</u>
Other operating income			276
Administrative expenses			(6,021)
Net finance expense			(2)
Taxation			167
Loss for the year			<u>(2,107)</u>

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

3 Segmental reporting (continued)

<i>Year ended 31 December 2024</i>	<i>Glazing £'000</i>	<i>EV £'000</i>	<i>Total £'000</i>
Revenue	8,063	964	9,027
Cost of sales	(5,415)	(623)	(6,038)
Gross profit	<u>2,648</u>	<u>341</u>	<u>2,989</u>
Other operating income			230
Administrative expenses			(6,616)
Finance expense			(1,489)
Taxation			186
Loss for the year			<u>(4,700)</u>

Turnover with the largest customers (including customer groups) representing in excess of 10% of total revenue in the year for 3 customers (2024: 3 customers) has been as follows:

	<i>Year ended 31 December 2025</i>	<i>Year ended 31 December 2024</i>
	<i>£'000</i>	<i>£'000</i>
Customer A	1,325	1,537
Customer B	857	998
Customer C	<u>823</u>	<u>974</u>

All revenue arises at a point in time and relates to the sale of automotive busbar, ancillary connectors and flexible printed circuit (FPC) product. Turnover by geographical destination is as follows:

	<i>Year ended 31 December 2025</i>	<i>Year ended 31 December 2024</i>
	<i>£'000</i>	<i>£'000</i>
UK	979	904
Rest of Europe	3,732	4,721
Rest of the World	<u>3,881</u>	<u>3,402</u>
	<u>8,592</u>	<u>9,027</u>

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

4 Other operating income

The operating loss is stated after charging/(crediting):

Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
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Other operating income comprising:

Amortisation of deferred government capital grant income	(11)	(26)
Government revenue grant income in respect of development	(31)	(136)
Income relating to claim settlement with a customer	-	(68)
Research and Development Expenditure Credit ('RDEC') income	(234)	-

In 2022, a major government grant was awarded to the group to reimburse employment, depreciation, subcontract and other revenue costs related to the scale up of its Battery Technologies production line and process.

5 Operating loss

The operating loss is stated after charging/(crediting):

Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
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Amortisation of intangible assets	280	178
Depreciation of property, plant and equipment	655	739
Depreciation of right-of-use assets	216	217
Cost of inventory sold	2,715	3,739
Research and development expenditure expensed in the year	1,171	1,000
Foreign exchange (gains) / losses	(1)	93
Exceptional or non-recurring costs		
Restructuring related staff costs	35	88
Convertible loan fees	-	53
Aborted fund raise legal fees	97	-
Auditor's remuneration		
For audit	78	73
Additional fees for prior year audit	8	-

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

6 Adjusted EBITDA

In reporting financial information, the Group presents an alternative performance measure (APM), which is not defined or specified under the requirements of IFRS. The Group believes that this APM provides understanding to the users of the financial statements to allow for further assessment of the underlying performance of the Group. The Group's primary results measure, which is considered by the directors of the Group to represent the underlying and continuing performance of the Group, is adjusted EBITDA as set out below, in which earnings are stated before net finance income, tax, amortisation and depreciation and non-recurring items.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Operating loss	(2,272)	(3,397)
Depreciation	871	956
Loss on disposal of fixed assets	45	-
Amortisation and impairment	280	178
EBITDA	<u>(1,075)</u>	<u>(2,263)</u>
Foreign exchange	(1)	93
Share based payments	173	97
R&D tax credit fees	278	-
Non-recurring staff redundancy costs	35	88
Convertible loan fees	-	53
Aborted fund raise legal fees	97	-
Adjusted EBITDA	<u>(492)</u>	<u>(1,932)</u>

7 Staff and key management

	Year ended 31 December 2025 Number	Year ended 31 December 2024 Number
Average monthly number of employees		
Management	15	16
Engineering, administration and support	19	25
Production, quality and distribution	<u>63</u>	<u>77</u>
	<u>97</u>	<u>118</u>
Payroll costs	£'000	£'000
Gross salaries	3,683	4,495
Social security costs	451	464
Share based payment (note 25)	173	97
Contributions to money purchase pension schemes	278	315
	<u>4,585</u>	<u>5,371</u>

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

7 Staff and key management (continued)

In view of the size and nature of the Group, the Key Management Personnel in the period is considered to comprise only the directors of the parent and subsidiary companies. The Company Directors' remuneration was as follows:

<i>Year ended 31 December 2025</i>	<i>Salary</i>	<i>Bonus</i>	<i>Benefits in kind</i>	<i>Share based payment</i>	<i>Pension</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>R W Barton</i>	38	-	10	-	-	48
<i>P George</i>	31	-	-	-	-	31
<i>K Edwards</i>	148	-	1	32	11	192
<i>A D Robson</i>	54	-	7	5	-	66
<i>M Taylor</i>	23	-	-	-	-	23
<i>M Perrins</i>	190	-	5	74	16	285
	<u>484</u>	<u>-</u>	<u>23</u>	<u>111</u>	<u>27</u>	<u>645</u>
<i>Year ended 31 December 2024</i>	<i>Salary</i>	<i>Bonus</i>	<i>Benefits in kind</i>	<i>Share based payment</i>	<i>Pension</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>R W Barton</i>	97	-	11	-	-	108
<i>P George</i>	40	-	-	-	-	40
<i>A Le Van</i>	86	-	4	-	6	96
<i>K Edwards</i>	63	15	-	5	4	87
<i>A D Robson</i>	130	26	7	30	-	193
<i>M Taylor</i>	40	-	-	-	-	40
<i>M Perrins</i>	192	36	3	11	11	253
	<u>648</u>	<u>77</u>	<u>25</u>	<u>46</u>	<u>21</u>	<u>817</u>

Retirement benefits were accruing to three directors in respect of defined contribution schemes (2024: three).

Key management remuneration was £645,000 (2024: £817,000) including £27,000 of pension contributions (2024: £21,000).

The highest paid director received remuneration of £285,000 (2024: £253,000) including pension contributions of £16,000 (2024: £11,000).

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

8 Finance income and expense

	<i>Year ended 31 December 2025 £'000</i>	<i>Year ended 31 December 2024 £'000</i>
Finance income		
Bank interest receivable	<u>1</u>	<u>71</u>
Finance expense		
Interest payable on hire purchase obligations	114	98
Bank interest payable	74	49
Convertible loan note interest (rolled up)	500	438
Unwinding of discount on provisions	13	12
Lease liability finance charges	<u>88</u>	<u>58</u>
	<u><u>789</u></u>	<u><u>655</u></u>

9 Income tax

	<i>Year ended 31 December 2025 £'000</i>	<i>Year ended 31 December 2024 £'000</i>
Current tax:		
UK corporation tax	-	(186)
Adjustment for prior periods	<u>(167)</u>	<u>-</u>
Total tax credit	<u><u>(167)</u></u>	<u><u>(186)</u></u>

The tax rate used for the reconciliation is the average corporate tax rate of 25% (2024: 25%) payable by corporate entities in the UK on taxable profits under UK tax law. The group R&D expenditure now falls into the merged RDEC scheme with any credit recognised in other income.

The credit for the year can be reconciled to the loss for the year as follows:

	<i>Year ended 31 December 2025 £'000</i>	<i>Year ended 31 December 2024 £'000</i>
Loss before taxation	<u>(2,274)</u>	<u>(4,886)</u>
Income tax calculated at 25% (2024: 25%)	(568)	(1,222)
Expenses not deductible	(8)	350
Enhanced research and development allowances	(293)	(215)
Surrender of losses for R&D credit	313	279
Differing deferred and corporate tax rates	-	-
Deferred tax not recognised in respect of losses	359	701
Gain on derivative not taxable	197	(79)
Adjustment for prior periods	<u>(167)</u>	<u>-</u>
Total tax credit	<u><u>(167)</u></u>	<u><u>(186)</u></u>

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

10 Earnings per share

	<i>Year ended 31 December 2025</i>	<i>Year ended 31 December 2024</i>
Loss used in calculating earnings per share (£'000)	(2,107)	(4,700)
Weighted average number of shares ('000)	18,225	18,119
Basic and diluted loss per share (pence)	<u>(11.6)</u>	<u>(25.9)</u>

Earnings per share has been calculated based on the share capital of the parent company. There are options in place over 3,345,019 (2024: 1,697,741) shares that were anti-dilutive at the year end but which may dilute future earnings per share. In 2024 the Group completed a fundraise in part equity part convertible loan notes which resulted in an issue of 2,765,375 ordinary shares. The £4,000,000 convertible loan note issued would convert into 10,000,000 shares at 40 pence per share.

11 Intangible assets

Group	Development costs £'000	Patents £'000	Computer Software £'000	Total £'000
Cost				
At 1 January 2024	1,954	148	574	2,676
Additions	695	-	70	765
At 31 December 2024	2,649	148	644	3,441
Additions	692	-	11	703
At 31 December 2025	3,341	148	655	4,144
Accumulated amortisation				
At 1 January 2024	803	140	90	1,033
Charge for the year	173	4	1	178
At 31 December 2024	976	144	91	1,211
Charge for the year	173	3	104	280
At 31 December 2025	1,149	147	195	1,491
Net book amount				
At 31 December 2025	2,192	1	460	2,653
At 31 December 2024	1,673	4	553	2,230

The Group has a programme of research and development projects to improve the efficiency and functionality of its products. Capitalised development costs relate to the projects evaluated as viable and where the successful developments are being applied and contributing to revenue.

Included within the carrying amount of the above, are assets held under hire purchase agreements of £128,000 (2024: £144,000) relating to software. Amortisation charged on these assets in the year amounted to £16,000 (2024: £16,000).

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

12 Right-of-use assets

Group	Property leasehold assets	Plant and machinery assets	Total
	£'000	£'000	£'000
Cost			
At 1 January 2024	1,868	221	2,089
Disposals	-	(65)	(65)
At 31 December 2024	1,868	156	2,024
Additions	146	8	154
Disposals	-	(6)	(6)
At 31 December 2025	2,014	158	2,172
Accumulated depreciation			
At 1 January 2024	928	71	999
Charge for the year	173	44	217
Disposals	-	(65)	(65)
At 31 December 2024	1,101	50	1,151
Charge for the year	257	42	299
Disposals	-	(6)	(6)
At 31 December 2025	1,358	86	1,444
Net book amount			
At 31 December 2025	656	72	728
At 31 December 2024	767	106	873

The financing charges in respect of right-of-use assets are disclosed in note 8 and the lease liabilities in 19. Short term rentals are disclosed in note 5 with no low value leases in either year. Right-of-use assets and lease liabilities relate principally to property leases. The Group leases its main operating premises, typically on a ten year lease, subject to periodic rent reviews and potential breaks, with the intention and assumption made in measuring assets and liabilities that the full period will be utilised. Total cash outflows in respect of leases were £223,000 for the year ended 31 December 2025 (2024: £259,000).

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

13 Property, plant and equipment

Group	Leasehold improvements £000	Plant and machinery £'000	Tooling £'000	Office equipment £'000	Total £'000
Cost					
At 1 January 2024	542	6,377	1,234	212	8,365
Additions	5	812	63	36	916
At 31 December 2024	547	7,189	1,297	248	9,281
Additions	4	326	21	10	360
Disposals	-	(631)	-	(100)	(731)
At 31 December 2025	551	6,884	1,318	158	8,911
Accumulated depreciation					
At 1 January 2024	307	4,239	1,114	211	5,871
Charge for the year	40	547	113	39	739
At 31 December 2024	307	4,239	1,114	211	5,871
Charge for the year	40	509	74	32	655
Eliminated on disposals	-	(585)	-	(100)	(685)
At 31 December 2025	347	4,163	1,188	143	5,841
Net book amount					
At 31 December 2025	204	2,721	130	15	3,070
At 31 December 2024	240	2,950	183	37	3,410

Included within the carrying amount of the above, are assets held under hire purchase agreements of £1,590,000 (2024: £1,984,000) relating to plant and machinery and £13,000 (2024: £11,000) relating to tooling. Depreciation charged on these assets in the year amounted to £149,000 (2024: £383,000).

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

14 Investments

Company	Shares in group undertakings £'000
At 31 December 2024	4,081
Capital contribution to subsidiary in respect of employee share options	173
At 31 December 2025	4,254

The Company acquired all of the shares in Strip Tinning Limited by a share for share exchange on 2 February 2022. Strip Tinning Limited is incorporated and registered in England at Arden Business Park, Arden Road, Frankley Birmingham, West Midlands, B45 0JA. It manufactures automotive busbar, ancillary connectors and flexible printed circuits (FPC). A new, wholly owned subsidiary, Strip Tinning Technologies Limited, with share capital of £0.01 and registered at the same address, has been incorporated in 2024 and has not yet traded.

Capital contribution relates to the share based payment amounts that have been allocated to employees of Strip Tinning Limited under share option agreements (note 25).

15 Inventories

Group	31 December 2025 £'000	31 December 2024 £'000
Raw materials and consumables	989	1,125
Finished goods and goods for resale	83	185
	1,072	1,310

An inventory impairment loss of £83,000 (2024: £191,000) was recognised in the year.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

16 Trade and other receivables

	Group 31 December 2025 £'000	Group 31 December 2024 £'000	Company 31 December 2025 £'000	Company 31 December 2024 £'000
Current				
Trade receivables	1,551	1,819	-	-
Impairment provision	(39)	-	-	-
Net trade receivables	1,512	1,819	-	-
Amounts owed by group undertakings	-	-	9,209	9,588
Other receivables	145	125	-	-
Prepayments	409	199	11	10
	<u>2,066</u>	<u>2,143</u>	<u>9,220</u>	<u>9,598</u>

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date.

The impairment charge and movement in the expected credit loss provision against trade receivables is as follows:

	2025 £'000	2024 £'000
At 1 January	-	-
Impairment charge for the year	39	9
Debt written off	-	(9)
At 31 December	<u>39</u>	<u>-</u>

Ageing of trade receivables past their due dates but not provided were:

	Less than 30 days overdue £'000	30 to 60 days overdue £'000	More than 60 days overdue £'000
31 December 2024	266	1	58
31 December 2025	<u>116</u>	<u>-</u>	<u>-</u>

The Directors consider the credit quality of trade and other receivables that are neither past due nor impaired to be of good quality with the impairment charges arising principally from one former customer.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

17 Trade and other payables

	Group 31 December 2025 £'000	Group 31 December 2024 £'000	Company 31 December 2025 £'000	Company 31 December 2024 £'000
Current				
Trade payables	924	694	55	-
Other payables	99	156	-	-
Taxation and social security	105	114	-	-
Accruals	498	399	108	107
Deferred income	931	267	-	-
	2,557	1,630	163	107

18 Borrowings

	Group 31 December 2025 £'000	Group 31 December 2024 £'000	Company 31 December 2025 £'000	Company 31 December 2024 £'000
Current liabilities				
Invoice discounting facility	668	356	-	-
Loans	74	81	-	-
Asset-based borrowings	387	215	-	-
	1,129	652	-	-
Non current liabilities				
Loans	-	74	-	-
Convertible loan note liabilities	4,036	3,536	4,036	3,536
Asset-based borrowings	636	884	-	-
	4,672	4,494	4,036	3,536
Non current derivative liabilities				
Derivative fair value liability	720	1,506	720	1,506

Asset-based borrowings are secured by fixed charges over certain tangible fixed assets and floating charges over other assets and undertakings of the Group. All obligations fall due within five years. The total payments including interest in respect of hire purchase liabilities are shown in note 20.

The invoice discounting facilities are secured by fixed and floating charges over all other assets of the Group.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

18 Borrowings (continued)

On 15 January 2024, the company received the £3,646,000 of proceeds, net of issue costs and fees of a £4,000,000 convertible loan note from its shareholders. The value of the conversion rights is recognised as a derivative fair value liability within non-current liabilities. This is valued at each balance sheet date using an appropriate option pricing model and was a £601,000 liability on the date of issue of the convertible loan. The balance of the net proceeds received was recognised as the initial loan note liability on issue and together with subsequent financing charges is shown within borrowings in non-current liabilities. The £786,000 gain (2024: £905,000 loss) on revaluation reduced the derivative liability at 31 December 2025 to £720,000 (2024 £1,506,000) is shown in the Statement of Comprehensive Income below operating loss. The fair value of the derivative liability is directly impacted by movements in the quoted share price and can therefore fluctuate significantly. The annual coupon rate of the loan is 10% and the loan is repayable 15 January 2029. The holders may convert the capital and accrued interest to ordinary shares at the lower of 52 pence per share or the issue price at the last fundraising round prior to conversion.

19 Lease liabilities

Group	31 December 2025 £'000	31 December 2024 £'000
Current	183	164
Due in one to five years	630	680
Due in more than five years	-	92
Non-current	630	772

The total payments including interest in respect of lease liabilities are shown in note 20.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

20 Movements in total financing liabilities

Group	Borrowings	Lease liabilities	Total financing
	£'000	£'000	£'000
At 1 January 2024	1,771	1,137	2,908
Cash movements:			
Lease liability payments	-	(201)	(201)
Hire purchase finance advanced	475	-	475
Hire purchase payments	(426)	-	(426)
Invoice discounting finance repaid	(136)	-	(136)
Loan advanced	4,000	-	4,000
Loan issue costs paid	(301)	-	(301)
Loan repayments	(74)	-	(74)
Interest paid	(147)	(58)	(205)
Non-cash movements:			
Derivative liability movement	905	-	905
Interest accrued	585	58	643
At 31 December 2024	6,652	936	7,588
Cash movements:			
Lease liability payments	-	(277)	(277)
Hire purchase finance advanced	385	-	385
Hire purchase payments	(461)	-	(461)
Invoice discounting finance drawn	312	-	312
Loan repayments	(81)	-	(81)
Interest paid	(189)	(88)	(277)
Non-cash movements:			
Derivative liability movement	(786)	-	(786)
New leases	-	154	154
Interest accrued	689	88	777
At 31 December 2025	6,521	813	7,334

21 Financial instruments and capital management

Risk management

The Board has overall responsibility for the determination of the Company and the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's flexibility. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Group is exposed to financial risks in respect of market including foreign exchange risk, credit and liquidity risks.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

21 Financial instruments and capital management (continued)

Capital management

The Group's capital comprises all components of equity which includes share capital and retained earnings amounting to net assets of £252,000 at 31 December 2025 (2024: £2,186,000 net assets). The Group's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The capital structure of the Group consists of shareholders equity with all working capital requirements financed from cash and major capital expenditure funded by leases and hire purchase agreements. Continuing investment in EV has also required utilisation of convertible loan note funding. The Group sets the amount of capital it requires in proportion to risk. It manages its capital structure and makes adjustments to it in the light of changes in economic conditions, the ability to finance capital purchases and the risk characteristics of the underlying assets and activity. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Market risks

These arise from the nature and location of the customer markets and include foreign exchange rate risks.

The Group trades within European and other overseas automotive supplier markets, and accordingly there is a risk relating to the underlying performance of these markets. The Directors monitor this and the foreign exchange risk closely with the intention to foresee downturns in trade or changes in the use of automotive components.

Foreign exchange risk

The Group trades with overseas customers and, whilst it has net foreign currency balances, also makes a degree of purchases in the respective currency and uses currency denominated accounts to defer conversion to sterling or to utilise the currency when needed. There has therefore been a reduced sensitivity to fluctuations in exchange rates although a 10% increase or decrease in Euro and US dollar exchange rates against sterling could impact the results. by a reduction or increase in profit respectively. The Group has taken out some 12 month hedges on US dollars to mitigate a small portion of the exposure to currency fluctuations.

The Group had the following in net assets comprising cash, sales ledger and purchase ledger balances denominated in foreign currencies:

	<i>31 December 2025 £'000</i>	<i>31 December 2024 £'000</i>
Euro denominated	487	720
US dollar denominated	<u>510</u>	<u>968</u>

At 31 December 2025, the group had forward currency contracts with a term shorter than a year to sell €490,000 for sterling at fixed rates with an unrecognised derivative asset fair value of less than £2,000 (2024: no open contracts).

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

21 Financial instruments and capital management (continued)

Interest rate risk

The Group makes use of fixed rate three to five year hire purchase agreements to acquire property, plant and equipment with interest rates typically ranging from 3.5% (new agreements in 2020 to 2022) to 10% (2024); this spreads the capital cost, ensures that the Group maintains sufficient cash resources for working capital purposes and ensures certainty of total costs at the point of acquisition of those assets. A £4m convertible loan note was used to raise funds in January 2024 with a coupon of 10% where interest is rolled up and all payable on repayment of the loan. A five year term bank loan has also been drawn upon at a fixed interest rate of 9.4% and invoice discounting facilities of up to £1.5m subject to eligible receivables at an interest rate of 2.85% over base rates. These liabilities are set out in note 18.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales and attempts to mitigate credit risk by assessing the creditworthiness of customers, including using proforma terms for new customers and closely monitoring the payment record and trends for each customer. The customers are principally tier 1 automotive suppliers.

At 31 December 2025 trade receivables were £1,551,000 (31 December 2024: £1,819,000) with 44% (31 December 2024: 18%) of the balance owed by one customer group and 41% (2024: 44%) of the balance by three other customers with operations based in a number of European and other countries.

The ageing of overdue debtors is included in note 16 with all amounts subsequently substantially received. The impairments to trade or other receivables in 2024 and 2025 are in excess of the limits covered by external credit insurance these have been immaterial and relate to a few smaller customers. The business holds credit Insurance on its Trade Debtors.

Credit risk on cash and cash equivalents is considered to be minimal as the counterparties are all substantial banks with high credit ratings.

Liquidity risk

The maturity of the Group's financial liabilities including trade and other payables, hire purchase and lease liability total payments with the interest payable is as set out below. Current liabilities were payable on demand or to normal trade credit terms, hire purchase and loan obligations were payable monthly and lease liabilities quarterly. Hire purchase and lease liabilities are used to manage liquidity by spreading the cost of payment for capital purchases. The convertible loan notes, if not converted, are repayable with for a total of £6,000,000 including accrued interest in January 2029.

<i>At 31 December 2025</i>	<i>Up to 1 year</i> <i>£'000</i>	<i>1-2 years</i> <i>£'000</i>	<i>2-5 years</i> <i>£'000</i>	<i>Over 5 years</i> <i>£'000</i>
<i>Trade and other payables</i>	1,521	-	-	-
Hire purchase obligations	479	416	369	-
Loans and invoice discounting facility	745	-	6,000	-
Lease liabilities	222	222	800	-
	<u>2,967</u>	<u>638</u>	<u>7,169</u>	<u>-</u>

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

21 Financial instruments and capital management (continued)

Liquidity risk (continued)

<i>At 31 December 2024</i>	<i>Up to 1 year</i> <i>£'000</i>	<i>1-2 years</i> <i>£'000</i>	<i>2-5 years</i> <i>£'000</i>	<i>Over 5 years</i> <i>£'000</i>
<i>Trade and other payables</i>	1,249	-	-	-
<i>Hire purchase obligations</i>	514	345	507	-
<i>Loans and invoice discounting facility</i>	448	77	6,000	-
<i>Lease liabilities</i>	212	210	562	420
	<u>2,423</u>	<u>632</u>	<u>7,069</u>	<u>420</u>

Classification of financial instruments

All financial assets have been classified as at amortised cost, and all financial liabilities have been classified as other financial liabilities measured at amortised cost.

Financial assets

	<i>31 December</i> <i>2025</i> <i>£'000</i>	<i>31 December</i> <i>2024</i> <i>£'000</i>
<i>At amortised cost</i>		
<i>Trade receivables and other receivables</i>	1,656	1,944
<i>Cash and cash equivalents</i>	617	512
	<u>2,273</u>	<u>2,456</u>

Financial liabilities

	<i>31 December</i> <i>2025</i> <i>£'000</i>	<i>31 December</i> <i>2024</i> <i>£'000</i>
<i>At amortised cost</i>		
<i>Trade payables, other payables and accruals</i>	1,521	1,249
<i>Hire purchase obligations</i>	1,023	1,099
<i>Loans and invoice discounting facility</i>	4,778	4,047
	<u>7,322</u>	<u>6,395</u>

The Directors consider that the carrying amount of the financial assets and liabilities approximates to their fair values.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

22 Provisions

The dilapidations provisions were reassessed during 2022 in respect of the group's rented properties and increased to allow for potential reinstatement costs that may be incurred at the end of the leases in 2030 under the standard terms in the contracts. This primarily resulted in an increase in the amount recognised in respect of the right of use assets for property and in the discounted provisions liability which amounts to £265,000 at 31 December 2025 (2024: £251,000). The dilapidations settlement would be due on the end of the businesses current lease, which is 2030, the amount of settlement is uncertain and is based on an Expert's assessment conducted in 2022, with a further update from the landlord's expert in 2024.

In 2023, a provision was recorded to allow for the potential supplier settlement costs of a terminated contract, which was not required on completion of negotiations and released in 2024.

<i>Group</i>	<i>Dilapidations provision</i>	<i>Terminated contract provision</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Liability at 31 December 2023	239	121	360
Provision charged in year	-	(121)	(121)
Unwinding of discount on provision	12	-	12
Liability at 31 December 2024	251	-	251
Unwinding of discount on provision	14	-	14
Liability at 31 December 2025	265	-	265

23 Deferred taxation

Group

<i>Liability/(asset) in respect of:</i>	<i>Accelerated capital allowances</i>	<i>Intangible R&D assets</i>	<i>Share based payment</i>	<i>Losses and other timing differences</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
As at 31 December 2023	873	171	(59)	(985)	-
Credit to profit or loss	53	(27)	59	(85)	-
As at 31 December 2024	926	144	-	(1,070)	-
Credit to profit or loss	(181)	278	-	(97)	-
As at 31 December 2025	745	421	-	(1,166)	-

The Group has tax losses carried forward of approximately £8,072,000 (2024: £7,990,000) and an unrecognised deferred tax asset of £2,018,000 (2024: £929,000) in respect of these. The net asset has not been recognised as it is not yet considered sufficiently probable, in the short term, that the asset will be realised. The tax losses carried forward have no expiry date.

The Company has tax losses carried forward of £1,701,000 (2024: £1,820,000) and an unrecognised deferred tax asset of £425,000 (2024: £456,000) in respect of these. The deferred tax asset has only been recognised as far as it offsets the deferred tax losses due to the timing of the when the tax will materialise, so it is appropriate to net them off.

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

24 Share capital

The movements in share capital have been as follows:

<i>Company and Group</i>	<i>Number of £0.01 shares</i>	<i>Nominal £'000</i>	<i>Share premium £'000</i>
At 31 December 2023 and 2024	18,225,089	182	7,931
EIS and VCT placing shares issued at £0.40 each	2,765,375	28	965
At 31 December 2025	<u>18,225,089</u>	<u>210</u>	<u>7,931</u>

The Company was incorporated with one £0.01 share and on 2 February 2022 issued 9,999,999 £0.01 shares in exchange for all of the issued share capital in Strip Tinning Limited. Merger relief arises under the Companies Act from a share premium and in accordance with IAS 27 for such a transaction with no change in control, the consideration was recorded at the Strip Tinning Limited net asset value of £3,745,000 (£0.375 per share) in the company, £100,000 of nominal share capital and a merger reserve of £3,645,000.

The issue of shares with a nominal value of £100,000 in exchange for the 2,000 £0.10 shares in Strip Tinning Limited with a nominal value of £200 resulted in a debit to a merger reserve of £99,800 in the consolidated financial statements, presented as a capital reorganisation after consolidating applying the merger accounting principles as set out in note 2.

On 15 January 2024, 2,765,375 £0.01 ordinary shares were issued at £0.40 each, totalling £1,106,150. The issue of these shares in resulted in a share premium of £965,000 (net of £113,000 of share issue costs).

All £0.01 ordinary shares rank equally with the right to receive dividends and capital distributions.

25 Share based payment

Options over the Company shares have been granted each year under a Long Term Incentive Plan with the fair value of the options measured at each respective grant date using an appropriate Monte Carlo valuation model (for market related conditions). These are always subject to continuing employment conditions and often to a performance target as well, most commonly Total Shareholder Return target ('TSR'). The exercise price was £0.01 and £nil dividends were assumed in all cases with the other assumptions applied and fair values in the years ended 31 December 2024 and 2025 as follows:

<i>Date granted</i>	<i>Conditions</i>	<i>Number</i>	<i>Vesting period/ months</i>	<i>Risk free rate</i>	<i>Volatility</i>	<i>Share price at date of grant</i>	<i>Fair value per share</i>
<i>August 2024</i>	<i>TSR</i>	<i>760,000</i>	<i>28</i>	<i>5%</i>	<i>75.2%</i>	<i>£0.43</i>	<i>£0.29</i>
<i>September 2025</i>	<i>RSU</i>	<i>688,296</i>	<i>16</i>	<i>5%</i>	<i>75.0%</i>	<i>£0.23</i>	<i>£0.22</i>
<i>September 2025</i>	<i>RSU</i>	<i>1,001,449</i>	<i>28</i>	<i>5%</i>	<i>75.0%</i>	<i>£0.23</i>	<i>£0.22</i>
<i>September 2025</i>	<i>TSR</i>	<i>1,001,449</i>	<i>28</i>	<i>4.5%</i>	<i>77.1%</i>	<i>£0.23</i>	<i>£0.08</i>

Strip Tinning Holdings PLC

Notes to the financial statements for the year ended 31 December 2025 (continued)

25 Share based payment (continued)

A free share scheme was also set up for the majority of employees in November 2022 with a three year vesting period with the shares allocated on vestment to those still employed by the Group in November 2025.

The movements in share options have been as follows:

	<i>Weighted average exercise price £</i>	<i>PSP scheme Number</i>	<i>Employee free share scheme Number</i>
<i>As at 31 December 2023</i>	<i>0.008</i>	<i>1,214,959</i>	<i>322,345</i>
<i>Lapsed in the year</i>		<i>(277,218)</i>	<i>-</i>
<i>Granted in the year</i>		<i>760,000</i>	<i>-</i>
<i>As at 31 December 2024</i>	<i>0.008</i>	<i>1,697,741</i>	<i>322,345</i>
<i>Lapsed in the year</i>		<i>(519,811)</i>	<i>(68,279)</i>
<i>Expired without vesting in the year</i>		<i>(148,651)</i>	
<i>Forfeited</i>		<i>(375,454)</i>	<i>-</i>
<i>Granted in the year</i>		<i>2,691,194</i>	<i>-</i>
<i>Vested in the year</i>		<i>-</i>	<i>(254,066)</i>
<i>As at 31 December 2025</i>	<i>0.01</i>	<i>3,345,019</i>	<i>-</i>

The unexpired options have an average vesting period remaining at 31 December 2025 of 1.6 years (2024: 1.4 years).

The total share-based payments charged in the year were £173,000 (2024: £97,000).

26 Capital commitments and contingent liabilities

The Group had capital commitments contracted but not provided for of £513,000 at 31 December 2025 (2024: £568,000). The Company had no capital commitments.

27 Control and related party transactions

At 31 December 2025, the Company was an ultimate parent company. Mr R Barton was considered to be the ultimate controlling party. The key management personnel is considered to be the directors. Please refer to note 7 for details of key management personnel remuneration.

