



COHORT PLC

THE INDEPENDENT TECHNOLOGY GROUP

Empowering innovation for defence advantage

Annual Report and Accounts 2025

WHO WE ARE

Cohort is a group of like-minded technology companies operating in the defence and security markets.

With a workforce of around 1,600 highly skilled people, we serve the defence and security needs of customers around the world.

What we do

By combining innovation with delivery, we provide agile technology solutions that address real defence needs.

Our purpose

We are advancing defence technology for a safer tomorrow.

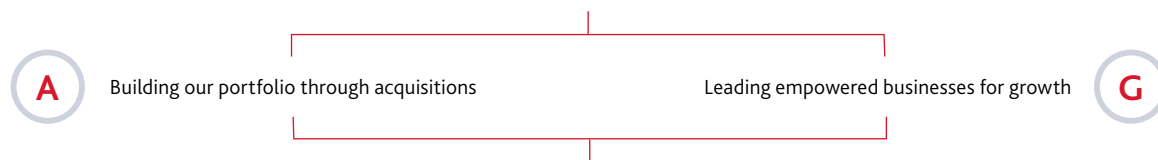
We provide advantage, without compromise, for our people, our customers and our shareholders.

Our vision

We aspire to be the launchpad for advanced defence and security technology businesses to deliver greater impact.

Our strategic approach

We combine the agility of entrepreneurial businesses with the stability of a larger Group.



Our core values



We are Expert

We are knowledgeable and share our expertise.



We are Responsible

We act with integrity to make the right decisions.



We are Practical

We deliver what works for the right situation.



We are Dynamic

We think innovatively and adapt quickly.

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7
businesses

1,600+
people

15
locations

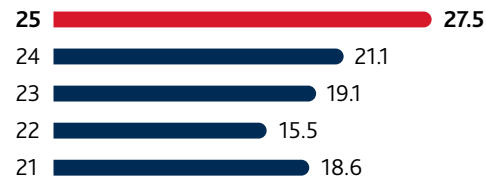
GROUP HIGHLIGHTS

How we have performed

Financial highlights

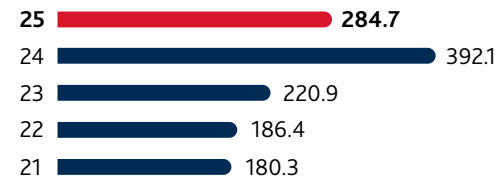
ADJUSTED OPERATING PROFIT (£M)¹

£27.5m



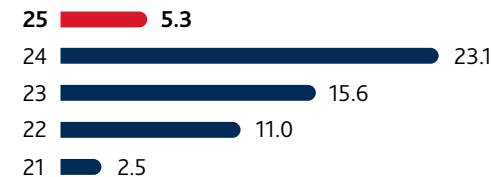
ORDER INTAKE (£M)

£284.7m



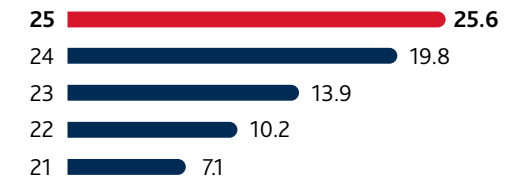
NET FUNDS (£M)

£5.3m



STATUTORY PROFIT BEFORE TAX (£M)

£25.6m



1. See page 60.

Operational highlights



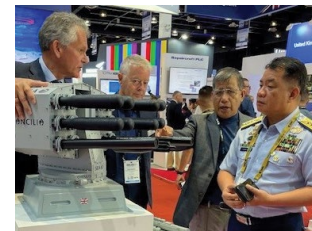
Record revenue, adjusted operating profit, and closing order book. Net funds exceeded market expectations.



Adjusted operating profit of £27.5m (2024: £21.1m) on revenue of £270.0m (2024: £202.5m).



Underlying order intake up by 11% (excluding a large, long-term Royal Navy order of £135m secured in 2023/24).



Record order book of £616.4m, with deliveries extending out to mid-2030s.



Dividend growth ahead of expectations at 10%; the dividend has been increased every year since the Group's IPO in 2006.



Acquisition of EM Solutions for an enterprise value of £75m completed 31 January 2025; positive contribution in first three months of ownership.

OUR BUSINESS AT A GLANCE

Agile minds, trusted defence

Cohort combines innovation with delivery, to provide agile technology solutions that address real defence needs.

We deliver services and products to domestic and export customers in the defence and security markets all around the world.

Cohort was founded on the principle that agile businesses can prosper by being part of a larger group, benefiting from greater financial strength, an enhanced market presence and the opportunity to share knowledge, relationships and best practice. Our businesses provide sustainable growth through innovative technology and agile decision making, guided by a light-touch but effective corporate governance.

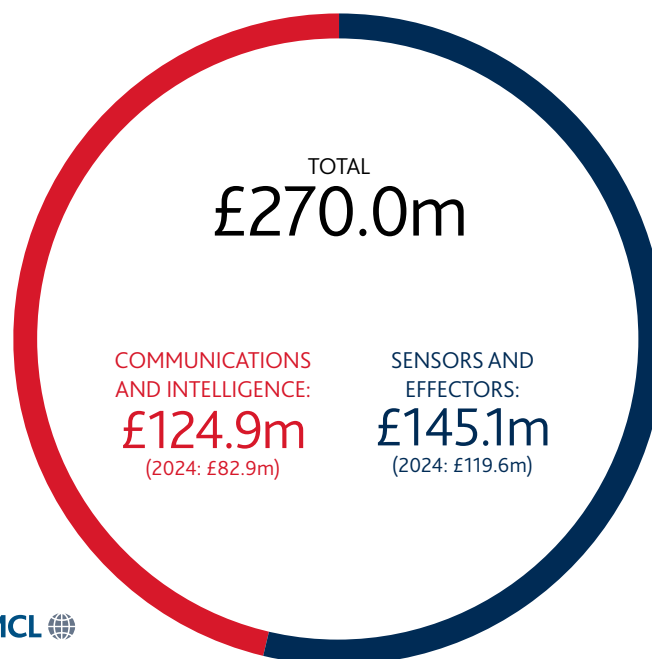
Our companies by division












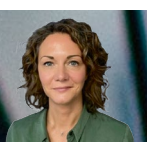



Communications and Intelligence

Providing electronic hardware and software-based solutions to collect, process, protect and distribute information securely, as well as domain expertise, training and support services.

Sensors and Effectors

Providing electronic, electromechanical and software-based solutions to detect, measure, identify, track and engage targets of interest, and protect assets against hostile activity.



															
															
Martin Bennett Managing Director EID		Georgios Makris Joint Managing Director EM Solutions		John Logan Joint Managing Director EM Solutions		Kieth Norton Managing Director MASS		Claire King Managing Director MCL		David Tuddenham Managing Director Chess		Bernd Szukay Managing Director ELAC SONAR		Richard Flitton Managing Director SEA	

WHERE WE OPERATE

Our domains and geographies

Operating domains

Defence and security

We work across all domains, with a focus on maritime and land. Our direct customers include Ministries of Defence, platform providers, system integrators and infrastructure operators in national and international markets.



MARITIME

Equipment, systems and services used by navies on or below the water, in airspace above the water, or on the shore.



LAND

Equipment, systems and services used primarily by armies on or in airspace above the land (such as uncrewed air systems).



AIR AND SPACE

Systems and services used in connection with airborne or spaceborne assets.



JOINT AND STRATEGY

Systems and services used in a joint, multi-domain operating environment or in strategic-level headquarters and defence departments.



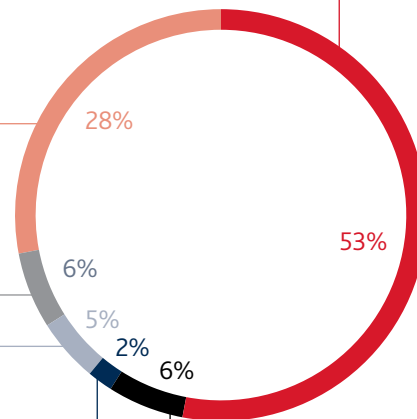
CYBER AND SECURITY

Systems and services used by armed forces and government agencies, to protect or exploit information systems, networks and data.



OTHER

Equipment, systems and services using defence-related technologies for non-defence applications, including legacy products and services.



Geographies

UK

£147.9m

£57.8m

£90.1m

GERMANY

£4.3m

£4.2m

£0.1m

PORTUGAL

£17.6m

£0.0m

£17.6m

OTHER EUROPEAN COUNTRIES

£39.6m

£36.4m

£3.2m

AUSTRALIA

£9.5m

£4.2m

£5.3m

NORTH AND SOUTH AMERICA

£15.6m

£12.9m

£2.7m

OTHER ASIA PACIFIC AND AFRICA

£35.5m

£29.6m

£5.9m

• Communications and Intelligence
• Sensors and Effectors

CHAIRMAN'S STATEMENT

Another record year: Group set for increasing momentum



Nick Prest CBE
Chairman

“With a record order book alongside our net funds and market position, this provides a robust foundation for future organic growth, and the ability to make further strategic additions to the Group as we did this year.”

Key financials

The Group achieved a record adjusted operating profit of £27.5m (2024: £21.1m) on record revenue of £270.0m (2024: £202.5m), in line with market expectations, representing increases of 30% and 33% respectively on the prior year. The Group's IFRS operating profit of £26.1m (2024: £21.2m) is after amortisation of intangible assets, exceptional items, research and development credits and movements on foreign exchange, including marking foreign exchange contracts to market.

As I said last year, the continuing war in Ukraine and persistent tensions in the Asia Pacific region have driven continuing impetus for defence spending across the globe. This impetus has been accelerated by the change of administration in the United States in November 2024 which has encouraged the members of NATO, especially in Eastern Europe, to announce that they intend to significantly increase their defence spending plans with the NATO target set at the recent conference at 3.5% of GDP to be spent on defence by 2035 compared with the current target of 2.0%.

Against this background, the Group delivered another year of strong order intake, winning £284.7m of orders (2024: £392.1m), representing 1.1x full year revenue (2024: 1.9x) and has resulted in a record closing order book of £616.4m (2024: £518.7m). This is up 11% on an underlying basis when the large, long-term Royal Navy order of £135m secured in 2023/24 is taken into account. The closing order book included £80m secured with the acquisition of EM Solutions.

As well as growing in size, our order book has extended in duration, now stretching out to 2037. This reflects the significant naval orders the Group has secured over the last few years, which are typically long term in nature. We expect our future order book to extend

even further as naval investment around the world increases. In the Land domain, we are seeing increased demand for drone and counter-drone systems, driven by the Ukraine conflict. The attacks on shipping in the Red Sea show that drone defence is not only needed in the land environment. Other areas of increased demand include secure communications and electronic warfare.

The Group's year-end cash position exceeded our expectations: net funds of £5.3m compared with expected net debt of £8m–£10m. This improvement is the result of strong working capital management, especially in the Sensors and Effectors division.

Strategic initiatives

On 31 January 2025 the Group completed the acquisition of EM Solutions for an enterprise value of A\$144m (£75m). This was funded by a combination of a placing (£41m), debt from our existing facility (£20m) and the balance from our cash resources. EM Solutions is based in Brisbane, Australia, and provides mobile satellite communications solutions, primarily for navy customers including the Royal Australian Navy, NATO members and Japan. The acquisition provides the Group with access to the growing Australian defence market as well as adding a very capable business to our portfolio. EM Solutions has had considerable success with export customers, some of which overlap with the existing Group (see note 30). As previously reported, our business MCL (within our Communications and Intelligence division) acquired 100% of Interactive Technical Solutions Ltd (ITS) for a cash consideration of £3.0m paid from the Group's existing financial resources on 31 May 2024 (see note 29). On 29 May 2025 the Group announced that its business SEA (within our Sensors and Effectors division) had sold its Transport undertaking for a gross cash consideration of just over £8m. The Transport undertaking was not a

strategic part of the Group's primary defence offering. This sale completed on 30 June 2025.

The Group continues to review acquisition opportunities as they arise, in line with our investment criteria.

Shareholder returns

Adjusted earnings per share (EPS) were 54.44 pence (2024: 42.89 pence). The adjusted EPS figure was based on profit after tax, excluding amortisation of other intangible assets, exceptional items and net foreign exchange movements. Basic EPS were 45.07 pence (2024: 37.87 pence). The 27% growth in adjusted EPS was primarily due to the stronger adjusted operating profit (up 30%) and a lower tax rate on adjusted earnings of 12.6% (2024: 12.7%). These factors were partly offset by the diluting effects of the share placement undertaken during the year. The Board is recommending a final dividend of 11.05 pence per ordinary share (2024: 10.10 pence), making a total dividend of 16.30 pence per ordinary share (2024: 14.80 pence) for the year, a 10% increase. The dividend has been increased every year since the Group's IPO in 2006. The final dividend will be payable on 3 October 2025 to shareholders on the register at 22 August 2025, subject to approval at the Annual General Meeting on 25 September 2025.

Our people

As always, my thanks go to all employees within the Cohort businesses. Their hard work, skill and ability to satisfy our customers' needs are what continue to drive the performance of our Group.

I would like to welcome our new colleagues at EM Solutions and ITS to the Group. I would also like to thank the staff of the Transport division at SEA for their contribution to the Group over many years.

CHAIRMAN'S STATEMENT CONTINUED

Our people continued

Andrew Thomis, Simon Walther and their senior executive colleagues have continued their dedicated and skilful work which has helped the Group continue its progress. I would like to thank Chris Stanley who retired as Managing Director of MASS in January of this year for his dedication to MASS over 17 years and welcome Keith Norton as the new Managing Director of MASS.

As we said at the time of the EM Solutions acquisition, we will increase the size of the Cohort team to support the larger and more geographically spread Group to ensure that the growth we have seen and expect to see is delivered. This investment will include a senior operational executive.

Governance

From 1 May 2024 we have applied the 2023 edition of the QCA Corporate Governance Code and we have reported against this in this year's Annual Report and Accounts. The Board regularly evaluates and reviews the Group's environmental, social and governance (ESG) activity and is committed to maintaining appropriate standards. The Group has disclosed climate-related financial information for the third year and has established governance mechanisms to oversee climate-related risks and opportunities. This year we continued to report in line with the mandatory climate-related financial disclosures (CFD) under the Companies Act 2006. The Group's values, stakeholder engagement principles and governance policies are all outlined on our website and in our Annual Report and Accounts.

Capital allocation

We have a proven strategy supported by an appropriate capital allocation policy. As a Board we use this to inform our decision making and it has been key to our progress. Our approach to capital allocation has three priorities: to deliver sustainable organic growth, through investment in our people, research and development, and the capital requirements of the business; to find value generating complementary acquisitions; and to provide a return to shareholders in the form of a growing dividend, with earnings cover of those dividends at around three times. Our strong balance sheet, with net cash, provides us with a range of options.

Outlook

Cohort continues to see good demand for our products and services from both our domestic customers, especially the UK and Australia, and from export customers. The geopolitical tensions driving increased investment in defence have persisted during the year, with conflict in Ukraine and tensions in the Asia Pacific region leading to increased spending internationally.

The recently published UK Strategic Defence Review highlighted a need for investment in many of the areas in which we have strong capabilities, including systems for manned and unmanned naval platforms, electronic warfare, drones and counter-drone capabilities, and secure communications. This clear statement of priorities gives us a long-term platform from which to continue to grow the business, with nearly 50% of our revenue still ultimately coming from the UK MOD. The recent NATO conference reinforced the need for its members to implement a step change in defence spending and although some will be slower than others to enact this, we see the direction of travel as being a positive one for the Group. We have operations in NATO countries Germany, Portugal and Canada as well as the UK.

In Australia, the increased investment by the Royal Australian Navy in its surface fleet provides a good market for both EM Solutions as well as other Group businesses. The AUKUS submarine project and associated technology programmes offer opportunities in both Australia and the UK.

Our order book underpins approximately £230m of current financial year revenue (2024: £180m), representing 79% of current expectations of £290m for the year. Following contract wins since the start of the financial year of over £25m, that cover now stands at 85%.

The sale of the Group's Transport business from Communications and Intelligence will remove annual revenue and adjusted operating profit of c.£8m and c.£2m respectively. Improved expectations for the resultant Group, with an enhanced defence focus, are expected to partly mitigate this in 2025/26 and fully mitigate from 2026/27 onwards. Overall, we continue to expect another year of good growth in trading performance in 2025/26, including a full year contribution from EM Solutions, and for this to deliver higher net funds. We are optimistic that the Group will make further progress in 2026/27 and beyond, based on current orders for long-term delivery, our pipeline of opportunities and the positive market drivers in both our domestic and export defence markets.

The improved mix in the coming year, including a full year's contribution from EM Solutions, will drive a higher net margin for the Group, close to early teens percentage, and this should improve further from 2026/27 onwards.

The Group's tax rate in 2025/26 should be lower than previously expected, due to both one-off and longer-term savings, particularly in Australia.

The above items result in adjusted 2025/26 EPS likely to be ahead of our previous expectations. Our longer-term prospects remain strong, with the potential for c.10% earnings growth in the following two financial years.

The Group's net funds at 30 April 2025 were much better than expected and we do not expect to see such a strong cash performance in the coming year, which will see a reversal of some of the working capital inflow seen this year, and completion of ELAC SONAR's new facility in Kiel. We expect to close the 2025/26 year with net funds in the range of £10m to £15m.

Nick Prest CBE
Chairman

DIVIDEND (PENCE PER ORDINARY SHARE)

16.30p +10%



CHIEF EXECUTIVE'S REPORT

Growth in a global market with lots of potential



Andrew Thomis
Chief Executive

“We continue to see good prospects for further orders in the year ahead.”

Overview

Following a strong 2023/24 the Group saw a further marked increase in performance for the year just finished, delivering record revenue and adjusted operating profit. Another year of strong order intake, a closing record order book and ending the year with net cash provides the Group with a solid platform to continue to accelerate its growth momentum.

Overall, the trading performance was in line with, and net funds ahead of, consensus market expectations. Earnings were ahead of expectations, primarily due to lower tax rate. Communications and Intelligence performed very strongly, whilst the Sensors and Effectors division performance was broadly flat. Order intake was the second highest we have achieved following last year's record, and the resulting record order book of over six hundred million pounds gives us a solid base for 2025/26 and beyond. We see good prospects for further orders in the year ahead.

Find out more

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OUR PEOPLE – PAGE 26

Financial performance

The Group's revenue of £270.0m (2024: £202.5m) was 33% higher than last year and delivered an adjusted operating profit of £27.5m (2024: £21.1m), 30% higher than last year.

Communications and Intelligence

The Communications and Intelligence division reported a much stronger year overall with revenue up by just over 50% including initial contributions from EM Solutions of £6.7m and ITS of £1.5m. The division's adjusted operating profit increased by nearly 65% including contributions of £1.9m and £0.5m from EM Solutions and ITS respectively. MASS again delivered the highest adjusted operating profit in the Group, though this was slightly down compared to last year due to the mix of revenue. The net margin of 16.9% (2024: 15.4%) reflects the return to profit of EID, a record performance at MCL, and the high margin contribution of the two acquired businesses. Looking forward, we expect this division to grow further as EM Solutions provides a full year contribution, more than offsetting the expected decline in MCL from its recent record peak, driven by urgent short-term orders. With this growth in high-quality revenue, we are expecting the division to achieve a percentage net margin in the high teens.

Sensors and Effectors

The Sensors and Effectors division saw an increase in revenue of 21% but its adjusted operating profit of £12.7m was broadly flat compared to last year (£12.8m). The lower net margin of 8.7% (2024: 10.7%) was due to a weaker mix at SEA and delays and one-off project costs at Chess. ELAC SONAR continued to make progress on its contract to supply complete sonar suites for the new fleet of Italian submarines and we remain on course to deliver the hardware for the first boat during 2025/26. SEA delivered a record level of revenue and trading profit, but the mix was such that its overall net margin was slightly down on last year.

Chess continues to see a strong demand for its products and goes into 2025/26 with a high level of revenue on order (83%, increasing to over 90% since the period end). Cohort is working with Chess to ensure it delivers its order book and pipeline of prospects more reliably and at a higher net margin. We expect the net margin in this division to recover in the coming year back to at least the levels seen in 2024.

The Group's statutory operating profit of £26.1m (2024: £21.1m) reflects the amortisation of other intangible assets, a £3.0m non-cash charge in 2025 (2024: £3.1m charge), research and development credit (RDEC) of £3.2m (2024: £2.9m) which in turn is offset by a higher tax charge and an exceptional charge of £1.7m (2024: £nil) in respect of acquisition costs. The Group also reported a non-cash foreign exchange gain of £0.1m (2024: £0.3m) arising from marking forward exchange contracts to market.

Adjusted earnings per share increased by 27% to 54.44 pence per share, reflecting the improved performance.

The Group's net funds declined from £23.1m to £5.3m. The final cash position was much stronger than expected and reflected a strong working capital performance across both divisions, especially Sensors and Effectors. This result was achieved despite capital expenditure of £13.2m (2024: £6.7m), most of which was in respect of ELAC SONAR's new facility in Kiel, Germany, together with the acquisitions of EM Solutions and ITS, which absorbed approximately £14m and £3m of our own cash, respectively.

CHIEF EXECUTIVE'S REPORT CONTINUED

Strategic progress

The Group has continued to make progress this year, achieving organic growth of 29% in revenue and 19% in adjusted operating profit, materially above our target for double digit growth. On top of this the Group acquired EM Solutions, our largest acquisition to date which made an initial contribution for its three months within the Group. The strong order intake exceeded revenue again and when added to the EM Solutions acquired order book, resulted in the Group closing with a record high order book of over six hundred million pounds. We continue to see a good pipeline of prospects, both in our domestic and export markets. Key developments have included:

- following extended procedural delays, we received significant orders from the Portuguese Army and Navy. We expect further significant orders;
- an agreement between SEA and Terma to provide Ancilia as part of the Terma ship-defence system. Terma's solution, which could be upgraded with the addition of Ancilia, is currently fitted to 120 ships across numerous navies;
- follow-on orders from Italy. All four new submarines will now have the ELAC SONAR solution;
- Chess has secured a number of orders from Rheinmetall as part of its counter-drone system. The pipeline for further such orders is good; and
- MCL has designed a drone controller subsystem to overcome supply chain constraints and to provide an improved capability in support of urgent operational requirements.

The proportion of the Group's revenue derived from maritime customers, 53% in 2025 (2024: 47%), continues to grow. The combination of land and maritime-derived sales now accounts for over 80% of Group revenue (2024: 78%). The proportions of revenue contributed from other domains have either remained flat or reduced as the maritime/land contribution has grown. We expect our non-defence revenue, which has been around 6% for the last few years, to drop to around 3-4% in the coming year following the sale of our Transport business.

The closing order book and pipeline provide a firm base for us to continue to pursue our operating strategy and also to push our overall net margin for the Group from its current 10-11% towards our target of low to mid-teens percent within the next three to five years. In addition, the Group's net funds and available banking facilities provide resources for us to continue to look for suitable businesses to add to the Group, either within an existing Group business or as a new standalone business, further accelerating the growth in revenue and profit.

Our people

All the Group's capabilities and customer relationships ultimately derive from our people, and the success we have enjoyed is a result of their efforts. They have risen to the challenge of the stronger demand we have seen this year, and in doing so have made a meaningful contribution to the security and defence of our nations and allies as well to the performance of the Group. I would like to take this opportunity to express my sincere thanks to all employees of Cohort and its businesses.

Chris Stanley retired as Managing Director of MASS in January of this year. His successor Keith Norton has many years of experience in defence and related technology businesses and we welcome Keith to the senior management team. Like many high-skill businesses, we are facing challenges in recruiting qualified and experienced people to meet our customer demands and our own investment strategies. As our order book has grown, so have our employee numbers and the Group now has just over 1,600 employees compared with nearly 1,300 this time last year, a 24% increase. We will continue to increase our human resources in the coming year, especially within Sensors and Effectors, although we expect at a slower rate.

Capital allocation

The three elements of our capital allocation policy are set out in the Chairman's statement. In 2025 we implemented these as follows:

1. > Continuous investment in research and development, maintaining product offerings at the forefront of demanding environments and developing new technologies within the Group's core competencies. Increasing by 35% to £20m in year.
2. > Complementary acquisitions driving growth in core areas where the Group can leverage industry knowledge. ITS was acquired in May 2024 and EM Solutions in January 2025.
3. > A progressive dividend policy. An increase of 10% has been delivered this year, subject to approval of the final dividend at the Group's AGM. The Group has increased its dividend every year since IPO in 2006.

Andrew Thomis
Chief Executive

"This is our largest acquisition to date, representing Cohort's seventh standalone business. We welcome the EM Solutions team to Cohort and we will work together to realise the multiple growth opportunities that this transaction affords."

Andrew Thomis, speaking on the EM Solutions acquisition



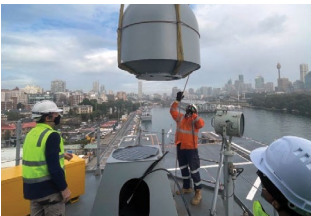
INVESTMENT CASE

Why invest in Cohort

We are committed to delivering value to shareholders and ensuring they benefit from our success.



Financial strength with visibility of future earnings



- Strong financial position and record of success gives customers confidence to place major orders, as exemplified by the £135m order from the Royal Navy which extends out to 2035.
- Net cash to fund both organic and inorganic growth. All acquisitions funded from cash flow and banking facilities since 2008 apart from recent acquisition of EM Solutions which saw an oversubscribed placing, raising £41m.
- Group banking facility extended to July 2027. Now in discussions to extend further and add an Australian bank.
- £616.4m order book as at 30 April 2025 (30 April 2024: £518.7m).
- 79% of 2025/26 latest revenue expectations on contract at 30 April 2025 (equivalent for 2024/25 was 92%). Now increased to 85% since the year end.
- Order book extends out to mid-2030s.



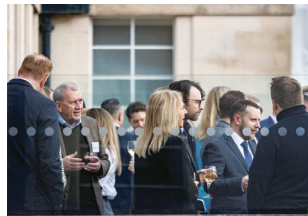
Access to attractive growth markets



- International defence spending increasing following the invasion of Ukraine in 2022, persistent tensions in the Asia Pacific region and the Middle East.
- Using our agility and innovation to build sustainable competitive advantage in niches with attractive prospects.



Active acquisition strategy



- Aim to accelerate growth by making selective, targeted acquisitions in the UK and overseas.
- Experienced acquisition team focused on careful selection and execution.
- Strong track record of growing acquired businesses.



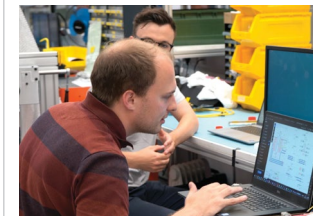
Clear business model, strong relationships



- Experienced leadership teams with core capabilities in defence and security.
- Subsidiaries operate with a significant degree of autonomy, enabling decision-making agility within an effective financial and strategic control regime.
- Close working relationships between our operating businesses, so they can benefit from each other's technical capabilities, customer relationships and market knowledge.



Consistent dividend track record



- Dividend increased every year since IPO in 2006.
- Strong balance sheet in place with robust funding.



Actions with integrity and responsibility



- Products and services that make a real contribution to the security of our home nations and allies at a time of increasing risk and challenge.
- Initiatives to support local communities, encourage STEM education and help armed forces charities.

READ MORE AT [COHORTPLC.COM/INVESTORS](https://cohortplc.com/investors)

MARKET REVIEW

Fast changing environments

What is driving the defence and security market around the world and how we are responding.



Geopolitical instability driving global defence spend

Impact

Governments around the world are making significant investments in defence and security following growing tensions, including Russia's invasion of Ukraine and China's ongoing ambitions in the South China Sea, as well as the US government's stance on ally spend.

Our response

We are increasing our presence in NATO European countries and the Asia Pacific region with a focus on pursuing prospects in many Southeast Asian countries, Japan and Australia. Our recent acquisition of EM Solutions will provide a footprint for the Group in the region. We are already seeing growing interest for our products and services off the back of this.

[LINK TO STRATEGY](#)


Shifting capabilities to address new threats in conflict

Impact

New forms of warfighting techniques are being adopted by adversaries which requires new responses in areas such as autonomous systems, seabed warfare, cyber and electromagnetic effects (CEMA) and hypersonic missiles.

Our response

We are accelerating technology innovation in areas which are increasingly relevant. Chess is developing Counter Unmanned Air Systems (C-UAS) designed to disrupt and neutralise drones engaged in hostile airborne surveillance and malicious activity. ELAC SONAR and SEA are developing underwater and autonomous hydroacoustic solutions for persistent surveillance. MASS is developing new tools, services and training which encompass all areas of electronic warfare and cyber. SEA is developing naval platform protection systems to provide a rapid threat response to incoming air, surface or subsurface threats.

[LINK TO STRATEGY](#)


Advances in emerging technologies

Impact

New and disruptive innovations in technology, often from the commercial sector, are redefining warfare to provide operational advantage in the battlespace.

Our response

We are incorporating artificial intelligence, machine learning, data science, robotics, autonomy, and resilient secure digital communication technologies into our products and systems to enhance their capabilities.

[LINK TO STRATEGY](#)


GLOBAL NATO SPEND (EX US)

€4.58bn



Source: Statista Combined defence expenditure of NATO countries

UK STRATEGIC DEFENCE REVIEW UK DEFENCE SPEND

2.5%

GDP BY 2027

Source: Government news on gov.uk

30% ↑

RISE IN NATO EUROPEAN MEMBER STATES' DEFENCE EXPENDITURE BETWEEN 2021 AND 2024

[READ MORE ABOUT OUR STRATEGY ON PAGE 12](#)

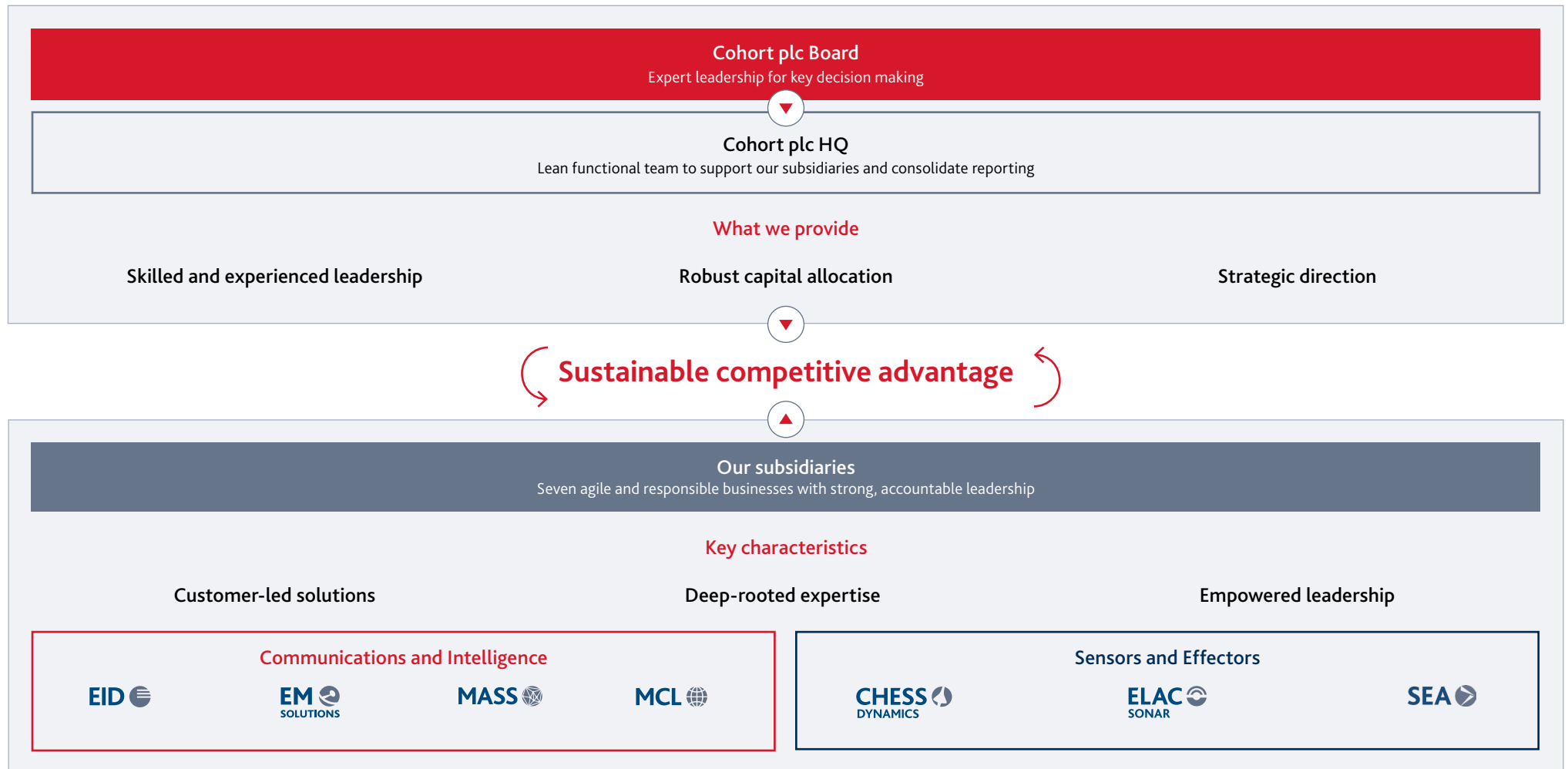
BUSINESS MODEL

Securing significant competitive advantage

We actively acquire and grow our businesses to secure significant competitive advantage.

We lead responsibly, with effective corporate governance, to cultivate organic growth and acquire new businesses that align with our culture and strategic goals.

Our culture underpins everything we do. We are responsible. We are expert. We are practical. We are dynamic.



STRATEGY

A clear strategy for growth

Cohort believes agile businesses can prosper by being part of a larger group, where they benefit from strong leadership, financial strength and a shared culture.

Our strategic framework



DELIVERING ON OUR STRATEGY

Advancing our strategic goals

A

Building our portfolio through acquisition

Increase the profitability of the Group and access new markets through selective acquisitions.

How we deliver

- Maintain a strong acquisition team.
- Proactively engage with businesses that could potentially add value as part of the Group.
- Demonstrate a structure and culture that are attractive to potential sellers.
- Structure transactions creatively, with flexibility to bridge value gaps.

Progress in 2024/25

- Acquired EM Solutions 31 January 2025.
- Acquired Interactive Technical Solutions (ITS), now part of MCL, 31 May 2024.
- SEA's small Transport business sold 30 June 2025 to enable SEA to focus completely on its defence business.
- Continued to evaluate numerous acquisition opportunities.

Mid-term priorities to 2030

- EM Solutions integration to take place through 2025/26.
- Continue to seek and evaluate value-adding acquisition opportunities with strong market positions in relevant sectors that align with our strategy.

G

Leading empowered businesses for growth

Consistently grow profits and cash generation organically through our subsidiaries.

How we deliver

- Focus on long-term customer partnerships.
- Invest in innovation.
- Identify and pursue growth opportunities in new and existing markets.
- Develop high-quality leadership teams and a high-performance culture.
- Manage subsidiaries through a framework of financial control, strategy review, performance management and leadership development.
- Implement an effective operational strategy providing support and guidance when circumstances change.

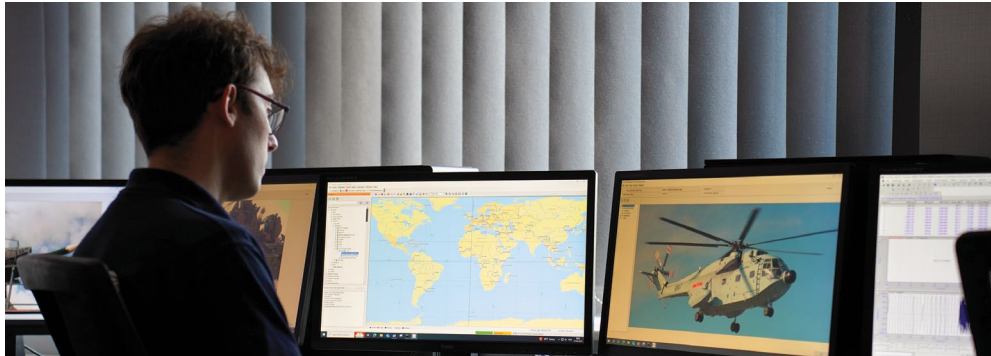
Progress in 2024/25

- Strong organic revenue growth driving adjusted operating profit performance for the Group of £27.5m. Excluding the impact of acquired businesses, the adjusted operating profit increased by £4.0m (19%) to £25.1m from 2023/24.
- Record closing order book and good visibility. On-order cover for 2025/26 at 83% of latest external forecasts. Length of order book out to 2035.
- Group headcount increased from 1,309 to 1,619 over the year to meet the demands to deliver the growing order book.
- Continued a transformation programme at EID to improve its business winning and delivery performance which has been reflected in a much-improved order intake and a return to profitability.
- Embedded risk management processes, including climate-related disclosures.

Mid-term priorities to 2030

- Continue to improve long-term order book across the Group, expand pipeline, improve order intake and build a robust order book at EID.
- Seek opportunities from increased focus on expanding defence budgets, especially in NATO and Southeast Asia.
- Monitor and proactively manage supply chain and recruitment challenges.
- Improve efficiency of delivery to drive a better overall net margin, towards our target of mid-teens percentage.

STRATEGY IN ACTION



Gaining information advantage

The war in Ukraine has brought the use of the electromagnetic spectrum in warfare into sharp focus due to the extensive and effective Russian use of EW, both passive and active. Information dominance has never been more important. Militaries are encountering unprecedented volumes of data in an increasingly complex environment; meanwhile it's never been more critical to control our own electromagnetic signature. All of this brings new challenges to an already complex battlefield.

MASS's flagship EW database management system, known as THURBON, has been at the heart of the UK's EW operational support capability for over ten years. Its genesis was the ingestion, processing and analysis of EW data, but THURBON has evolved and kept pace with the rapidly evolving battlespace. As CEMA has become more prevalent, MASS recognised its customers needed to derive information from new and different types of data quickly and easily.

THURBON CEMA has developed to enable the synchronisation and coordination of offensive, defensive, "inform" and enabling activities across the modern electromagnetic battlespace. For the first time, users have a clear, comprehensive common operating picture of all CEMA, spectrum wide. Building on THURBON's core features, like automated electronic order of battle, accurate analysis and intelligence sharing capabilities, THURBON CEMA offers new features including spectrum visualisation tools and a fusion intelligence database which allows quicker, more accurate decision making and reduces the burden on the operator. It integrates with other MASS and third-party collection, dissemination and battlefield tools. THURBON CEMA has generated significant interest from customers across the globe. MASS is already looking to develop the product further by exploring how users can gain more power from THURBON data by leveraging AI. THURBON CEMA is part of MASS's strategic objective to develop advanced products as a route to growth.

[LINK TO STRATEGY](#)


Modernising naval communications

Naval forces face increasing complexity in managing communications while reducing crew workload and responding rapidly to dynamic scenarios. There is a growing need for integrated, cyber-secure systems that can flexibly adapt to future requirements, simplify operations and offer longevity in an environment where technologies are evolving rapidly. With a presence in 18 countries, EID's flagship OCEANEX Integrated Communications Control System (ICCS) is already serving on 210 vessels across the globe. Now in its seventh generation, OCEANEX has been modernised to address these new challenges and meet the growing operational and tactical demands of modern naval operations.

OCEANEX ICCS7 now offers advanced new capabilities including a distributed open architecture, cyber security, a modular scalable design, modern user interfaces and enhanced reconfigurability. It also provides support for emerging communication needs such as wideband audio, video streaming and chat.

Modularity, security, and ease of integration with other Command, Control, Communications and Intelligence (C4I) components made OCEANEX ICCS7 an ideal choice for the Portuguese Navy's multi-purpose vessel (MPV). EID was selected to supply the full communications suite and onboard network currently being constructed by Damen Shipyards Group. This marks a significant evolution in scope for EID who will integrate the entire C4I network infrastructure. The new development has enabled EID to expand its share of the South American market. As part of its strategic partnership with Damen, EID will supply the OCEANEX ICCS7 system for the Colombian Navy's new Plataforma Estratégica de Superficie (PES) SIGMA-class frigate. The Colombian Navy is leading the way in technology adoption in the region.

OCEANEX ICCS7 not only reinforces EID's technological leadership in naval communications, but also acts as an enabler for growth, positioning EID as a Tier 2 systems provider and strategic partner in both domestic and export markets.

[LINK TO STRATEGY](#)

[READ MORE ABOUT OUR STRATEGY ON PAGE 12](#)

STRATEGY IN ACTION CONTINUED



Innovating for bomb disposal

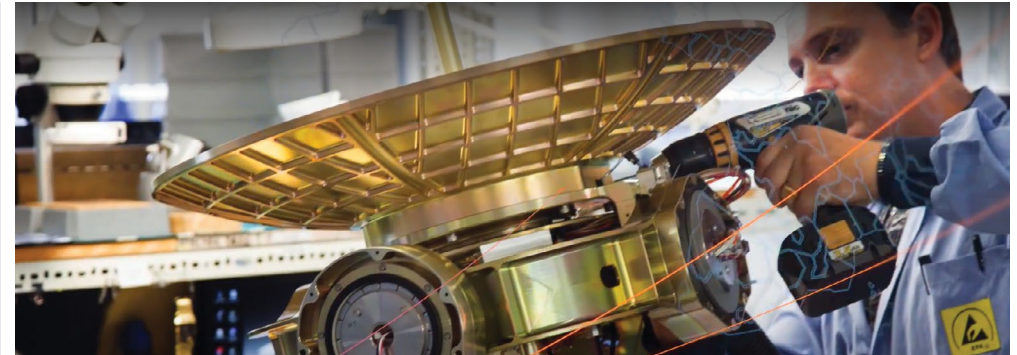
The UK Ministry of Defence (MOD) has been exploring enhanced explosive ordnance disposal (EOD) capabilities, creating an opportunity for advanced robotics solutions that could improve operator safety and mission effectiveness. Bomb disposal operations have long required putting personnel directly in harm's way, with conventional tracked or wheeled robots taking 30 minutes to an hour to deploy and with limited mobility in indoor or urban environments. An innovative solution was needed that could reduce operator risk whilst maintaining operational effectiveness.

As a leading supplier of unmanned ground and air systems for intelligence, surveillance, target acquisition and reconnaissance (ISTAR) applications, MCL identified and successfully addressed this critical capability gap through its strategy of leveraging established partnerships to rapidly deliver innovative solutions.

MCL, alongside its partners Boston Dynamics and ELP GmbH European Logistic Partners, played a critical role in the Defence Science and Technology Laboratory's (Dstl) groundbreaking four-day trials, working with L3Harris and AeroVironment

(Tomahawk Robotics) to demonstrate bomb disposal capabilities using autonomous robots designed using concepts of animal dynamics. The trial showed how such robots could perform dangerous tasks including opening doors autonomously, navigating stairs, inspecting improvised explosive devices (IEDs) and firing disruptors to render them safe. It marked a watershed moment in UK EOD operations and was welcomed by the UK MOD, including at ministerial level.

The programme demonstrated how MCL's business model of sourcing, integrating, supplying and supporting advanced technology equipment could provide usable capabilities significantly faster than traditional defence acquisition models. It also validates MCL's strategic approach of sustaining core UK market leadership through its close supplier and customer relationships with capable engineering and establishing autonomous systems leadership.

[LINK TO STRATEGY](#)


Largest acquisition to date – EM Solutions

Cohort has strengthened its naval defence sector offer with the acquisition of EM Solutions, a leading Australian developer and producer of high-end satellite communication terminals for global navy and defence customers. EM Solutions provides innovative microwave and on-the-move radio and satellite products that help deliver high-speed telecommunications anywhere in the world.

As part of Cohort's ambitious growth strategy, the EM Solutions acquisition reinforces the Group's market position in Australia. It aligns with our strategy to accelerate growth by making targeted acquisitions in the UK and overseas. Australasia is an increasingly important strategic region, reflecting the increased security challenges in Southeast Asia and the Indo Pacific, and the creation of the AUKUS alliance.

EM Solutions provides access to the fast-growing satellite communications market, further broadening the Group's strong existing naval systems service offering, whilst bringing new customers and enhancing our position in the UK, NATO Europe and Asia.

By adding EM Solutions' capabilities to the Group's product portfolio, Cohort enhances its Communications and Intelligence division and has diversified into the growing satellite communications market. EM Solutions' leadership team, led by John Logan and Georgios Makris, will benefit from the research, market insights and client relationships within the Group network, alongside support from locally appointed Non-executive Directors. The acquisition of EM Solutions follows a period of accelerated growth for Cohort.

[LINK TO STRATEGY](#)

[READ MORE ABOUT OUR STRATEGY ON PAGE 12](#)

OPERATING REVIEW



Andrew Thomis
Chief Executive

This review the focus is on the adjusted operating profit of each division, which we consider to be a more appropriate measure of performance year on year. The adjusted operating profit is reconciled to the operating profit in the Consolidated income statement, and this is broken down by reporting segment in note 1.

The adjusted operating profit margin (net margin) of the Group was 10.2%, slightly below that achieved in 2023/24. The net margin was higher in Communications and Intelligence at 16.9% (2024: 15.4%) with a return to profitability at EID, a record performance from MCL (including a small initial contribution from ITS) and an initial contribution from EM Solutions all contributing to the upside, especially the higher net margin new businesses. In Sensors and Effectors, the net margin was lower at 8.8% (2024: 10.5%). This was mostly driven by a slightly weaker mix at SEA, despite a record performance, and delivery delays and one-off costs at Chess.

As we have indicated previously, we are expecting these net margins to increase over the mid-term. We expect Sensors and Effectors to be able to yield net margin percentages in the mid-teens. This should be achieved from the delivery of the strong order book, especially at SEA, with the overhead footprint of the SEA and Chess businesses now established at a suitable level to deliver their current order books for the next few years. We expect SEA to complete the large majority of a low margin export order during 2025/26 and for its margins to start to move up from 2026/27 onwards. At Chess we have seen a challenging year as it struggled to deliver operationally and incurred one-off costs to close out some older projects. Chess enters 2025/26 with a record level of revenue cover (83%, increasing to over 90% post-year end) and we are working to ensure it achieves an improved level of performance and delivers on its contractual obligations.

This will enable Chess to achieve low teens margins on a sustainable basis. At ELAC SONAR, the last few years have seen cautious trading on the Italian sonar project as it progresses through its development phases, holding ELAC SONAR's net margins down. We expect to deliver the hardware to the first submarine during 2025/26. We will review the approach to project margin as major milestones are achieved.

In the Communications and Intelligence division, MCL delivered a record performance, driven by short-term operational requirements, and achieved a net margin of close to 17%, significantly better than its usual run rate of low double digits. We do not expect this level of activity to be repeated in the coming year. EID returned to a welcome profit, following significant order wins in the year, mostly from its domestic customer. The net margin for EID remains lower than our aim of mid-teens, and we expect to move towards this higher target in the next few years as its mix of work strengthens with more export opportunities in its pipeline. MASS continued to be our most profitable business, delivering a net margin close to 20%, and we expect that to continue. EM Solutions and ITS both made small, but strongly profitable contributions to the performance of the division.

When the above are combined with the central costs, we are targeting an overall net margin for the Group of low to mid-teens percent in the next three to five years. The higher central costs are a result of one-off savings in 2023/24 not repeated this year. Going forward, we expect the central costs to rise further as we invest to manage the larger and more geographically spread Group and also look to introduce some more operational expertise into the central team.

Adjusted operating profit by reporting segments:

	Adjusted operating profit		Adjusted operating margin	
	2025 £m	2024 £m	2025 %	2024 %
Communications and Intelligence	21.1	12.8	16.9	15.6
Sensors and Effectors	12.7	12.8	8.7	10.5
Central costs	(6.3)	(4.5)	—	—
	27.5	21.1	10.2	10.4

Andrew Thomis
Chief Executive

OPERATING REVIEW CONTINUED

Communications and Intelligence

Communications and Intelligence delivered a much stronger performance on a 50% increase in revenue. This was due to more intense activity with the UK MOD, primarily through MCL where we saw a record performance this year. Elsewhere in this division, EID returned to profit with a net margin of just under 9% and MASS continued to be the largest contributor to Group profit delivering a net margin of 19.7% (2024: 22.5%) on 10% higher revenue. EM Solutions also made an initial contribution with a net margin of 28%.

The Communications and Intelligence division enters 2025/26 with £104.7m (2024: £63.2m) of its revenue on order. This is significantly higher than last year following good order intake in Portugal and the inclusion of the EM Solutions order book though, as expected, the MCL order book is lower than last year's record high. We expect this division to deliver a much stronger performance in 2025/26.

REVENUE

£124.9m
(2024: £82.9m)

ADJUSTED OPERATING PROFIT

£21.1m
(2024: £12.8m)

NET CASH FLOW GENERATED FROM OPERATIONS

£24.3m
(2024: £3.2m)

HEADCOUNT

641
(2024: 484)

Sensors and Effectors

The Sensors and Effectors division delivered a broadly flat operating performance on higher revenue. Revenue growth was most significant at SEA, which achieved record levels of both revenue and profit. ELAC SONAR's revenue performance was also improved, but at Chess delivery delays resulted in a weaker revenue performance.

The revenue performance in this division did not translate through to improved net profit. This was due to three underlying factors, none of which are expected to persist beyond 2025/26.

1. In SEA, a higher proportion of revenue was delivered on an export contract where the margin remains low. We expect to complete the large majority of this project in 2025/26.
2. At ELAC SONAR, the development phase of the sonar suite for new Italian submarines continued. We expect to deliver the first boat systems during 2025/26 and may at that stage be able to retire risk.
3. Chess faced challenges to deliver on its orders and saw one-off costs on some older programmes. The order book for the coming year at Chess covers 83% of its revenue target and we are putting in place changes to improve the delivery performance. The projects where we have seen cost increases are now close to completion although several are not contracted to close until 2026/27.

Looking forward, this division is well underpinned for 2025/26 with £124.6m (2024: £120.9m) of revenue on order at 30 April 2025. The significant order book and good prospects some of which have already been secured, gives us confidence that this division will grow in the coming few years.

The higher level of activity involving more than one of our businesses has continued in the year, a good example being SEA and Chess's collaboration on the Ancilia product. We have also seen SEA supporting ELAC SONAR on its Italian programme and ELAC SONAR providing sonar integration software for SEA. We will carefully monitor these projects to ensure the necessary coordination and oversight to ensure that we are able to meet customer requirements while maintaining the autonomy and agility that are so important for our operating businesses.

REVENUE

£145.1m
(2024: £119.6m)

ADJUSTED OPERATING PROFIT

£12.7m
(2024: £12.8m)

NET CASH FLOW GENERATED FROM OPERATIONS

£42.9m
(2024: £21.5m)

HEADCOUNT

959
(2024: 805)

[READ MORE AT COHORTPLC.COM/INVESTORS](https://www.cohortplc.com/investors)

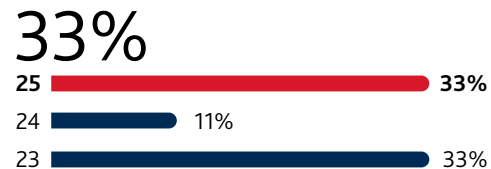
KEY PERFORMANCE INDICATORS

Measuring our progress

Good progress in KPIs. Cash conversion consistently strong.

Change in revenue

Indicates the change in total Group revenue compared with prior years.



Why is it important?

Revenue growth gives a quantified indication of the rate at which the Group's business activity is expanding over time.

Comment on results

The Group revenue was up on last year, increasing from £202.5m to £270.0m with initial contributions from EM Solutions of £6.7m and ITS of £1.5m. Excluding these acquisitions, the underlying Group revenue was higher by 29%, with marked growth in both divisions, especially Communications and Intelligence.

[LINK TO STRATEGY](#) A G

Order book visibility

Orders for the next financial year expected to be delivered as revenue, presented as a percentage of market revenue forecasts for the year as at 30 April 2025.



Why is it important?

Order book visibility, based on expected revenue during the year to come, provides a measure of confidence in the likelihood of achievement of future forecasts.

Comment on results

This is broadly consistent with the last three years, reflecting the continuing progress in the size and longevity of the order book, with orders now stretching out to mid-2030s. The slight decrease in order cover is mostly at MCL within the Communications and Intelligence division, which historically has short visibility but entered the last financial year with a relatively high order book. The order book cover for 2025/26 had further increased to over 85% by mid-July 2025.

[LINK TO STRATEGY](#) G

Operating cash conversion

Net cash generated from operations (net of interest and net capital expenditure) before tax as compared to the profit before tax and interest, excluding amortisation of other intangible assets, over a rolling four-year period.



Why is it important?

Operating cash conversion measures the ability of the Group to convert profit into cash.

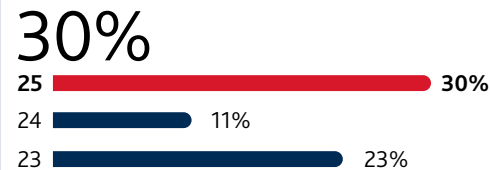
Comment on results

The conversion in the last year improves a high conversion ratio of the last two years and was again a result of strong cash control in both divisions. We expect the cash conversion in the coming year to decline slightly as we see some unwinding of the current strong working capital position in the Sensors and Effectors division.

[LINK TO STRATEGY](#) G

Change in adjusted operating profit

Change in Group operating profit before exceptional items, amortisation of other intangible assets, research and development expenditure credits and non-trading exchange differences, including marking forward exchange contracts to market.



Why is it important?

The adjusted operating profit trend more accurately captures the business's contribution to shareholder value than a pure cash measure. It is also an indication of whether additional revenue is being gained without profit margins being compromised.

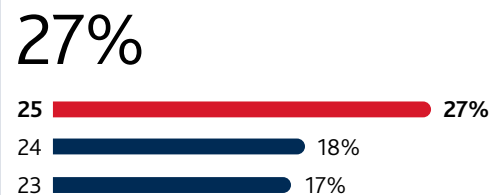
Comment on results

On the back of the higher revenue, the trading result of the Group improved by a broadly similar level. This included an initial contribution from acquisitions of ITS (£0.5m) and EM Solutions (£1.9m). Excluding these acquisitions, the underlying Group adjusted operating profit was higher by 19%, driven by the Communications and Intelligence division.

[LINK TO STRATEGY](#) A G

Change in adjusted earnings per share

Annual change in earnings per share, before exceptional items, amortisation of other intangible assets and non-trading exchange differences including marking forward exchange contracts to market, all net of tax.



Why is it important?

Change in adjusted earnings per share is an absolute measure of the Group's return to shareholders (net of tax and interest).

Comment on results

The 27% increase is a result of a 30% increase in the adjusted operating profit and a lower tax rate, due to higher overseas R&D credits. These factors were partially offset by the dilution effects of the share placement undertaken during the year.

[LINK TO STRATEGY](#) A G

International revenue

Total sales to markets outside the UK, Australia, Germany and Portugal.



Why is it important?

International markets are important to the organic growth of the business and reduce our dependence on domestic markets.

Comment on results

The increase in 2025 export revenue is driven by higher export sales in Sensors and Effectors, especially for naval customers of SEA and ELAC SONAR.

[LINK TO STRATEGY](#) A G

FINANCIAL REVIEW

Record operating performance



Simon Walther
Finance Director

“Record revenue and adjusted operating profit. Record closing order book stretches out to mid-2030s.”

Revenue analysis

The Group reports its segmental revenue through its two divisions, Communications and Intelligence and Sensors and Effectors.

The revenue for the Group is also broken down by three separate categorisations:

1. Market (and geography) (see table on page 20);
2. Product or service (see table on page 20); and
3. Domain (see Our business at a glance section on page 3).

The Group revenue continues to be dominated by defence and security customers with £255.6m (2024: £191.6m) delivered to these markets, 95% of Group revenue (2024: 95%).

Overall, the increase in Group revenue has been driven by an increase in both export and activity with our domestic customers in the UK and Portugal and the introduction of Australia as a domestic customer. UK MOD revenue increased to £134.0m (2024: £96.8m), and as a proportion of Group revenue rose slightly to 50% (2024: 48%).

Export defence revenue grew by 22% (2024: 23%), but decreased slightly as a proportion of overall revenue from 35% last year to 32% this year. The decrease in percentage terms was due to revenue growth in our domestic markets in the UK, Portugal, which increased by 70%, and Australia.

Revenue derived from Germany slipped back as ELAC SONAR completed deliveries to its domestic customer last year. We continue to support ELAC SONAR in delivering to its domestic customer. EM Solutions brings a pipeline of European opportunities which includes Germany.

REVENUE

£270.0m

(2024: £202.5m)

ADJUSTED OPERATING PROFIT

£27.5m

(2024: £21.1m)

CASH GENERATED FROM OPERATIONS

+£58.2m

(2024: +£29.6m)

Non-defence revenue includes transport and legacy hydroacoustic products which are both reported within Sensors and Effectors and sensors used in the mining industry within Communications and Intelligence. The Transport business was sold after the year end, the transaction completing 30 June 2025. As a result of this disposal, the non-defence revenue of the Group going forward is expected to fall to around 3% per annum from its current 5%.

The Group continues to see the larger proportion of its revenue from product (hardware and/or software). The increase in the absolute revenue this year was driven by higher urgent operational requirement orders for the UK MOD through MCL, a welcome return to higher revenue from our Portuguese domestic customer following strong order intake at EID and deliveries of naval systems to customers in South America and Canada.

The services proportion of the Group's revenue decreased from last year due to the marked increase in product sales. In absolute terms, we saw an increase in support work to the Royal Navy at SEA and the initial contribution of ITS acquired in May 2024. In the past, the service revenue has typically been around 40%; this has continued to fall as a proportion of the Group revenue as the product and systems activity, especially at Chess, ELAC SONAR and SEA, has increased. Going forward, we continue to work on increasing the support and services work across the Group, which does include spares (which are reported as part of product). The addition of EM Solutions will drive the product proportion of the Group's revenue in percentage terms even higher, and the service proportion is expected to reduce to around 20%.

The change in mix of the Group's revenue has seen a decrease in statutory gross margin percentage from just under 38% to just over 33%. The main cause of the decrease in statutory reported gross margin was a weaker mix in Sensors and Effectors, particularly at Chess where one-off costs on some projects were incurred. ELAC SONAR's gross margin was slightly weaker due to higher proportion of revenue on the Italy sonar contract. SEA's gross margin was also slightly weaker due to the mix of work, especially an export contract containing a large element of sub-contractor effort which we expect to mostly complete in 2025/26.

In Communications and Intelligence, the gross margin at EID was weaker due to the higher proportion of domestic work but more than offset by higher revenue, which was double last year. At MASS the margin was slightly down to mix, whilst MCL was constant. The impact of EM Solutions was a higher gross margin compared with the other businesses in the Group.

FINANCIAL REVIEW CONTINUED

Revenue analysis continued

The analysis of the Group's revenue by domain is set out in the Our Markets section. This shows that the Group's revenue is dominated by Maritime and Land, a combined 81% of Group revenue (2024: 78%). The growth in Maritime is due to increase in exports in Sensors and Effectors, mainly SEA, higher domestic sales at EID and the initial contribution of EM Solutions. Land domain revenue also increased in absolute terms, mostly at MCL. Joint and Strategic at 5% (2024: 10%) was lower in absolute and percentage terms as MCL work switched to shorter-term urgent operational work. The majority of the revenue in this domain is support to the UK's Joint Warfare capability which was constant. Going forward, we expect the Maritime domain to remain dominant and grow further in absolute and percentage terms with the addition of EM Solutions.

Revenue by market and geography

	Communications and Intelligence		Sensors and Effectors		Group			
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	%	2024 £m	%
Direct to UK MOD	77.5	58.0	17.8	10.7	95.3	36	68.7	34
Indirect to UK MOD where the Group acts as a sub-contractor or partner	6.6	5.0	32.1	23.1	38.7	14	28.1	14
Total UK defence	84.1	63.0	49.9	33.8	134.0	50	96.8	48
UK security	5.9	3.6	—	—	5.9	2	3.6	2
UK other (non-defence and security)	0.1	0.1	7.9	8.2	8.0		8.3	
Total UK	90.1	66.7	57.8	42.0	147.9		108.7	
Australia defence and security	4.8	0.5	3.0	1.1	7.8	3	1.6	1
Portuguese defence and security	17.6	10.3	—	—	17.6	7	10.3	5
German defence and security	0.1	0.3	2.9	8.7	3.0	1	9.0	4
Total non-UK domestic defence and security	22.5	11.1	5.9	9.8	28.4	11	20.9	10
Export defence and security								
– Other European countries	3.2	1.1	34.9	36.4	38.1		37.5	
– Asia Pacific and Africa	5.9	3.9	27.9	23.2	33.8		27.2	
– North and South America	2.7	0.1	12.7	5.5	15.4		5.6	
Total export defence and security	11.8	5.1	75.5	65.1	87.3	33	70.3	35
Non-UK other (non-defence and security)	0.5	—	5.9	2.6	6.4		2.6	
	124.9	82.9	145.1	119.6	270.0	100	202.5	100

Revenue by type of deliverable

	Year ended 30 April 2025		Year ended 30 April 2024	
	£m	%	£m	%
Product	207.4	77	148.4	73
Communications and Intelligence	80.4	30	45.1	22
Sensors and Effectors	127.0	47	103.3	51
Services	62.6	23	54.1	27
Communications and Intelligence	44.5	16	37.8	19
Sensors and Effectors	18.1	7	16.3	8
Total revenue	270.0	100	202.5	100

FINANCIAL REVIEW CONTINUED

Operational outlook

Order intake and order book

	Order intake		Order book	
	2025 £m	2024 £m	2025 £m	2024 £m
Communications and Intelligence	136.3	64.3	202.4	108.0
Sensors and Effectors	148.4	327.8	414.0	410.7
	284.7	392.1	616.4	518.7

The increase in the Group's order book reflects the surplus of orders over revenue (just under 1.1x) and the addition of EM Solutions order book of approximately £80m.

The 2024/25 order intake was 105% (2024: 194%) of the Group's revenue for the year.

The revenue on order (order cover) for the coming year was 79% (2024: 90%) at 30 April 2025. This had risen to 85% in July.

The Group's order intake and order book are the contracted values with customers and do not include any value attributable to frameworks or other arrangements where no enforceable contract exists. The order intake and order book take account of contractual changes to existing orders including extensions, variations and cancellations.

Communications and Intelligence

Order intake at Communications and Intelligence was double last year's and represented 109% of its annual revenue for 2024/25 (2024: 78%). This improvement was a result of strong contract wins at MCL for the UK MOD, nearly three times last year's figure at over £50m. EID's order intake was significantly stronger, also at over £50m compared with £10m in 2023/24. MASS's order intake was broadly similar to last year's. EM Solutions orders intake was not material in the quarter to 30 April 2025.

This division is dominated by activity with the UK MOD where £81.6m of its order intake (2024: £41.1m) was ultimately intended for that customer. This included the MCL order intake and a two-year extension to MASS's Joint Forces order out to July 2027. The other significant order intake in this division was from Portugal of £45.2m (2024: £6.5m) at EID.

Sensors and Effectors

Order intake at Sensors and Effectors was £148.4m (2024: £327.8m), representing 102% of its 2024/25 annual revenue (2024: 272%). The comparison reflects the very strong performance in 2023/24 which included a £135m order for the Royal Navy.

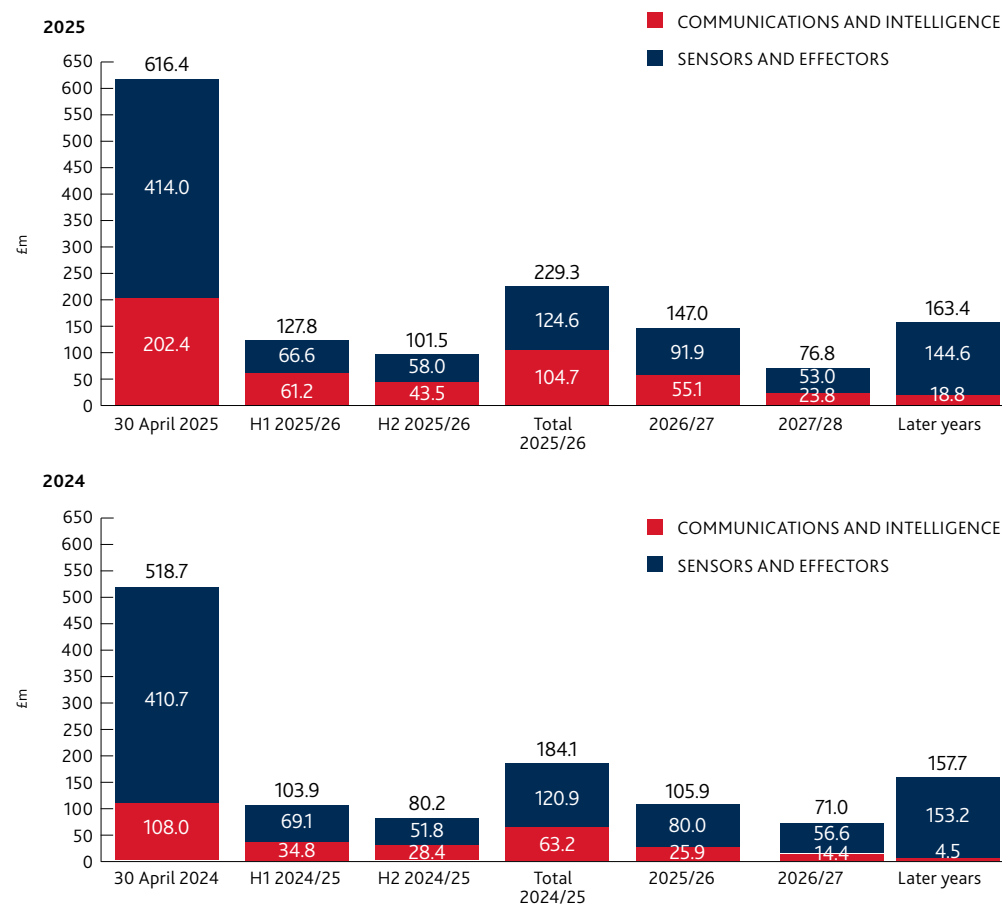
In Europe we continued to win work, including a follow-on order for the Italian submarine sonar suite (Boat 4, the last of the current batch) received by ELAC SONAR. Chess also won significant orders for European customers, both for counter-drone systems and naval control systems.

We continue to see good prospects in the Maritime domain for our products, both in export markets as well as our domestic markets.

In the Land domain, Chess has seen a marked increase in demand for its stabilised fire-control and tracking systems, particularly in countering drones as part of ground-based air defence solutions, as seen this year. The source of this demand is mostly European. Chess secured around £28m (2024: £17m) of orders with good prospects for the coming year and beyond.

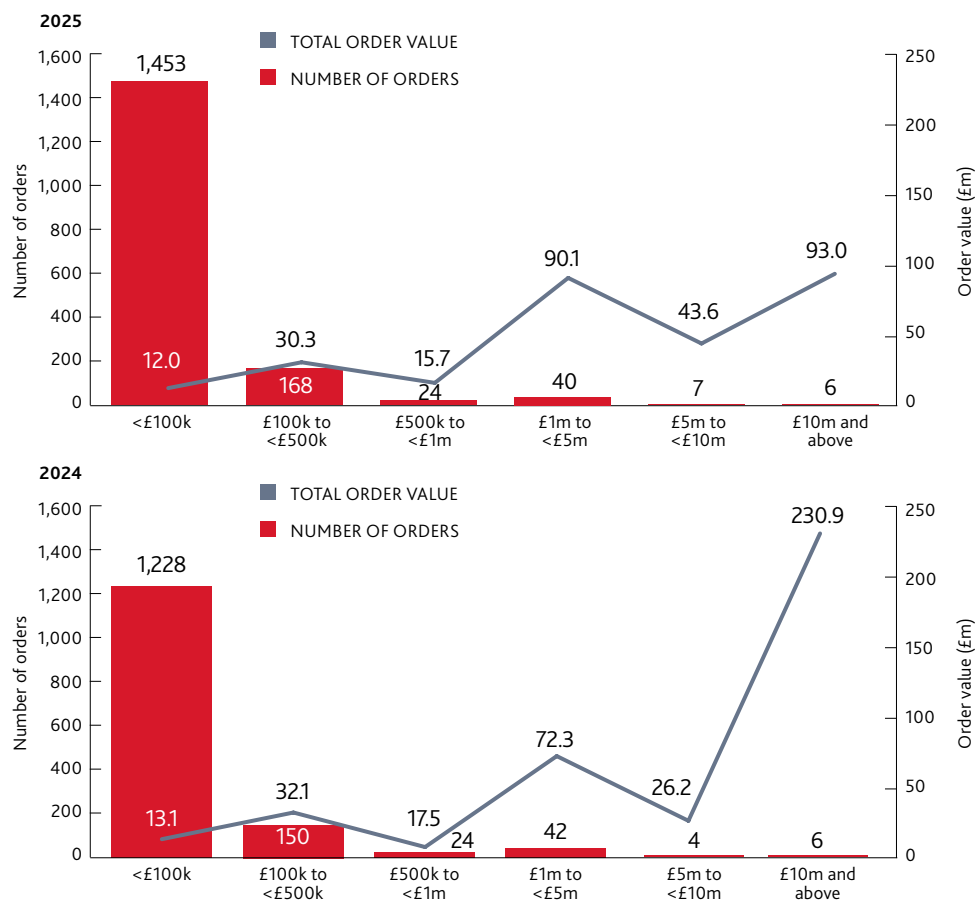
Delivery of the Group's order book into revenue

The table below shows the expected delivery of future revenue from the current order book, together with a similar analysis from 2024/25 for comparison. The growth in on-order revenue for the current year and two following years in the Communications and Intelligence division is notable, reflecting the impact of the EM Solutions acquisition.



"The Group order book underpins 79% of the 2025/26 latest revenue expectations. This has increased to over 85% in July."

FINANCIAL REVIEW CONTINUED

Sensors and Effectors continued
Order intake analysis

Cohort's order book has again grown materially. We already have on order for delivery in 2024/25 85% of the revenue expectations for the year of c. £290m. The order book for Sensors and Effectors is both larger and longer than for Communications and Intelligence, in line with the division's greater proportion of long-term projects for naval customers. In Communications and Intelligence, the longevity of the order book is dominated by the multi-year support contracts for the UK MOD at MASS and the order for satellite communications terminals for the Royal Australian Navy at EM Solutions.

The short-term nature of some of the business in Communications and Intelligence, especially the product delivery of MCL and MASS's shorter duration contracts in training and cyber, mean that this division will typically enter a financial year with less revenue on order. We do expect to see some increase in the longevity of this division's order book in the coming year with prospects of long-term orders for EID and EM Solutions.

Sensors and Effectors has a number of large multi-year programmes, both for delivery and support, with work now stretching out to 2035. The prospects for this division in the coming year to further increase the size of the order book are good, both in the UK and export markets.

The Group's businesses are not dependent upon a single critical order to achieve their respective revenue targets for 2025/26. The Group revenue infill for the coming year of 17% was higher than last year but in line with historical levels and had further reduced to 15% in July 2025.

We continue to report an analysis of the number of orders secured by a range of order size. This is shown in the "Order intake analysis" chart. This shows that 95% (2024: 95%) of the Group's orders (by number) secured are of less than £0.5m in value, accounting for 15% (2024: 11%) of the Group's total order intake value. The remaining 5% of orders account for 85% (2024: 90%) of the Group's total order value. The Ancilia order secured by SEA in March 2024 (announced at £135m) has distorted some of the value comparatives and taking this out, the order number of >£1m was 53 (2024: 51) and a value of £226.7m (2024: £194.4m).

This year we have won thirteen orders larger than £5m (2024: ten) with a total order value of £136.6m (2024: £257.1m). As a policy, we usually only announce individual orders with a value of over £10m.

FINANCIAL REVIEW CONTINUED

Funding resource and policy

On 30 April 2025, the Group's cash and readily available credit was £55.3m (2024: £58.1m) which followed acquisitions in the period of EM Solutions (£75m) and ITS (£3m). A very high proportion of our ultimate customers are government agencies, with a clear need to invest in defence and security. The international and domestic security environment still calls for greater resources to be devoted to defence and counterterrorism in the UK and many other countries, especially in light of continuing events in Ukraine and rising tensions in the Middle East and Indo Pacific. As already mentioned, 79% of our revenue expectation of £290m for 2025/26 was on contract at 30 April 2025, providing further assurance, and this has since increased to 85%. Having regard to these considerations, the Board considers the Group to be a going concern.

As set out in our capital allocation policy, the Group retains a robust financial position and continues to be cash generative, enabling it to invest in internal R&D and other value-adding projects on a carefully considered basis as well as maintaining its progressive dividend policy. The Group's cash position and banking facility also provide it with the resources to conduct its acquisition strategy.

The Group completed a renewal of its banking facility on 18 July 2022. The facility was initially for three years to July 2025, and this has been extended, following exercise of an option, to July 2027. The revolving credit facility (RCF) was for an initial £35m with an option (accordion) which was exercised in November 2024 as part of the acquisition of EM Solutions to draw a further £15m, making a total facility available to the Group of £50m of which £33.3m was drawn as at 30 April 2025, leaving £16.7m available to be drawn. The facility is provided by three banks. There are no further options to extend this current facility. We have already started discussions with our banks regarding a new facility, including the possible inclusion of a fourth bank in the syndicate, and a potential increase the size of the facility.

The Group's bank borrowings have been reported as due after one year, as the facility in place as at 30 April 2025 is due to expire in July 2027.

The facility provides the Group with a flexible arrangement to draw down for acquisitions and overdraft. The Group's banking covenants were all passed for the year ended 30 April 2025. Looking forward, we expect this to continue out to 31 July 2026 and beyond.

The facility is available to the UK and German members of the Group and is fully secured over the Group's assets, including those in Australia. The renewed facility will ensure that our Australian operations participate fully in the Group's facility.

In the UK, the Group has separate bilateral facilities with two banks for instruments such as forward exchange rate contracts, bank guarantees and letters of credit and in Germany similar banking instruments with one other bank.

The Group takes a prudent approach to treasury policy with its overriding objective being protection of capital. In implementing this policy, deposits are usually held with institutions with credit ratings of at least Baa3. Deposits are generally held on short (less than three months) duration to maturity on commencement. This matches the Group's cash resources with its internal monthly 13-week cash forecasts, retaining flexibility whilst trying to ensure an acceptable return on its cash.

Most of the Group's UK cash (that is not on short-term deposit) is managed through a set-off arrangement, enabling the most efficient use of the Group's cash from day to day, under the supervision of the Group's finance function.

EID's bank facilities are managed locally in Portugal. The cash is spread across a number of institutions to minimise capital risk.

EID provides no security over its assets and its wide range of banks enable it to be well supported in executing export business, specifically in respect of foreign exchange contracts, guarantees and letters of credit.

The Group regularly reviews the ratings of the institutions with which it holds cash and always considers this when placing a new deposit.

The Group's net funds at 30 April 2025 were £5.3m (30 April 2024: £23.1m). This position was much better than expected and reflected a marked improvement in working capital management in Sensors and Effectors, and trading in Communications and Intelligence. The increase in activity and order book has resulted in a marked increase in both the Group's trade and other receivables and trade and other payables. There has been an increase of £37.3m in net trade related liabilities since last year, primarily contract advances that will be consumed as orders are fulfilled.

Looking forward, we expect the Group's net funds at 30 April 2026 to be higher, as the capital investment at ELAC SONAR comes to an end in the early autumn and working capital positions at EID and Chess recover, more than offsetting expected unwinds elsewhere and the net impact of the Transport business disposal.

The Group expects to see a further increase in net funds by 30 April 2027, if there is no further corporate activity.

In addition to its cash resources, the Group has in issue 46.7m ordinary shares of 10 pence each. Of these shares 1.2m (2024: 0.9m) are owned by the Cohort plc Employee Benefit Trust (EBT), which waives its rights to dividends. In addition, the Group has issued options over ordinary shares through Key Employee Share Option and SAYE schemes to the level of 2.1m at 30 April 2025 (2024: 1.9m).

The Group's exposure to foreign exchange risk arises from two sources:

1. The reporting of overseas subsidiaries' earnings (currently EM Solutions, EID and ELAC SONAR) and net assets in sterling; and

2. Transactions in currencies other than our Group reporting currency (£) or subsidiary reporting currency where different (currently € at EID and ELAC SONAR and A\$ at EM Solutions).

The first risk is a translation, rather than a transaction, risk and we do not hedge the translation of earnings.

In terms of reporting asset values, we have in place a natural hedge of borrowing in euros to acquire a euro asset (ELAC SONAR) but over time, as the asset grows and the loan diminishes, this hedge will wane.

We have as yet not put in place a natural hedge for the acquisition of EM Solutions but once the new bank facility is in place we will consider swapping some of our current £ sterling debt into A\$ for this purpose.

We take a prudent approach to transactional foreign exchange risk requiring all significant sales and purchases to be hedged at the point in time when we consider the transaction to be certain, usually on contract award. We mark these forward contracts to market at each reporting date, recognising any gain or loss in the income statement.

The Group has maintained its progressive dividend policy, increasing its dividend this year by 10% to a total dividend paid and payable of 16.30 pence per share (2024: 14.80 pence), ahead of external expectations.



Simon Walther at DSEI Japan on the Cohort Group stand

FINANCIAL REVIEW CONTINUED

Funding resource and policy continued

The last five years' annual dividends, growth rate, earnings cover and cash cover are as follows:

	Dividend Pence	Growth over previous year %	Earnings cover (based upon adjusted earnings per share)	Cash cover (based upon net cash inflow from operations)
2025	16.3	10	3.3	6.9
2024	14.8	10	2.9	3.7
2023	13.4	10	2.7	3.0
2022	12.2	10	2.6	3.9
2021	11.1	10	3.0	3.6

In summary, the Group's cash performance in 2024/25 was as follows:

	2025 £m	2024 £m
Adjusted operating profit	27.5	21.1
Depreciation and other non-cash operating movements	4.2	3.4
Working capital movement	20.1	1.8
	51.8	26.3
Acquisition of ITS (including costs)	(3.1)	—
Acquisition of EM Solutions (including costs)	(80.9)	—
Placing	41.0	—
Tax, dividends, capital expenditure, interest and other investments	(26.6)	(18.8)
(Decrease)/increase in funds	(17.8)	7.5

The higher cash outflow in tax and dividends, etc., was mostly due to capital expenditure (£6.5m higher), mostly at ELAC SONAR on its new facility, tax paid (£0.6m higher) and net investment in own shares of £3.1m, £2.0m higher than last year. The balance was higher dividends and net interest paid. We expect the capital expenditure in the coming year on this facility build to be around £9.5m with the building due to complete in the autumn of 2025.

Looking forward, we retain the flexibility to use newly issued shares as well as EBT shares to satisfy employee share options.

The Group's customer base of governments, major prime contractors and international agencies makes its debtor risk low. The year-end debtor days in sales were 29 days (2024: 55 days). This calculation is based upon dividing the revenue by month, working backwards from April, into the trade debtors balance (excluding revenue recognised not invoiced) at the year end. This is a more appropriate measure than calculating based upon the annual revenue as it takes into account the heavy weighting of the Group's revenue in the last quarter of each year. The decrease has been mostly in Sensors and Effectors due to strong collections in year.

Tax

The Group's tax charge for the year ended 30 April 2025 of £6.0m (2024: charge of £4.5m) was at a rate of 23.4% (2024: 22.9%) of profit before tax. This includes a current year corporation tax charge of £7.1m (2024: £6.4m), a prior year corporation tax credit of £0.4m (2024: £0.6m) and a deferred tax credit of £0.7m (2024: £1.3m credit), mostly in respect of the prior year.

The Group's overall tax rate of 23.4% was below the standard UK corporation tax rate of 25.0% (2024: 25.0%). The decrease is due to both R&D credits and losses brought forward in Portugal, partly offset by a higher contribution from Germany (at 31.6%) and Australia (at 30%).

The Group has reported research and development expenditure credits (RDEC) for the UK in accordance with IAS 20 and shown the credit of £3.2m (2024: £2.9m) in cost of sales and adjusted the tax charge accordingly. The RDEC has been reversed in reporting the adjusted operating profit for the Group to ensure comparability of operating performance year on year.

Looking forward, the Group's effective current tax rate (excluding the impact of RDEC reporting) for 2025/26 is estimated at 17% compared with 13% of the pre-RDEC adjusted operating profit less interest for 2024/25. The Group maintains a cautious approach to previous R&D tax credit claims for tax periods that are still open, currently 2023/24 and 2024/25, as well as the potential outcome of a tax audit in Portugal.

Adjusted earnings per share

The adjusted earnings per share (EPS) of 54.44 pence (2024: 42.89 pence) are reported in addition to the basic earnings per share and exclude the effect of amortisation of intangible assets, exceptional items and foreign exchange movements, including marking forward exchange contracts to market, all net of tax.

The adjusted earnings per share exclude non-controlling interest of EID (20%). The reconciliation from last year to this year is as follows:

	Adjusted operating profit £m	Adjusted earnings per share Pence
Year ended 30 April 2024	21.1	42.89
100% owned businesses throughout the year ended 30 April 2025	1.7	3.48
Impact of businesses with minority holding	2.3	3.77
Impact of acquired businesses	2.4	4.91
Change in tax rate (excluding RDEC): 12.6% (2024: 12.7%)	—	0.07
Other movements including interest and lower weighted average share capital	—	(0.68)
Year ended 30 April 2025	27.5	54.44
Increase from 2024 to 2025	30%	27%

The adjustments to the basic EPS in respect of exchange movements and other intangible asset amortisation of EID only reflect that proportion of the adjustment that is applicable to the equity holders of the parent.

Accounting policies

There were no significant accounting policy changes in 2024/25.

Simon Walther

Finance Director

STAKEHOLDER ENGAGEMENT

Our stakeholders

Our stakeholders are those groups likely to be affected by the actions of the Company, or whose actions can affect the operation or business model of the Company. The Board has identified and engaged with the Group's key stakeholders to inform their decisions taken regarding products or services provided by the Group, its strategic direction, its relationship with its workforce and other relevant matters.

Our shareholders

Who engaged

Non-executive Directors, Executive Directors and Company Secretary.

Key areas of interest

Financial performance, dividends, share price, strategy, acquisitions, business model, remuneration and behaviours towards other stakeholders.

How we engaged

- We released communications such as trading updates and other important announcements via a regulatory news service. We made our Annual Report available to all shareholders and other interested parties together with notices of general meetings.
- Live Q&As were hosted for shareholders after the preliminary results and interim results webcast presentations.
- In November 2024, we held three roadshows attended by around 40 investment management companies in relation to the acquisition of EM Solutions. Cohort hosted an investor day at SEA in Barnstaple in partnership with Shore Capital Group. Investors were able to take a tour of the site, see demonstrations and engage with Cohort and SEA's executive leadership.
- Regular meetings were held with institutional shareholders and prospective shareholders.
- We made regular updates to information in the Investor section of our corporate website.
- We responded to Investor requests for information.

What we have done

- We continued to explore strategic investment opportunities for the Group and approved the acquisition of EM Solutions Pty Ltd in Brisbane, Australia.
- We applied the new QCA Code from 1 May 2024 and we have applied the principles to our business as explained in this report.
- We were awarded the Small Cap Network Investor Relations Success Award 2024 for consistent and transparent communication with shareholders and the award for Dividend Hero of the Year.
- We were awarded Company of the Year, and Andrew Thomis was awarded Executive of the Year, in the Small Cap Network Awards 2025.



How we add value

We commit to delivering long-term value to our shareholders so that they benefit from our success. We act with high standards of corporate governance and provide clear and consistent communication.

FURTHER INFORMATION IS AVAILABLE IN: BUSINESS MODEL, STRATEGY, SUSTAINABILITY AND CORPORATE GOVERNANCE

STAKEHOLDER ENGAGEMENT CONTINUED

Our people

Who engaged

Non-executive Directors, Executive Directors, subsidiary managing directors and Group Head of HR.

Key areas of interest

Safe working environments, development and progression, diversity and inclusion, competitive remuneration and workplace policies.

How we engaged

- The Board visited all subsidiaries (except for EM Solutions), toured the sites and engaged with employees.
- The Board received monthly health and safety reports which included updates on safety incidents involving employees throughout the Group.
- The Directors and subsidiary managing directors attended the Cohort Business Excellence Awards to commend individuals for their achievements.
- The Board contributed to Q&A sessions held for the Leadership Development Programme.
- The Board requested and received quarterly updates from the Group Head of HR to gain a better understanding of employee recruitment and retention, employee engagement and diversity and inclusion metrics across the Group.

What we have done

- We have developed our understanding of our employees' environments and challenges, which has helped to influence our decision-making process.
- We have supported the development of the cross-Group Leadership Development Programme to nurture leadership talent. The current programme commenced in May 2024 and runs to the end of October 2025, and has 17 participants from across the Cohort Group.
- The Board has considered reports on employee recruitment and retention across the Group on a regular basis and has supported an increase in the total number of employees to 1,619 at 30 April 2025 (2024: 1,309).
- We supported our subsidiaries to roll out new employee initiatives; for example, MASS revamped its employee forum with an updated constitution, focused on speaking up for employees.

How we add value

Our core values guide and encourage all employees across the Cohort Group to expand their potential, develop their careers, make a difference through every single role, and feel rewarded for what they do. This supports our strong capabilities and customer relationships derived from the high calibre of our talented people.

FURTHER INFORMATION IS AVAILABLE IN: SUSTAINABILITY



STAKEHOLDER ENGAGEMENT CONTINUED

Our customers

Who engaged

Executive Directors and subsidiary managing directors.

Key areas of interest

Innovative solutions, product development, long-term relationships, value and product availability.

How we engaged

- The Board received regular updates on key customers through monthly reporting, in presentations from subsidiary managing directors, and through input from the subsidiaries into strategy planning.
- Board members met with selected customers on Cohort Group stands at Euronaval in Paris, DSEI Japan in Tokyo, and other events throughout the year.
- Non-executive Directors worked directly with subsidiary project teams to support product development that satisfies customer requirements.
- Subsidiary management teams actively engaged with customers, often over long-term programmes of work, fostering strong relationships and enabling us to understand customers' initiatives and priorities.

What we have done

- Through regular and open communication with customers, the Group has established a responsive service which we can align to our customers' requirements, supported by our Group engagement principles endorsed by the Board.
- The Executive Directors attended several subsidiary monthly management meetings and provided support on engagement with customers.
- We continued to develop and improve key performance indicators and processes to ensure customer delivery and needs remain a priority.
- The Board hosted two specialist speaker dinners where defence industry experts attended dinners with our Managing Directors to discuss current issues relevant to, and the outlook for, the defence sector.
- Subsidiaries participated in events to engage more closely with their customers; for example, Chess conducted a survey to establish customer views and held product training workshops.
- SEA was awarded the International Trade & Exports Award by the North Devon Business Awards for its success in exporting.

How we add value

Our customers depend on the Group to deliver safely and reliably, anywhere in the world. Our advanced and innovative solutions mean we stay poised for the future of defence and security technology, and we aim to remain the trusted partner of choice. We guide our businesses to operate with openness, responsibility and a dynamic outlook to promote strong customer relationships.

FURTHER INFORMATION IS AVAILABLE IN: BUSINESS MODEL, STRATEGY, AND SUSTAINABILITY



Our suppliers

Who engaged

Executive Directors and subsidiary managing directors.

Key areas of interest

Ethical and social impact, payment practices and long-term partnerships to develop innovative products and solutions.

How we engaged

- The Board received updates on relationships with key suppliers and strategic partners through monthly reporting and the year-end compliance reports.
- Subsidiary management visited suppliers to develop the robustness of our supply chain, and to ensure quality and timeliness of delivery.
- We engaged with key suppliers to understand their businesses and governance arrangements as part of our due diligence process and at several exhibitions around the globe including CNE, Security & Policing, Asia Defence & Security, MPSO, Future Forces, Euronaval, Exponaval, UDT, LAAD, DSEI Japan and IDEX.

What we have done

- To ensure that Cohort's business is conducted ethically, all suppliers must comply with Cohort's policies on anti-bribery and anti-slavery.
- The Executive Directors attended several subsidiary monthly management meetings and provided support on engagement with key suppliers as required.
- Subsidiaries worked with suppliers to ensure the supply chain is robust. We continually review our supply chain and stock levels to ensure we have timely supplies for our needs.
- Chess was proud to be awarded the Manufacturing Business of the Year Award at the Gatwick Diamond Business Awards, acknowledging the contribution of trusted suppliers.

How we add value

Our suppliers and partners are critical to the success of our business. We work closely with them to build long-term relationships. We ensure that they are paid in line with our commitments for goods and services received.

FURTHER INFORMATION IS AVAILABLE IN: SUSTAINABILITY

STAKEHOLDER ENGAGEMENT CONTINUED

Our communities

Who engaged

Executive Directors and subsidiary management teams.

Key areas of interest

Improving quality of life, environmental and social impact and diversity and inclusion.

How we engaged

- The subsidiaries are committed to supporting the communities in which they operate. They engaged with local schools, colleges and universities to support the development of STEM skills for industry, and they supported community schemes and charitable events allowing them to leave a lasting positive impact.
- The Board received regular reporting on community engagement by our businesses throughout the year.

What we have done

- We supported communities and charities that have a link to our activities, especially military veterans or service personnel and their families, with financial donations and a fund matching scheme for amounts raised by employees.
- We supported communities and charities that are local to our businesses' operations with financial and material donations, including local hospices and hospitals, and provided expert advice to further support the local economy.
- We hosted school visits and work experience students in STEM subjects at our operations, attended careers fairs, and continue to develop long-standing relationships with local schools, colleges and universities. For example, through a partnership with Silverstone University Technical College, MASS sponsored and presented the Cyber Security Student of the Year Award in June 2024.
- We reviewed and assessed our climate-related risks and responses across the Group and set targets and metrics in alignment with CFD recommendations. For example, we assessed all key operational sites for weather-related risks and removed some trees that were a potential fire hazard in Portugal, protecting the local area.

How we add value

We engage with our local communities through education, work experience, fundraising and sponsorship initiatives, and with many military and veterans' charities. Across the Group, we employ veterans and reservists and are proud to be part of the UK Armed Forces Covenant.

FURTHER INFORMATION IS AVAILABLE IN: SUSTAINABILITY AND STRATEGIC REPORT



MASS sponsors the Cyber Security Student of the Year at Silverstone UTC



Chess employees supporting their local community in Plymouth



MCL supports SSAFA's A Driving Force

SECTION 172(1) STATEMENT

The Directors confirm that, throughout the year, in accordance with Section 172 of the Companies Act 2006, they have continued to act in such a way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have had regard (amongst other matters) to the matters set out below. Examples of how the Directors have had regard for these matters are included throughout this report.

Section 172 matters	How the Board has had regard to these matters	Reference section
<ul style="list-style-type: none"> The likely consequences of any decision in the long term 	The Board oversees the Group's strategy and recognises that their decisions regarding strategy will affect the Group's long-term success. The Board closely monitors progress against strategic goals throughout the year both at Group and subsidiary level. The Board believes that the strategy will result in long-term success and increased value for all stakeholders. The Board also carefully considers the Group's commercial and operational risks and how to protect shareholder value.	BUSINESS MODEL AND STRATEGY - PAGES 11 AND 12 GOVERNANCE - PAGES 38 AND 52 PRINCIPAL RISKS - PAGE 39 STAKEHOLDER ENGAGEMENT - PAGE 25 NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - PAGE 45 REMUNERATION REPORT - PAGE 62
<ul style="list-style-type: none"> The interests of the Company's employees 	The Board recognises that our people are essential to our success and growth and the Board takes a keen interest in the development and retention of employees across the Group. The Board actively supports the leadership development programme and effective employee engagement initiatives. The Board visited each of the Group's UK and European subsidiary businesses during the year to better understand the businesses, their employees and their culture and attended employee and management events. The Board will visit EM Solutions over the coming months.	PEOPLE - PAGE 31 GOVERNANCE - PAGE 38 STAKEHOLDER ENGAGEMENT - PAGE 25 PRINCIPAL RISKS - PAGE 39 DIRECTORS' REPORT - PAGE 70
<ul style="list-style-type: none"> The need to foster the Company's business relationships with suppliers, customers and others 	While there are circumstances where the Board engages directly with certain stakeholder groups or on certain issues, the structure of the Group means that engagement with suppliers and customers takes place most often at a subsidiary level. The Board supports the senior management teams at the subsidiaries to foster good relationships with their customers and suppliers and, if appropriate, will engage directly, usually through the Executive Directors. The Board monitors the relationship with key customers and suppliers through the Executive Directors and the monthly reports from each subsidiary managing director.	BUSINESS MODEL AND STRATEGY - PAGES 11 AND 12 STAKEHOLDER ENGAGEMENT - PAGE 25 PRINCIPAL RISKS - PAGE 39
<ul style="list-style-type: none"> The impact of the Company's operations on the community and environment 	The Board recognises the importance of the impact of its decisions on the community and the environment. In accordance with the Group Environmental Policy endorsed by the Board, each subsidiary carefully manages its impact on the environment as further reported in our Sustainability report. Our subsidiaries engage with their local communities through a variety of mechanisms including charity events, equipment sponsorship for local teams' sporting activities, providing work experience and university, school and college support.	COMMUNITY ENGAGEMENT - PAGE 35 STAKEHOLDER ENGAGEMENT - PAGE 25 SUSTAINABILITY - PAGE 31 PRINCIPAL RISKS - PAGE 39 NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - PAGE 45
<ul style="list-style-type: none"> The desirability of the Company maintaining a reputation for high standards of business conduct 	Through our Ethics Policy and our values, the Board sets out the values and standards of behaviour expected from all of the Group's employees and representatives. This is supported by our governance and compliance framework which requires compliance with the law in each jurisdiction where the Group operates and adherence to a wide range of Group policies and standards including comprehensive anti-bribery procedures and our Whistleblowing Policy. We integrate our values into our businesses and all of our interactions with our customers, partners and suppliers. Our Business Excellence Awards are based on the application of and demonstration of our values by our employees.	PEOPLE - PAGE 31 GOVERNANCE - PAGES 38 AND 52 STAKEHOLDER ENGAGEMENT - PAGE 25 PRINCIPAL RISKS - PAGE 39 DIRECTORS' REPORT - PAGE 70
<ul style="list-style-type: none"> The need to act fairly as between stakeholders of the Company 	The Board recognises that it has to balance competing interests in reaching its decisions. Where there are conflicting interests, the Board will act as equitably and fairly as it is able to take into account the implication for each stakeholder.	PURPOSE AND VALUES - PAGE 1 BUSINESS MODEL AND STRATEGY - PAGES 11 AND 12 STAKEHOLDER ENGAGEMENT - PAGE 25 DIRECTORS' REPORT - PAGE 70




How this works for the Cohort Group

The structure of the Cohort Group means that day-to-day management decisions for our subsidiary businesses are undertaken by the senior management teams within the businesses in accordance with their levels of delegated authority. The Board has put in place and oversees a detailed governance and delegation structure. In particular, the Cohort Board oversees the activities and decisions of its subsidiary businesses in the areas of strategy, finance, compliance, human resources, and commercial and risk management.

SECTION 172(1) STATEMENT CONTINUED

Principal decisions made during the year

As outlined above, the Board engages with all of our stakeholders throughout the year and takes account of the feedback received, including through the monthly reporting structure in place and feedback received from or through our subsidiaries directly, when making its decisions and fulfilling its duties under Section 172 of the Companies Act 2006 (s. 172). Examples of the way the Board has met this requirement in its decision-making process in relation to some of the key decisions considered by the Board this year are set out below:

Key decisions and stakeholders considered	Board's decision-making process and long-term considerations under s. 172
 <p>Acquisitions and disposals Shareholders, operating companies, suppliers, our people, future customers and employees</p>	<p>In alignment with the Group strategy and to support long-term value creation for shareholders, throughout the year the Board considered information relating to several potential acquisitions as well as assessing the impact on the various stakeholders of the Group, including visits by Board members to several potential targets.</p> <p>In November 2024, taking into consideration the long-term benefit of the investment for shareholders and employees, the Board approved the acquisition of EM Solutions in Australia. The acquisition completed in January 2025. For more information see the case study on page 15.</p> <p>In December 2024, the disposal of the SEA intelligent transport systems division was approved by the Board and completed 30 June 2025. The Board considered the long-term benefits to SEA of disposing of a non-core business unit, the interests of the employees and how they would transfer to the purchaser, the customers of and suppliers to that business whose contracts would be novated, and the impact on the local community.</p>
 <p>Placing of shares Shareholders, our people</p>	<p>As part of the finance arrangements for the acquisition of EM Solutions, the Company undertook a placing of new ordinary shares to raise £41m of additional capital. In line with our duties under Section 172, the Board considered the interests of existing shareholders, the potential dilution effect, and the long-term benefits of increased capital for investment opportunities. The placing was structured to be fair and transparent, and in conjunction with the Company's NOMAD, Investec, the Board engaged with key shareholders in advance to ensure alignment with their expectations.</p>
 <p>Board and senior management appointments Shareholders, operating companies, customers, suppliers and our people</p>	<p>The Board approved the appointment of two independent Non-executive Directors for the new Australian subsidiary, EM Solutions. This is the first time that independent Non-executive Directors have been appointed to sit on the board of a Cohort subsidiary. The Board considered that the appointment of individuals with deep experience of the defence industry in Australia would contribute to the creation of long-term value for investors, be in the interests of EM Solutions' employees, assist to foster relationships with local and international customers and suppliers and help to ensure that high standards of business conduct and good governance were maintained at EM Solutions.</p> <p>This year the Board also approved the appointment of Keith Norton as Managing Director of MASS to replace Chris Stanley upon his retirement from the business. In appointing Keith, the Board considered the importance of a smooth transition of leadership for the customers of, and suppliers to, MASS, leadership of the employees of the company, and the need to protect long-term value for investors.</p>



Andrew Thomis and Simon Walther with EM Solutions' Managing Directors (in London and on site in Brisbane)

SUSTAINABILITY

Group commitment to sustainability and responsible business

As a Group we act responsibly to address social, environmental and governance priorities. We monitor how our business activities impact our stakeholders and act with high levels of ethics and governance.

Social – our people and communities

People

Our strong capabilities and customer relationships all ultimately derive from our high calibre of talented people. Guided by our core values, all employees across the Cohort Group can expand their potential, develop their careers, make a difference through every single role they undertake, and feel rewarded for what they do.

We recognise that our success hinges on the attitudes and behaviours of our people. We cultivate an environment where every decision is guided by our values, ensuring sustainable growth and long-term success across all parts of the Group, whether it be for the business or for our customers. We empower our teams to act responsibly, with expertise and a visionary outlook.

Employee engagement

It is critical to the success of our business that our employees feel valued and engaged and are well informed about events at Group level as well as within their own businesses and their subsidiary peers.

Board leadership engagement

The Board places great importance on visiting subsidiary sites throughout the year to engage directly with local management and employees. This enables the Directors to understand the priorities for local management so that they can have regard to their interests in decision making.

This year, Board members visited each subsidiary in person, and the Executive Directors also visited the newly acquired EM Solutions in Australia. The Board undertook a varied programme including a site tour at each subsidiary, providing an opportunity to engage with employees informally in the workplace.

Managing directors at each subsidiary engage in regular direct employee communication. All subsidiaries have established leadership management teams, which bring core members of the business together to discuss key updates and projects and to cascade information within the business.

Internal communications

The Group cascades employee communications to its subsidiary businesses through a Group intranet, update presentations, and direct all-employee emails. The Group intranet was upgraded to a newer platform this year and features regular news from the Chief Executive at key times of the reporting calendar, Group-wide activities and updates, and internal activities happening across the subsidiaries. The Chief Executive provides in-person Group strategy presentations to all

subsidiaries. Employees across the Group have good awareness of the financial and economic factors affecting the Group's performance. Where possible, communications are translated into the local language. Each subsidiary has its own internal communications programme, delivered across a variety of channels appropriate to each business. For example regular town hall meetings and informal employee briefings, where employees' questions can be answered by local leadership, and online communications that supports both location-based and hybrid working.

Employee feedback

All our subsidiaries conduct regular employee engagement surveys and the key outcomes are put into action plans for the local management team to implement. Several subsidiaries' employee engagement results remain very high and is testament to the hard work of the teams. The results of these surveys are reported to the Cohort plc Board. MASS revamped its employee forum, called "Employee Voice", with a new constitution which is focused on making a difference at MASS and speaking up for employees.

Events

SEA held its second all-employee One Team Day in July 2024; the day was a huge success and feedback was positive. Chess, ELAC SONAR, MCL and MASS all hold their own team and company-wide events. EID celebrates its traditional Portuguese heritage with Saint Martin's Week as a company-wide and family event.

Our culture of responsible business aligns closely with our core values:



Expert

We are knowledgeable and share our expertise.



Responsible

We act with integrity to make the right decisions.



Practical

We deliver what works for the right situation.



Dynamic

We think innovatively and adapt quickly.

NUMBER OF PERMANENT EMPLOYEES AT
30 APRIL 2025

1,619



SUSTAINABILITY CONTINUED

Health, safety and wellbeing

Safety

All our subsidiaries are committed to the health and safety of their employees and carry out regular walk throughs, checks, briefings, toolbox talks and reports to ensure safe working spaces of the highest international standards. All businesses have designated first aiders within their office locations. All our businesses are certified with ISO 9001 Quality Management; EM Solutions and SEA hold ISO 45001 in Occupational Health and Safety Management; Chess and EID hold ISO 14001 Environmental Management; and EID, ELAC SONAR and MASS are certified with ISO 27001 Information Security Management. Our relevant business also undertake hazardous substance awareness training.

Health and wellbeing

Across the Group, our businesses take part in many activities during the year to promote the health and wellbeing of their people. Our Employee Assistance Programmes are regularly promoted along with other employee benefits. We support employees through wellbeing days, enhanced employee benefit offerings, medical and dental insurance, health check-ups, options for hybrid, remote or flexitime working, financial seminars and pension updates. Across the Group, there are discounted gym or fitness programme benefits, such as the Hansefit access at ELAC SONAR. Chess, MASS and SEA all have appointed Mental Health Ambassadors or First Aiders (MHFAs) within their business, who undertake third-party training and provide support and awareness to their employees.

MCL joined in with UK National Walking Month in May to encourage employees to get outside and enjoy the physical and mental health benefits of walking. Similarly, Chess offices took part in Walk & Talk as part of Time to Talk Day and their MHFAs lead regular planned group walks. SEA has started a menopause café for all staff affected by menopause. SEA also offered chair yoga in person and online in support of stress awareness, and EID offers massage sessions for all employees. In June 2024, MASS refurbished its head office to create a modern and collaborative working environment. EID is also remodelling its building with consideration to staff interaction and wellbeing.

Social clubs and events are hosted across all of our businesses, for example at EM Solutions where a lunch is hosted for all staff every quarter as well as on Melbourne Cup Day. Both ELAC SONAR and SEA host regular company football sessions.



Cohort Board visits ELAC SONAR facilities in Kiel, Germany



MCL joins UK National Walking Month promoting physical and mental health

SUSTAINABILITY CONTINUED

Diversity and inclusion

All our subsidiaries promote diversity and inclusion within their businesses and are part of several industry-leading initiatives.



Armed forces support and employment

We recognise the enormous contribution that our armed forces make to protect our nations and the work that we do helps them carry out their vital tasks more effectively. Across the Group, we employ many military veterans and current reservists, and in the UK we celebrate their achievements during Armed Forces Week.

Under the UK Ministry of Defence's Employer Recognition Scheme (ERS) we hold one Gold Award at SEA, two Silver Awards at MASS and Cohort plc, and two Bronze Awards at Chess and MCL. The ERS is for employer organisations that pledge, demonstrate or advocate support to defence and the armed forces community, and align their values with the Armed Forces Covenant. Similarly, EM Solutions is an Australian Veteran Employment Supporter, and MCL is a member of the British Forces Foundation.

Inclusivity commitments

SEA has attained Level 2 as part of the Disability Confident Employer scheme in the UK. MCL is a Living Wage Employer voluntarily paying the Real Living Wage rate calculated on the real cost of living, higher than minimum or national living wage. MASS is a signatory to the Tech Talent Charter, which is designed to

advance diversity and inclusion within the tech sector. MCL is a member of Business in the Community (BITC) – His Majesty The King's Responsible Business network – and a signatory to the BITC Race at Work Charter committed to improving equality of opportunity in the workplace. MASS carried out dignity at work training for all its employees in November 2024.

Cohort is a signatory of the Women in Defence Charter and our subsidiaries actively support us in this approach. The Charter aims to improve gender balance in the defence enterprise across both the public and private sectors. SEA is also a member of the Women's Engineering Society. EM Solutions, MASS and SEA produce a Gender Pay Gap Report annually. EM Solutions is part of the University of Queensland's Women in Engineering programme. Several of our businesses celebrate International Women's Day.



Reward and recognition

Each year, Cohort hosts its Business Excellence Awards with an awards luncheon and ceremony, where we acknowledge teams and individuals across the Group who exemplify our values, make a real impact to the success of our business, and who have been commended by our customers. The awards ceremony was attended by the Board and senior management of the Group.

The winner of this year's Team Gold award was one of SEA's bid and contract teams. Our other gold winners were AI specialist Taofeek Akinosho from SEA (Early Careers Award) and Industrial Engineer Hannes Gielow from ELAC SONAR (Individual Award).

Some of our subsidiaries also run their own annual employee award events, peer recognition schemes and thank you rewards. SEA, MASS and EM Solutions awarded their long-serving employees.

As part of reward and recognition, all subsidiaries award their staff based on business performance. Cohort offers various share schemes to employees to invest in people and these are under review for non-UK locations.

Recruitment and retention

All our subsidiaries closely monitor their recruitment and retention figures and regularly review and report on processes, which include actionable measures to ensure an engaged and enduring workforce.

"One thing that shows the community we've created is when people recommend us as a place to work, and particularly when people recommend us to their family members."

Valerie Steadman

Human Resources Director at SEA

Company awards

Several of the Cohort businesses have received recognition in external awards. This year, Chess was awarded with the Gatwick Diamond Business Awards Manufacturing Business of the Year, testament to their impact on the local economy. EM Solutions is an award-winning business in many categories in the Australian Defence Industry Awards.

Cohort plc was shortlisted for the AIM Awards Best Investor Communications.



SEA awards its longest serving employees



SEA's One Team Day

SUSTAINABILITY CONTINUED

Learning and development

Continuous learning

The success of our business depends on our ability to deliver innovative solutions to customers. We aim to attract and nurture the best talent, providing them with stimulating workplaces and practical career development opportunities, to contribute to the long-term value of our business. Many of our training schemes operate at subsidiary level, including the use of online learning platforms like Skillcast. Employees at SEA, MASS and EM Solutions have free access to LinkedIn Learning, a digital library with over 8,000 courses for personal development.

Two colleagues from MASS, Jack Selwood and Harriet Boyd, presented at the RUSI Project on Nuclear Issues (PONI) conference in October 2024. Both Harriet and Jack are fairly new in their career and this was a massive opportunity to present and sit on a panel at a prestigious event.

“At MASS, we’re constantly exploring new and emerging technologies and facilitating new technology through working groups and hackathons that keep innovation at the forefront of the work we do.”

Rebecca Hope

Research Analyst,
joined MASS as a Graduate Research Analyst

Leadership development

The Cohort Leadership Development Programme (LDP) is designed to equip our current and future leaders with the skills to deliver the strategic priorities of the business effectively and to respond to the competitive and changing environment we operate within. We commenced the latest programme in May 2024 with a group of 17 people from across the Cohort Group, and participants will complete the course at the end of October 2025. The Executive Directors and senior representatives of the subsidiary businesses play an important part in the key events of the LDP process.

SEA, Chess, ELAC SONAR, MASS and EM Solutions all provide regular line management coaching, training courses and workshops to support the development of their employees’ managerial and leadership skills.



Winner of the Cohort Business Excellence Early Career Award with Andrew Thomis and Nick Prest

Apprenticeship and graduate programmes

Across the Group we run several apprenticeship and graduate programmes, incorporating both technical and non-technical specialists. There are currently 36 (2024: 21) graduates through Chess, EID, MASS and SEA graduate schemes, 18 (2024: 23) apprentices across Chess, EM Solutions, MASS, MCL and SEA, and 38 (2024: 20) internships/student placements in our schemes across the Group. The UK-based Cohort businesses are utilising apprenticeship levy funding for new apprentices or to add to the skills of existing employees. We have supported the UK National Apprenticeship Week with presentations on apprenticeships and career paths at local schools. Chess supports the UK Electronics Skills Foundation scholarship scheme, offering student training. EM

Solutions offers sponsorship to those who want to undertake their Masters in Engineering and also sponsor post-doctorates in relevant research areas. In August 2024, MASS opened a mid-year graduate programme for the first time.

We continue to work with local schools, colleges and universities across all the Cohort businesses.

GRADUATES ACROSS THE GROUP

47

APPRENTICES ACROSS THE GROUP

24



Members of Cohort’s Leadership Development Programme in Beckington, UK

SUSTAINABILITY CONTINUED

Community engagement

Science, Technology, Engineering and Mathematics (STEM)

Across the Group, our businesses are committed to supporting the development of STEM skills and upskilling the future workforce in defence technology.

Cohort maintains close links with academic institutions, and we are Enterprise Partners of the Institute of Engineering and Technology.

Several of our businesses provide opportunities for work experience and graduate thesis sponsorship within their organisations, and continue outreach partnerships with local schools and colleges and promoting their business at careers fairs. Students are sponsored at various levels across the Group, including at Kiel University, the Kiel University of Applied Sciences, the University of Liverpool, the University of the West of England and the University of Queensland.

We have partnerships with local schools and colleges near to our subsidiary operations. We sponsor awards at several local schools and share industry knowledge as part of the technical modules on these programmes.

MASS continues to support Silverstone University Technical College (UTC), the Air Defence College and Longsands Academy with cyber workshops and sponsorship of awards. This year, it sponsored the Cyber Student of the Year award at the Silverstone UTC to coincide with the British Grand Prix. MASS Data Apprentice Jacob Knight also did a teaching workshop at Longsands as part of its data security T level.



MASS employees promoting STEM in local schools

Chess and SEA continue to be members of United Kingdom Naval Engineering, Science and Technology (UKNEST), an organisation that promotes engineering, science and technology on behalf of the UK naval sector. George, a Systems Engineer at SEA, was recently appointed as Chair of FutureNEST, part of the UKNEST network, which encourages early career professionals to develop knowledge and understanding of the sector through networking, site visits and visioning concept work. EM Solutions maintains close ties with the University of Queensland through various programmes, careers days and research including its Women in Engineering Programme, and MCL celebrated World Engineering Day through various promotional activities.

Cohort businesses continue to maintain membership of various industry specific bodies. UK subsidiaries are part of ADS, the trade association for advancing leadership in aerospace, defence, security and space. ELAC SONAR is a member of several STEM related organisations, including the Association for Electronic Design and the German Society for Defence Technology, and EM Solutions is part of Defence Teaming Centre in Australia to support the Australian defence sector. MASS is part of TechUK, furthering the digital technology sector.

Supporting our armed forces

Cohort plc is proud to be an active sponsor of the UK armed forces charity Soldiers', Sailors' and Airmen's Families Association – SSAFA – through the Corporate Friends Scheme. In 2024 the Group continued to sponsor the SSAFA Christmas Carol Concert, as well as other industry networking events. All of our UK-based subsidiaries are also involved with supporting SSAFA through various activities. MCL also supports the British Forces Foundation, the Forces Children's Trust, Head Up and Scotty's Little Soldiers, for bereaved military children, with donations. EM Solutions shows its support for the Returned Services League (RSL) by celebrating ANZAC Day as a team at the RSL in Brisbane. SEA supports SSAFA, the Royal British Legion and local air cadets through donations.

Local communities

Our subsidiaries are active participants in their local communities, engage in local initiatives and provide charitable support with some offering employees allocated paid volunteering days annually.

MASS's Head of Delivery for EWOS became a Trustee of Lincoln City Foundation in March 2025. SEA was a Gold Sponsor of the Barnstaple Carnival in September. It continues to provide sponsorship of the local Ilfracombe Rugby Club and one of the Barnstaple Rugby Club players. Chess recently took on sponsorship for a local U16's Plymouth football team. Chess also donated Easter eggs to Dementia UK and tinned food to local foodbank Horsham Matters.

As part of the UK National Volunteers Week in June, all Chess office locations collectively designated their time to spend with local areas of need. In Horsham, employees supported the Holbrook Club to help spruce up its grounds. In Plymouth, employees supported the Clean Our Patch litter-picking activities, as well as lending a hand with some essential manual labour tasks at Poole Farm. And in Wokingham, employees went to Dinton Pastures Country Park to help with litter-picking.

Charity contributions

As well as the community engagement and Company-contributed donations, our employees across the Group are also active in supporting various charities important to them. An employee at SEA was sponsored to complete a 26km Trek for Alzheimer's Society. Another SEA employee completed the "Tour de Inclusion" in support of Margam YC Inclusion Football. A team of colleagues at SEA undertook Mission Unbreakable supporting the North Devon Hospice, as well as collecting tins in the office for the same charity.

Both SEA and Chess held Macmillan Coffee Mornings at all their office locations, raising almost £800 in total for the cancer charity, and both businesses also supported the Movember Foundation throughout November with employees raising over £1,500 in aid of men's health.

This year, Chess chose to support the Motor Neurone Disease Association as its nominated Christmas charity, and employees raised over £1,200 through their Christmas event. Other charities our employees support include: Dementia UK, MIND, Horsham Matters, and Save the Children (through Christmas Jumper Day).

Our companies directly contribute to charities important to them, including Evelina Children's and Royal Marsden hospitals, Rotary Hilfe Kiel, Mary How Trust, Shooting Star, and UK Sepsis Trust, as well as several local hospice care organisations.

GROUP COMPANY CONTRIBUTED DONATIONS TO CHARITIES IN 2025

£38,000
(2024: £24,000)



SEA presents donations to a local hospice

SUSTAINABILITY CONTINUED

Environment

The Group is committed to managing the environmental impact of its activities, and to improving resource efficiency and reducing waste. As part of the Group's commitment to responsible business operations, the Board has created and endorsed a Group Environmental Policy. This outlines how our businesses work together with our employees, contractors, suppliers, customers and communities to ensure high standards of environmental protection through a variety of actions, including:

- compliance with all relevant environmental legislation;
- preparing and publishing environmental reports for our stakeholders;
- reviewing the environmental impact of our activities and following good business practices to manage this;
- improving resource efficiency and reducing waste wherever we can;
- having measures in place for effective and expedient incident control, investigation and reporting;
- where relevant, having regard to environmental factors in business decisions; and
- engaging and communicating with our employees and other stakeholders on environmental matters.

Ownership of our Environmental Policy rests with the Cohort plc Board which is responsible for providing the strategic vision and direction on all environmental related matters. The Board is also committed to supporting our subsidiaries and ensuring that this policy is effectively implemented across the Group.

The Climate Impact Forum is chaired by Beatrice Nicholas and all subsidiaries participate.

You can read more about the work of the forum in our climate-related financial disclosures on page 45.

Each subsidiary's Managing Director has responsibility for implementing an Environmental Policy and procedures appropriate for that business, and for communicating that policy to their employees to ensure that they are aware of their responsibilities. They must also ensure that environmental issues are given adequate consideration in the planning and day-to-day undertaking of all business activities. All the UK-based Cohort subsidiaries have electric vehicle leasing schemes in place for employees.

In addition, the Board expects all employees in the Group to be ambassadors of good environmental practices and to report any practices that do not meet the required standards.

Performance – energy and greenhouse gas (GHG) reporting

Cohort reports its environmental performance in accordance with the UK Government's Streamlined Energy and Carbon Reporting Guidance (SECR) as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The GHG emissions have been assessed following the GHG Protocol Corporate Accounting and Reporting Standard and we have used the 2022 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the dual reporting approach for assessing scope 2 emissions from electricity usage. The financial control approach has been used.

The table to the right summarises the GHG emissions for reporting year: 1 May 2024 to 30 April 2025. We have been assessing our carbon emissions since 2019 and have provided both last year's assessment results and the baseline year for comparison.

Table 1: UK GHG emissions (UK operations only, assessed since 2019)

Scope	Activity	2019/20 tCO ₂ e	2023/24 tCO ₂ e	2024/25 tCO ₂ e
Scope 1	Site gas	167.32	132.37	146.89
	Van travel and distribution (owned)	67.19	7.30	5.98
	Company car travel	70.63	83.55	37.86
	Site gas oil	38.74	—	—
	Refrigeration and A/C	0.84	1.92	—
Scope 1 subtotal		344.71	225.14	190.73
Scope 2	Electricity generation (location based)	536.47	312.14	327.02
Scope 2 subtotal		536.47	312.14	327.02
Scope 3	Flights	1,725.18	922.94	2,126.17
	Grey fleet	138.24	106.05	175.55
	Electricity transmission distribution	45.55	27.01	28.82
	Hire cars	39.60	56.19	56.69
	Public transport	27.95	14.50	17.86
Scope 3 subtotal		1,976.52	1,126.69	2,405.09
Total location-based tCO₂e		2,857.71	1,663.97	2,922.84
Total market-based tCO₂e		N/A	1,473.32	2,904.86
Market-based tCO₂e per employee		4.45	1.48	2.57
Market-based tCO₂e per £m turnover		23.58	9.06	14.16
Total energy consumption (kWh)¹		3,791,999	2,422,061	3,436,358

1. Total energy consumption includes electricity, gas, company vehicles, grey fleet and hire cars.



SEA employees doing local litter picking

SUSTAINABILITY CONTINUED

Environment continued

Performance – energy and greenhouse gas (GHG) reporting continued

Table 2: UK and European GHG emissions (EID and ELAC SONAR, assessed since 2022)

Scope	Activity	2022/23 tCO ₂ e	2023/24 tCO ₂ e	2024/25 tCO ₂ e
Scope 1	Site gas	136.32	132.37	146.89
	Van travel and distribution (owned)	39.53	7.30	5.98
	LPG	—	4.46	8.01
	Company car travel	187.87	180.74	158.26
	Refrigeration and A/C	61.52	114.34	18.25
Scope 1 subtotal		425.24	439.21	337.42
Scope 2	Electricity generation (location based)	622.13	559.74	554.49
	District heating	184.22	186.89	195.46
Scope 2 subtotal		806.34	746.63	749.94
Scope 3	Flights	1,769.88 ²	1,292.74	2,631.57
	Grey fleet	211.90	106.05	175.55
	Electricity transmission and distribution	57.29	77.50	45.13
	Hire cars	26.44	57.94	59.61
	District heating transmission and distribution	9.70	9.84	10.29
	Rail travel	17.47	17.19	20.68
Scope 3 subtotal		2,092.68	1,561.26	2,942.83
Total location-based tCO₂e		3,324.26	2,747.10	4,030.19
Total market-based tCO₂e		3,367.00	2,643.48	4,047.54
Market-based tCO₂e per employee		2.42	2.02	2.71
Market-based tCO₂e per £m turnover		15.01	13.05	15.36
Total energy consumption (kWh)		6,355,779	4,678,415	4,904,840

Energy efficiency

Our subsidiaries continue to develop and monitor their energy efficiency commitments and the majority have now introduced or increased the existing provision of EV charging points at their sites to encourage employees to move away from petrol and diesel vehicles. Chess uses green energy across all sites. ELAC SONAR has made energy efficiency a focus of the development of its new facility which recycles process water, runs solely on electricity and has a green roof over 60% of the roof area. EM Solutions utilises a large number of solar panels which offsets its power usage. It has also updated all its lighting to energy efficient LED. MASS has taken action to do a phased replacement to LED lighting in its offices.

Energy initiatives

The subsidiaries of the Cohort Group have implemented a range of energy efficiency and waste reduction initiatives. All UK sites continue to develop and adopt carbon reduction plans, in accordance with PPN 06/21. MASS continues to offset its carbon footprint by planting trees. All UK subsidiaries offer schemes for employees to lease electric cars as part of their employee benefits offering. MASS and MCL have replaced pool cars with EV and hybrid models as leases expire.

Chess Dynamics has been certified as carbon neutral by the Carbon Footprint Standard. Through this, it supports a Malawian energy-efficient M'tetezi biomass cookstove project and also takes local actions to reduce carbon emissions. It has also established a group of Green Champions across all three of its sites to address improvements and initiatives including on LED lights and sensors, promoting lift share, communications and recycling. MCL has implemented a new environmental management system.

Waste and recycling

As part of their commitments to continuing to be a zero to landfill business, our companies continue to seek opportunities to build on the recycling initiatives of previous years. EM Solutions uses wastewater recycling for its surrounding landscape maintenance and most office locations have recycling bins in place. SEA continues to be a zero to landfill business.

ISO 14001

Chess, EID and SEA are ISO 14001 accredited. MCL and ELAC SONAR continue to work towards accreditation.

Looking forward

As part of its extreme weather condition planning for conditions such as cyclones and flooding in Queensland, EM Solutions houses a back-up generator and has an extreme weather condition plan in place to ensure business continuity. SEA is providing environmental awareness training to all staff and has increased the frequency of its environmental objective reviews.

Environmental incidents

There have been no internal or external environmental incidents throughout this reporting period at any of our locations.

SUSTAINABILITY CONTINUED

Governance

Cohort is committed to the highest standards of governance and ethics. The Group has a strong ethical culture, supported by our Ethics Policy as published on our website (cohortplc.com). We see a company as a social unit with an economic output and the success of our social unit depends on the values of honesty, trust, loyalty and working together, with a healthy balance of competition and cooperation, just as in any other unit of society. We try to run our businesses this way.

Ethical business conduct

It is Cohort's policy to conduct our business in an honest and ethical manner. Our Ethics Policy sets out the values and standards of behaviour expected from all those working for us or on our behalf. It requires all our representatives to comply with the laws and regulations in the countries in which we operate, and we require anyone who becomes aware of behaviour which may contravene our policy to report it and to seek advice. We provide a confidential and anonymous externally hosted whistleblowing facility to support this.

Anti-bribery

Cohort has a culture of zero tolerance towards bribery and corruption. The Group has an Anti-Bribery Policy and each of its businesses has implemented that policy and adequate procedures described by the Bribery Act 2010 (the Act) to prevent bribery. Each business within the Group reports annually to the Board on its compliance with the policy and procedures. The Cohort Finance Director is the Board member responsible for the Group's compliance. As part of its procedures, the Group has implemented training on compliance with the Act for its employees on joining. Employees in roles with a greater risk of exposure to bribery are required to undertake annual refresher training.

The Group's Anti-Bribery Policy is reviewed at least every two years or more often if necessary. The policy was last reviewed and updated in March 2024. Our policy is supported by comprehensive procedures to be followed when any member of the Group works with third parties to ensure thorough due diligence is carried out and repeated at regular intervals and that our agents and other third parties have satisfactory standards and procedures in place.

Cyber risk and data security

The Group introduced an Information Security Policy (ISP) in January 2019, replacing its previous Security Policy Framework. This was updated and reissued in 2024 taking account of best practice and requirements in government and industry. An external cyber security assurance assessment has also been commissioned.

The ISP covers the physical and cyber security of our information, including that held on behalf of third parties. It also addresses business continuity and disaster recovery procedures and encompasses our responsibilities in respect of data protection and other non-personal information we handle.

Each business within the Group reports annually to the Board on its compliance with the ISP and this compliance is currently audited by an internal team of information assurance and cyber experts from MASS. MASS's own compliance with the ISP is audited externally.

We continue to monitor phishing attempts and other cyber threats and to raise awareness of these risks across the Group.

Our data protection policies and processes are embedded in our culture through mandatory training for all employees which must be undertaken at least every two years.

As well as maintaining data security standards across the Group, MCL and SEA are UK Cyber Essentials Plus certified, and MASS is Cyber Advisor certified.

Quality

All our subsidiaries are committed to the highest standards of operating their businesses and maintaining standards for customers.

Safety checks are routinely carried out including regular walk throughs, checks, briefings, toolbox talks and reports to ensure safe working spaces of the highest international standards.

All our businesses are certified with ISO 9001 Quality Management; EM Solutions and SEA hold ISO 45001 in Occupational Health and Safety Management; Chess and EID hold ISO 14001 Environmental Management; and EID, ELAC SONAR and MASS are certified with ISO 27001 Information Security Management.

Modern slavery

The Group has an Anti-Slavery Policy to address the aspects of modern slavery as set out in the Modern Slavery Act 2015 (MSA). In accordance with the requirements of the MSA, each UK member of the Group has published a statement on their respective websites setting out the steps the Group and they have taken to ensure that slavery and human trafficking are not taking place in their respective businesses and supply chains. A copy of the statement can be found on

the Corporate governance page of our website (cohortplc.com). The Group's Anti-Slavery Policy was first adopted in April 2016 and was updated in September 2020.

We require the same high standards from our suppliers, contractors and other business partners.

Whistleblowing

Our whistleblowing line is hosted by SafeCall and provides a channel for confidential and anonymous reporting in more than 69 languages. Details of the service are provided in the local language at our European subsidiaries. The Chief Executive reviews all whistleblowing reports, and every report is investigated with support from the General Counsel and Company Secretary. The Senior Independent Director acts as the escalation contact for whistleblowing reports. Our Whistleblowing Policy provides protection and support for whistleblowers raising a genuine concern. The Group's Whistleblowing Policy was reviewed and updated in April 2023.

Further details of our corporate governance structure are set out in the Corporate governance report and the matters reserved for the Board are available on our website.



MASS are certified as Cyber Advisor in the UK

RISK MANAGEMENT AND PRINCIPAL RISKS

How we manage risk

Assessing risk is an essential element of the management of our organisation, and risk management is embedded within our businesses.

Our Group risk management framework

The Board has overall responsibility for the Group's risk management framework and ensuring the risk management process is robust. The Board's role includes promoting a culture that emphasises integrity at all levels of business operations and setting the overall risk management and control. This year the Board also set its overall risk appetite considering the balance between risk and reward.

The Audit Committee supports the Board by monitoring the effectiveness of the Group's risk management and internal control systems.

We take a holistic approach to risk management, building a picture of principal risks at the business unit level, then consolidating these with the Group risks into a Group view. Executive Management has regular meetings to discuss the principal risks as well as the identification of emerging risks, all of which are considered before being presented to the Audit Committee and Board for review and approval. The objective of this process is to ensure that key risks for the Group are identified and considered regularly are actively monitored, and mitigating controls are put in place to ensure the impact on the organisation is managed within the risk appetite set by the Board.

Our approach

Each business's leadership is responsible for implementing the Group's risk management process at an operational level. It oversees the identification, assessment and reporting of risks in a risk register and is responsible for identifying and implementing activities to mitigate risk where appropriate.

Each risk in the risk register is assessed using likelihood and impact. Scoring takes account of the mitigations in place and represents a net risk position.

Supporting narrative includes any emerging risks. The risk registers are regularly updated and are reported to the Cohort leadership team biannually and the principle Group level risks are reviewed by the Board at least annually.

The measurement of likelihood and impact uses bespoke impact assessment measures based on both financial and non-financial impacts which are set relative to the size of the business.

Risk management framework



Likelihood

High
Medium
Low to Medium
Low
Very low

Impact

(revenue, EBITDA, cost, employee impact, reputational impact)

High
Medium
Low to Medium
Low
Very low

Principal and additional risks

Our principal risks are set out in this section. Certain additional risks are explained elsewhere in the Annual Report. These should be considered alongside this section to give a complete picture of our risks and their management and control.

Additional risks	Section
The impact of the war in Ukraine and resulting economic market risks	CHAIRMAN'S STATEMENT, MARKET REVIEW AND OPERATIONAL REVIEW
Cyber and data security	CORPORATE GOVERNANCE REPORT
Ethical and behavioural	CORPORATE GOVERNANCE REPORT
Environmental including climate change	CLIMATE-RELATED FINANCIAL DISCLOSURES

RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

How we manage risk continued

Risk appetite

Low

- We are cautious and accept as little risk as possible.
- Risk mitigation actions are taken even though prevention costs may be greater than the incident costs.

Medium

- We take a balanced approach to risk-taking.
- Risk mitigation actions are made based on cost effectiveness and potential reward outcome.

High

- We are willing to take greater risks than we normally would.
- Mitigation actions are taken only when there is a strong case for cost effectiveness and potential reward outcomes.

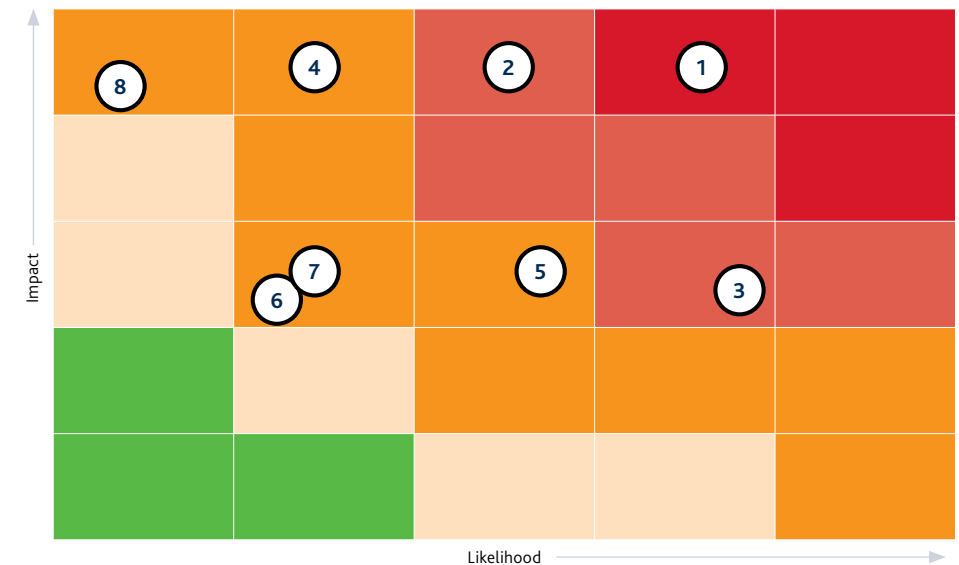
Principal risks

Principal risks are those that would materially threaten the Group's business model or future performance and have been identified based on likelihood of occurrence and potential impact on the Group.

The principal risk chart below summarises the Group's principal risks for 2025 by likelihood and impact, populated by reference to the year-end risk assessment. The following pages show each risk and the mitigations in place and contain a commentary on how the risk has played out during the period. Overall risk appetite is shown.

Heat map of principal risks







- | | |
|------------------------------------|----------------|
| 1 Capacity to grow the Group | 5 Acquisitions |
| 2 Customer reputation | 6 Supply chain |
| 3 Operations and project execution | 7 Employees |
| 4 Cyber security | 8 Treasury |



RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

 Unchanged
  Increased
  Decreased





Principal risks

1. Capacity to grow the Group		
As an AIM-listed group, Cohort's strategy is to grow, both organically and by acquisition. This gives rise to the risk of the Group not having the capacity to grow in line with our strategic objectives. Specific elements of this risk include our ability to win new business and design new and competitive products and solutions, whilst ensuring that we meet our obligations to our customers and identify and execute suitable value-adding acquisitions. It also includes having sufficient people of the right skill sets to deliver our existing commitments and develop our future products and solutions (see "Employees" below).	Mitigation and progress <ul style="list-style-type: none"> Remain agile and responsive to changing markets and identifying new business opportunities. Ensure business growth opportunities are adding value. Have adequate controls to reduce risks. Significant progress made with the acquisition of EM Solutions in January 2025 and bolt-on of ITS to MCL in May 2024 (see specific acquisition risk below). 	Change for 2025  Risk appetite Low Link to strategy  
2. Customer reputation		
<p>The Group's single most important customer remains the UK MOD; 50% of our revenue (2024: 48%) and £115m (55%) of our order intake (2024: £228m; 58%) came ultimately from this customer.</p> <p>£95.5m of the revenue came directly from this source in 2025 (2024: £68.7m), 35% (2024: 34%) of Group revenue.</p> <p>In addition, £38.6m (2024: £28.2m) of Group revenue, 15% (2024: 14%), was sourced ultimately from the UK MOD but received via other contractors.</p> <p>Any event which affects the Group's reputation with the UK MOD could put this revenue at risk.</p>	Mitigation and progress <ul style="list-style-type: none"> The increase in the proportion of the Group's revenue to its largest customer in 2025 compared with 2024 reflects the strong performance at MCL within Communications and Intelligence division. In the future we expect revenues, direct and indirect with the UK MOD, to increase from this absolute level, but as we see a recovery in revenue at EID, increased export activity, particularly in Sensors and Effectors, and the addition of EM Solutions to the Group, the proportion of the Group's revenue with the UK MOD is expected to reduce from the current proportionate level. Revenue from the Portuguese MOD, a home market for the Group, was higher at £17.6m (7%) in 2025 (2024: £10.9m; 5%), a result of increased communications equipment sales. We expect this revenue stream to increase over the coming few years. £87.4m of revenue (33%) was delivered to defence and security export customers this year (2024: £71.8m; 35%), largely due to the Sensors and Effectors division's sales into Europe and Asia Pacific. We expect this revenue stream to grow in the coming few years. 	Change for 2025  Risk appetite Low Link to strategy  

RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

 Unchanged
  Increased
  Decreased








Principal risks continued

3. Operations and project execution		
<p>The subsidiary trading and business risks are similar across divisions.</p> <ol style="list-style-type: none"> 1. Bid risk – the businesses bid on contracts where the scope of work may not be well or fully defined by the customer. 2. Fixed-price contracts – these are often of a long-term nature (greater than 12 months) and typically include either delivery of hardware and software, some of which may be developed as part of the contract, or delivery of off-site managed services. 3. Due to the nature of their niche technical skills requirement, Chess, EID, ELAC SONAR, EM Solutions, MASS and SEA all have a fixed level of core software and hardware engineering and technical expertise. 4. There are four significant contracts across the Group that together make up c.38% of the Group's order book. These contracts are core to the Group and effective management of these projects is key to the Group's future prospects. 	<p>Mitigation and progress</p> <ul style="list-style-type: none"> • Bid risk: Typical in defence and managed through bid/no bid reviews at the appropriate level using experienced personnel, including the Cohort Executive Management and Board. Projects are managed by dedicated project management teams, monthly reviews by the subsidiary board and regular interaction with customer and key suppliers. • Technical risk: Risk also arises due to the technical nature of some of the Group's contracts with risks inherent in the nature of the work performed, requiring careful management both during the bidding and operation phases of projects. • Revenue and costs are recognised taking account of risk and the estimated cost at completion (including any contingency). The cost base is carefully monitored at budget time and rolling quarterly forecasts to identify risk of low utilisation/under-recovery of cost, or over-utilisation with inability to meet customer commitments. Higher inflation and lengthening delivery times mitigated through increased stock holdings of key components. • Mitigate inflation with fixed prices with supplier base, or using index-based pricing, particularly in long-term contracts, to protect margins. • Employee shortages are mitigated by use of sub-contractor employees in the short term. For the long term, a programme of skills assessment and training is in place, ensuring continued flexibility of the Group's engineering and technical resources. • As highlighted previously, legacy project weaknesses at Chess continue to be an issue impacting current year results. Chess maintains a healthy order book and good prospects moving forward and the Cohort executive management will continue to work closely with Chess to ensure that it successfully delivers this strong order book and significantly improves upon its current year results. • EID has begun to show positive developments with 2024/25 seeing EID secure long-awaited multi-year contracts which has seen its result for 2024/25 improve significantly. EID continues to progress with its business wide transformation project. 	<p>Change for 2025</p>  <p>Risk appetite</p> <p>Medium</p> <p>Link to strategy</p> 
4. Cyber security		
<p>The cyber threat remains high, and we have seen an increase in attack threats as evidenced recently by high profile attacks on supermarket chains in the UK. As a Group we have seen increased attacks since the Ukraine war started. For us this is very much a business opportunity (mostly at MASS) but clearly a risk in terms of the following:</p> <ul style="list-style-type: none"> • disruption of business; and • critical loss of customer trust. 	<p>Mitigation and progress</p> <ul style="list-style-type: none"> • The Information Security Policy was revised in 2024 to mandate enhanced elements of the policy to ensure the cyber security of the Group is more consistent and of a minimum standard. • A detailed review under the NIST Cyber Security Framework (US guidance tool) is currently underway (by PWC) to measure the cyber maturity at MASS and SEA and to report that to the Board. The plan is to roll this out across the Group post this targeted review. • Vulnerability assessments and penetration testing (hacking attacks by MASS ethical hackers) are conducted on a regular basis at the Group's businesses. 	<p>Change for 2025</p>  <p>Risk appetite</p> <p>Low</p> <p>Link to strategy</p> 




RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

 Unchanged
  Increased
  Decreased



Principal risks continued

5. Acquisitions		
The buying (and selling) of businesses is a risk in respect of value, distraction, integration and ongoing obligations and undertakings.	Mitigation and progress The Group's acquisition risk is mitigated as far as practicable by the acquisition process being led at the Cohort Board level, making use of a skilled and experienced internal team augmented by external expertise and resources as and when required. Our approach to acquisitions is set out more fully in our business model. During the year ended 30 April 2025, the Group continued to review potential businesses with a view to them joining the Cohort Group. On 31 May 2024, Interactive Technical Solutions was acquired by MCL, through which it will report, and on 31 January 2025 we completed the largest acquisition to date, EM Solutions. We also completed the sale of SEA's Transport business on 30 June 2025. In respect of EM Solutions, steps taken to mitigate the risk have to date included: <ul style="list-style-type: none"> • appointment of two local experienced, both in military service and industry, non-executive directors; and • appointment of a finance director to EM Solutions. 	Change for 2025  Risk appetite High Link to strategy 
6. Supply chain		
As is typical in the defence sector, the Group is reliant on certain key suppliers for specific elements of its technical and product offerings. This reliance is long term, with product duration in this sector often being tens of years.	Mitigation and progress <ul style="list-style-type: none"> • Close liaison with suppliers, good project management and contingency plans to contract with alternative suppliers. • Supporting customers through funded ongoing product support and re-life tasks to account for the long-term life of many defence products. • Lead times remain steady, but in some cases longer than pre-COVID-19. We increased some component stock levels to meet customer expectations. • Risk of materials from territories where disruption is a risk due to conflict, natural disaster or embargo. Specific risks would include semi-conductor components from Taiwan and manufactured, non-electronic, parts from China (the latter applying to EM Solutions). 	Change for 2025  Risk appetite Medium Link to strategy 
7. Employees		
The Group's main resource is our employees. We are not a capital-intensive business and as such our value, and our customers' value, derives from the ability of the Group to recruit, retain and train employees with the right skills and flexibility. In some of our key areas, resources are limited, and it is a risk if we cannot maintain sufficient numbers and appropriate skills.	Mitigation and progress <ul style="list-style-type: none"> • Maintain close links with military and security customers, a primary source of domain experts for our businesses, and support their people initiatives, including the UK MOD Armed Forces Covenant. • Maintain close links with academic institutions where appropriate skills exist. • Apprenticeship and graduate recruitment schemes across the Group to develop our own people and ensure skills are maintained into the future. • Expanding workforce across the Group, especially at EID, Chess, ELAC SONAR and SEA. • Challenges in both availability and cost to recruit the right skills with, especially software and cyber. • Continue to engage closely with employees, ensuring a working environment that is interesting and rewarding, including Employee Value Proposition programmes at Chess and MASS and developing this elsewhere in the Group. 	Change for 2025  Risk appetite Medium Link to strategy  

RISK MANAGEMENT AND PRINCIPAL RISKS CONTINUED

 Unchanged
  Increased
  Decreased

Principal risks continued

8. Treasury		
<p>A key risk is that the Group deposits monies with banks that are a credit risk, putting our cash resources at risk.</p> <p>A risk for the Group is that its pools of cash and facilities in the UK, Australia, Germany and Portugal are insufficient for local needs.</p> <p>In addition to our own cash, the Group has facilities with banks to provide debt (structured and overdraft) and other financial products (bonds, foreign exchange instruments, etc.) to enable us to carry out our operations efficiently and to execute our strategy of growth by acquisition and organically.</p> <p>Under the facility agreement with its banks, the Group is required to meet certain covenants every quarter. There is a risk that the Group does not meet some or all the covenants and that the facility is amended or cancelled as a result.</p>	<p>Mitigation and progress</p> <p>The Group prepares a monthly cash forecast to ensure that cash in the UK, Australia, Germany and Portugal is sufficient for local needs over the following three-month period. The shareholder agreement in respect of EID enables dividends to be paid from EID to the UK. In July 2022, the Group completed a new banking facility with Commerzbank, Lloyds and NatWest. NatWest remains the Group's primary bank in the UK, especially for clearing purposes and day-to-day transactions. Commerzbank performs a similar role in Germany. The facility is a revolving credit facility out to July 2027 with both options to extend having been undertaken. The facility is for £50.0m with the £15.0m accordion having been extended as part of the acquisition of EM Solutions in November 2024. Of the Group's existing facility at 30 April 2025 (£50.0m), £32.4m was drawn at 30 April 2025. The existing facilities provide the Group with a flexible arrangement to draw down for acquisitions and overdrafts. The Group's banking facility for two years and our net funds position as at 30 April 2025 (£5.3m) provide the Group with a robust financial strength for at least the next 12 months. The Group's bank facility is available to all the Group's entities (excluding EID and currently EM Solutions) through an offset arrangement. EID has facilities with local banks in Portugal, none of which have security over its assets. These facilities are for clearing bank purposes, overdraft, foreign exchange contracts, guarantees and letters of credit. At year end EID had drawn down €1m of its local facility although it remains in a net funds position. In Australia, Westpac provides EM Solutions with day-to-day transactional facilities. Longer term, Westpac will be brought into the Group syndicate with the Australian banking facilities for EM Solutions operating in the same way as the other fully owned Group businesses. The Group regularly monitors its covenant position and considers the impact of proposed transactions upon our banking covenants to ensure that they are not breached. It also has regular (no less than twice yearly) meetings with its banking providers to ensure that any potential issues or risks are identified and communicated early and that any implications for covenants can be addressed. The Group has remained in compliance with its banking covenants in 2024/25 and expects to continue to do so. The impact of IFRS 16 'Leases' is ignored for the purpose of our banking covenants.</p>	<p>Change for 2025</p> <p> Risk appetite</p> <p>Low</p> <p>Link to strategy</p> <p></p>

CLIMATE-RELATED FINANCIAL DISCLOSURES

Non-financial and sustainability information statement

This is our third year of reporting our climate-related financial disclosures (CFD) in accordance with Sections 414CA and 414CB of the Companies Act 2006. This disclosure sets out the UK mandatory climate disclosures for the Cohort Group, encompassing all of its subsidiary undertakings.

Summary of compliance with CFD requirements	Compliant	Relevant content
(a) a description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities	Yes	Pages 45 and 46
(b) a description of how the company identifies, assesses, and manages climate-related risks and opportunities	Yes	Page 47
(c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the company	Yes	Page 47
(d) a description of: (i) the principal climate-related risks and opportunities arising in connection with the operations of the company; and (ii) the time periods by reference to which those risks and opportunities are assessed	Yes	Pages 48 to 51
(e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company	Yes	Pages 48 to 51
(f) an analysis of the resilience of the business model and strategy of the company, taking into consideration different climate-related scenarios	Yes	Page 47
(g) a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	Yes	Page 51
(h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based	Yes	Page 51

Governance

Board and management oversight of climate change

The Board is ultimately responsible for the oversight of the Group's strategy and risk management framework which includes climate-related risks and opportunities, and for ensuring the suitability of any climate-related controls in place. Beatrice Nicholas, Non-executive Director, is the Chair of our Climate Impact Forum (CIF) and reports to the Board after each CIF meeting. The members of the CIF are the finance directors and other senior representatives from each subsidiary. The CIF is responsible for reviewing the climate-related risks and opportunities identified, for developing the Group's collective response to material climate-related risks and opportunities, and for reviewing the effectiveness of climate-related risk management across the Group, and compliance with applicable laws and regulations. The CIF met three times in the reporting year and the outcomes were reported to and considered by the Board after each meeting. The climate-related disclosures are reviewed by the Audit Committee.

The Board's skills, experience and capabilities are reported under Principle 7 of the QCA code within the Corporate governance report.



Board members visit MCL

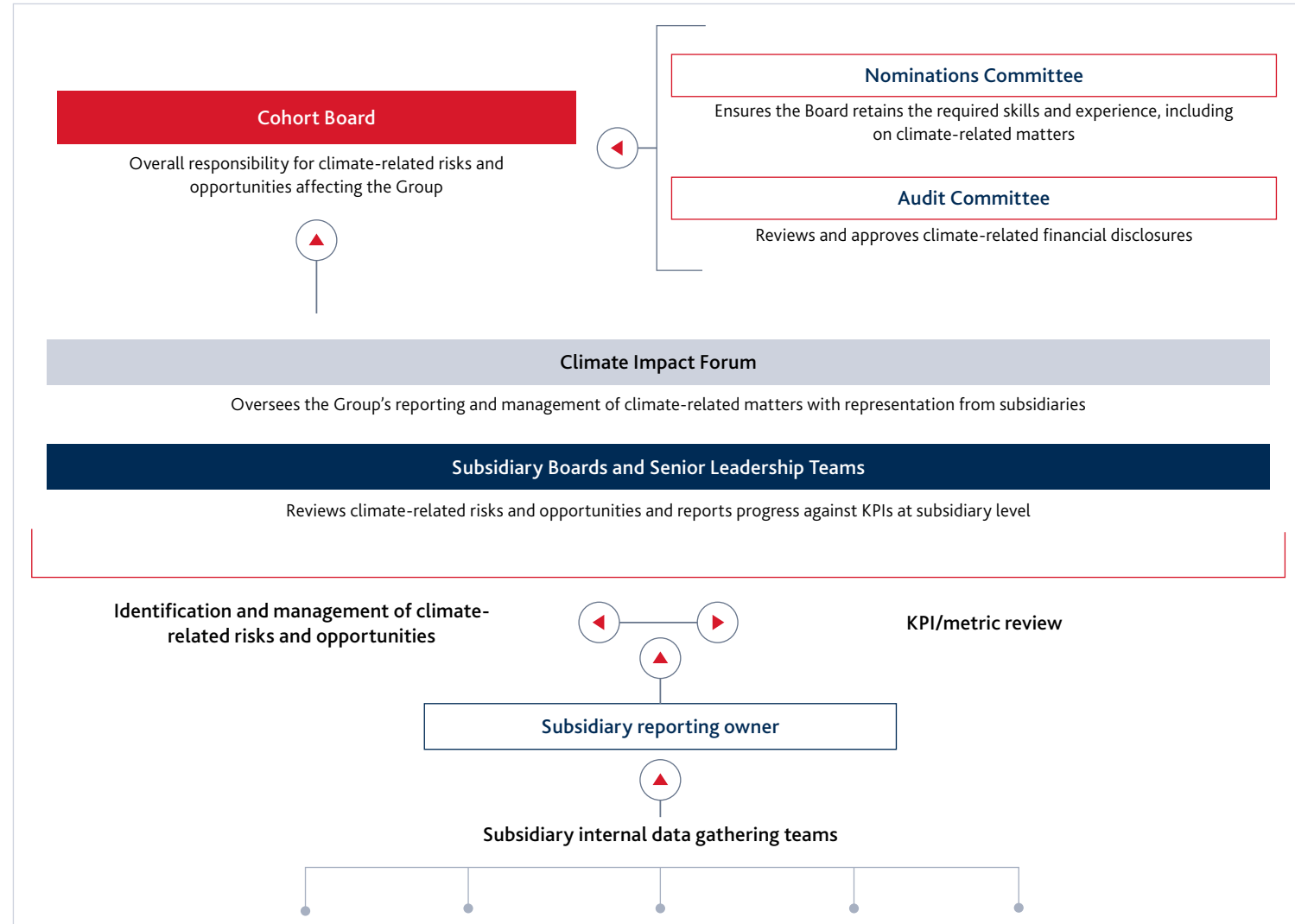


Andrew Thomis presenting to Cohort Group employees

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Governance continued

Board and management oversight of climate change continued



THE BOARD'S SKILLS, EXPERIENCE AND CAPABILITIES ARE REPORTED UNDER PRINCIPLE 6 OF THE QCA CODE WITHIN THE CORPORATE GOVERNANCE REPORT

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Strategy

Scenario analysis methodology

Cohort has adopted three bespoke scenarios as described below to carry out our qualitative scenario analysis. The developed scenarios combine characteristics and data from publicly available and reputable sources that align to those used frequently within our industry. We use these scenarios to consider how our identified climate-related risks may play out under the varying futures predicted by the scenarios. We considered our exposure to and the potential impact of acute and chronic physical risks, transition risks, and transboundary risk drivers across short, medium and long-term horizons.

Last year we conducted the scenario analysis using these bespoke scenarios for the first time by arranging for a workshop to be hosted by external advisers

attended by the finance directors of the subsidiaries and other senior managers. There was then a series of activities to capture the risk scores from each subsidiary and to assimilate and refine these at Group level to present the final scores reported on our 2024 Annual Report which we deem representative of the Group as a whole. This year we asked each of the subsidiaries to review and update their risk scores and we included the risk scores from our new subsidiary, EM Solutions, to ensure that the results continue reflect the potential implications of climate change for the entire business. We have used the results to develop a suite of mitigation actions, contingency strategies, and metrics and targets to monitor and manage our most prominent and immediate risks as further detailed below.

Scenario	Reference scenario sources	Strategic impact and key impacts
Net Zero 2050	IEA: Net Zero by 2050 IPCC: RCP2.6/SSP1-1.9 NGFS: Net Zero 2050	Transition risks are most prominent in this scenario. The most significant of which will be: the cost, resource and alignment of complying with policy and regulation; the cost and disruption associated with the energy cost and availability impacts of the transitioning energy system; and the potential cost of carbon emissions, should Cohort or our supply chain be subject to carbon trading schemes. Physical risks will also increase compared to current levels.
Stated Policies	IEA: Stated Policies Scenario IPCC: RCP4.5/SSP2-4.5 NGFS: Nationally Determined Contributions	Both physical and transition risk impacts will manifest to a significant degree under this scenario. Intensification and increased frequency of climate events and associated physical risks could impact Cohort's entire value chain and operations. Transition risks are still relevant as the current policy landscape and transition efforts are sustained.
Taking the Highway	IPCC: RCP8.5/SSP5-8.5	This scenario poses the most significant threat to Cohort's business. Flooding and storms have the potential to severely impact operations, inventory and key supply chain partners. Extreme temperatures will push the limits of our products while simultaneously stressing our employees and those within our supply chain. Overall, the potential disruption impact that increased severity and frequency of climatic events will have on our supply chain is our largest risk.

Updated results of our scenario analysis

		Scenario: Net Zero 2050			Stated Policies			Taking the Highway		
		Short	Medium	Long	Short	Medium	Long	Short	Medium	Long
		Risk								
Physical risk	Acute	Extreme temperatures	●	●	●	●	●	●	●	●
		Flooding and storms	●	●	●	●	●	●	●	●
		Drought	●	●	●	●	●	●	●	●
Physical risk	Chronic	Extreme temperatures	●	●	●	●	●	●	●	●
		Water stress and drought	●	●	●	●	●	●	●	●
		Energy costs and availability	●	●	●	●	●	●	●	●
Transition risk	Market	Inflation fuelled by climate change	●	●	●	●	●	●	●	●
		Increasing investor expectations	●	●	●	●	●	●	●	●
		Cost of carbon	●	●	●	●	●	●	●	●
	Policy and Legal	Policies and compliance	●	●	●	●	●	●	●	●
		Litigation	●	●	●	●	●	●	●	●
	Trans boundary	Supply chain disruption	●	●	●	●	●	●	●	●
		Civil unrest	●	●	●	●	●	●	●	●

Timeframes: Short (1–3 years), Medium (3–10 years), Long (10+ years)

Risk score key: ● Low ● Medium ● High ● Extreme

The risk level results align to the Group-wide risk scoring methodology.

Risk management of climate-related risk

Risks and opportunities are identified at subsidiary level and reported up to Group level through the biannual risk management process and through the CIF. Subsidiary finance directors are responsible for identifying and assessing emerging, and managing existing, climate-related risks and opportunities in their business as part of their risk management process. The CIF reviews these at each meeting and reports any material climate-related risks and opportunities to the Board (minimum of twice a year). Each subsidiary is required to review its risk scores under the three scenarios adopted by Cohort at least annually.

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risk management of climate-related risk continued












During 2024/25 climate-related risks were integrated into our usual business risk management processes across the Group, with subsidiaries identifying standalone climate-related risks such as extreme weather events or identifying the climate-related element of existing business risks, for example, potential supply chain issues. In addition, they carried out a site assessment of main operating sites to assess exposure to extreme weather events (except ELAC SONAR, as it will move to a new site in the next financial year). Identified material risks were included in risk registers with appropriate mitigating actions. Urgent mitigating actions identified were acted upon, for example, trees at risk of falling on a building were removed, an emergency generator was installed and remote working practices were reviewed. The information obtained through this process allowed Cohort to prioritise key risks, which are reflected in the updated results of our scenario analysis (above).

Our principal climate-related risks and opportunities




We have defined our timeframes to align with our business planning approach: short term: one to three years, medium term: three to ten years and long term: more than ten years. The result of this process is an updated climate risk and opportunities register which identifies thirteen climate-related potential risks and three opportunities that could impact the Group. The potential impacts from climate change vary across Cohort's seven subsidiaries. The table on page 47 amalgamates the Group's thirteen climate-related risks.

Short Medium Long







Supply chain Operations Customers

Physical risks	
1. Acute: Extreme temperatures	
Time horizons:   	Value chain segments:   
Potential impacts Extreme heat can impact the performance of sensitive equipment and change the operational requirements in locations where record-breaking temperatures have been recorded and are expected to worsen. Likewise, extreme cold associated with abnormal weather variations may change product requirements. Extreme heat in Cohort's key geographies may also decrease employee productivity and health and wellbeing during heatwaves.	Managing our risk exposure Investment may be required to mitigate these impacts, working with customers to create specific temperature specifications. We conduct research into temperature-resistant materials that can be used in our products. We are also taking steps to protect the health and wellbeing of our employees during prolonged periods of extreme heat such as changing shift patterns.
2. Acute: Flooding and storms	
Time horizons:   	Value chain segments:  
Potential impacts Floods and storms are already impacting the global supply of key materials and our operations. This may affect Cohort's product sourcing and delivery or logistics channels, or damage physical assets and inventory.	Managing our risk exposure Cohort will continue to monitor the exposure of its assets and geographies to extreme weather events and will continue to monitor all operational sites to identify areas for further consideration. Procurement and finance teams are working to identify materials that are sourced from areas most at risk of extreme weather events and engaging with suppliers or identifying an alternative source where possible.




3. Acute: Drought

Time horizons:  	Value chain segments: 
Potential impacts Drought events can carry significant disruption to supply chains, manufacturing processes and overall human health and wellbeing. Disruption to water supply or sewage systems may impact the ability of global suppliers to deliver vital components such as semiconductors to Cohort. Drought events could generate significant costs to minimise the impacts, particularly when coupled with other events like heatwaves.	Managing our risk exposure Cohort will continue to monitor the exposure of its key materials and components to drought events. Procurement and finance teams are working to identify materials that are sourced from areas most at risk of drought events and using this to develop an alternative source or engage with partners to develop strategies where possible.

4. Chronic: Extreme heat

Time horizons:   	Value chain segments:   
Potential impacts Increasing temperatures can affect working and manufacturing conditions, while simultaneously putting increased pressure on supply chains. Chronic temperature increases can increase the number of days when temperatures exceed levels that can impact Cohort's key supply chain partners, key regions of product use, and human health, wellbeing and productivity, and increase costs related to cooling requirements.	Managing our risk exposure Investment may be required to mitigate these impacts, working with customers to create specific temperature specifications. We conduct research into temperature-resistant materials that can be used in our products. Procurement teams will engage with suppliers and work to identify such materials. We are also taking steps to protect the health and wellbeing of our employees during prolonged periods of extreme heat such as changing shift patterns.














5. Chronic: Water stress and drought



Time horizons:  	Value chain segments: 
Potential impacts Long-term drought and water stress can carry significant disruption to supply chains, manufacturing processes and overall human health and wellbeing. Prolonged periods of water supply disruption may significantly impact the ability of global suppliers to deliver vital components such as semiconductors to Cohort.	Managing our risk exposure Cohort will continue to monitor the exposure of its key materials and components to water-stressed or drought-prone regions. Procurement and finance teams are working to identify materials that are sourced from areas most at risk and using this to develop an alternative source or engage with partners on mitigation strategies where possible.




CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risk management of climate-related risk continued





Our principal climate-related risks and opportunities continued

Transitional risks	
6. Market: Energy cost and availability	
Time horizons:  	Value chain segments:   
Potential impacts An increase in energy prices will not only increase the price of raw materials and the cost to manufacture and utilise products, but it is also likely to impact employees and the cost of living.	Managing our risk exposure We will be evaluating our opportunities to reduce energy consumption and access cheaper and renewable sources of energy.
7. Market: Inflation fuelled by climate change	
Time horizons:  	Value chain segments:   
Potential impacts It is possible that climate change will have long-term impacts on inflation globally. This is fuelled by the physical impact climate change will have on food production, energy, manufacturing and logistics.	Managing our risk exposure As a Group we are continually monitoring and measuring the financial impact inflation will have on the business, including the influence climate change has on the rising cost of materials.
8. Market: Increasing investor expectations	
Time horizons:  	Value chain segments: 
Potential impacts As a result of climate change, financial providers and insurers might look to reduce portfolio climate risk or increasingly link capital and loans to ESG performance. Investors may increase their expectations of the Company's approaches to analyse both the climate's impact on the Company and the Company's impact on the environment.	Managing our risk exposure Our subsidiaries continually conduct research to identify new and innovative products, including assessing sustainability and climate resilience. Each of our businesses located in the UK and Europe monitors and reports on its energy use and associated greenhouse gas emissions through our SECR reporting and each of our UK businesses has adopted a carbon reduction plan.






 Short
  Medium
  Long

 Supply chain
  Operations
  Customers






9. Policy: Cost of carbon

Time horizons:  	Value chain segments:  
Potential impacts Increased demand and offset credits and/or inclusion within an emissions trading scheme covering operations or supply chain partners and associated credit costs could increase operational and material costs significantly. High-carbon products could also see their prices rise as suppliers look to cover the costs of offsetting their own impact.	Managing our risk exposure Whilst a risk, the immediate impacts are unknown. Cohort is not currently captured by any emissions trading schemes. We track emissions from our UK and European subsidiaries. The Board will monitor costs and take appropriate action if necessary.

10. Liability: Policies and compliance

Time horizons:   	Value chain segments:  
Potential impacts There is increasing activity by regulators to align Company activity to a low-carbon economy. There is a cost associated with meeting and aligning practices to these requirements, as well as potential costs for non-compliance. There is also reputational risk that stakeholders might perceive our response to climate change as insufficient or inaccurate.	Managing our risk exposure The Group will continue to review emerging policy and regulation that may impact our subsidiaries and will take appropriate action as and when required.







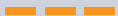


11. Liability: Litigation




Time horizons:   	Value chain segments:  
Potential impacts Climate change litigation as a result of a perceived failure on behalf of a company to consider, mitigate or adapt to the risks associated with climate change, or where the Company has been unable to meet contractual requirements as a result of climate change impacts.	Managing our risk exposure Cohort monitors its regulatory and contractual requirements closely to ensure its exposure to litigation remains minimal.




CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risk management of climate-related risk continued

Our principal climate-related risks and opportunities continued




Transboundary risks	
12. Supply chain disruption	
Time horizons:  	Value chain segments:   
Potential impacts Supply chains that rely on specialised commodities and key infrastructure can be disrupted by climate events impacting supply facilities and causing production shortages. Demand for key materials may also cause disruption.	Managing our risk exposure Each of our subsidiaries is conducting a review of key suppliers and identifying those that may be impacted.
13. Civil unrest	
Time horizons:  	Value chain segments:  
Potential impacts Climate change impacts on life-sustaining systems such as shifts in agricultural systems and water sources, exposure to extreme weather events, and loss of homes could contribute to conflicts and unrest across the world. Transboundary migration or conflict driven by climate impacts can have significant domino effects across global value chains.	Managing our risk exposure The Group will continue to monitor how this emerging risk will impact our sector.

 Short
 Medium
 Long

 Supply chain
 Operations
 Customers

Climate-related opportunities

Many of the themes arising from the mapping and scenario analysis of our climate-related risks also manifest as strategic opportunities. We believe Cohort is well positioned to take advantage of increasing investor and customer focus on the transition to a low-carbon economy through the development of climate-resilient products and supporting our customers to reach their own net zero commitments.

Alignment to our purpose and values	Opportunity	How we can contribute
 Innovation	Innovating in climate-resilient products	Investing in innovative equipment that helps customers adapt their defence capability to extreme weather events and climatic conditions.
 Security	Responding to climate-driven security threats	Climate change will have an impact on natural resource distribution and habitability in some parts of the world. This could lead to aggressive conflicts either to gain control of natural resources or to divert internal unrest. The UK and its allies will need to ensure that they are ready to deal with such aggression, and the Group offers products and services that will assist in this.
 Security	Helping countries to manage increased migration	Increased migration flows from the regions most affected by climate change will pose a political and security challenge for destination countries including the UK and its allies. The Group provides sea-based and land-based sensor systems that are an essential element in responding to this.

Impact on business model and strategy

As outlined in the risk assessment above, our businesses are taking steps to identify any climate-related risks and opportunities that may affect their business models and strategies. Mitigations implemented include research into temperature-resistant materials, working with our supply chains, investing in our existing and new sites. We will continue to integrate climate-related risks into our strategic approach and build on this year's work. However, we do not consider that climate-related risks currently pose a significant risk to our business model and strategy. We will continue to review our assessment on an annual basis.

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risk management of climate-related risk continued

Metrics and targets

The outcome of our scenario analysis indicated that our main climate-related risk takes the form of physical risks from extreme weather conditions such as floods and storms and scarcity of key resources such as water and electricity impacting our supply chain. However, we recognise that the risk faced by each of our subsidiaries will be slightly different and this is reflected in our selection of metrics and targets.

We already aim to reduce our emissions in the UK through our climate reduction plans and this has not been identified as a key risk at this stage.

Climate-related risk	Climate-related target	Metric	Update April 2025	Target date
Physical risk: Supply chain may be impacted by climate-related events	The Group will identify key strategic partners and suppliers of goods and services and will engage with them regarding their exposure to and management of climate risk.	Engagement with 100% of strategic partners and suppliers (as identified by each subsidiary taking into account alternative sources of supply and vulnerability of key suppliers to climate change).	In progress.	30 April 2026
	Embed assessment of climate-related risks into the procurement process of each business.	Assessment of climate-related risks for all new material suppliers and partners across the Group as part of our existing due diligence process.	Two subsidiaries have already implemented this.	30 April 2026
Physical risk: short-term acute physical risks	Each site to have an up-to-date assessment regarding its exposure to extreme weather events.	100% of all sites under the control or ownership of the Group to be assessed.	This was completed for all key operating sites before 30 April 2025.	30 April 2025
Physical risk: medium to long-term physical risks	Identify sites located in areas exposed to climate risk and adopt suitable adaptation measures.	All sites considered at risk to have adopted suitable adaptation measures.	In progress.	30 April 2030

We will continue to review our metrics and targets on an annual basis and, as our climate governance process evolves, we may adapt these or adopt new metrics and targets in the event of emerging risks. The CIF will monitor and assess progress in meeting the targets set on an annual basis.

Cohort has been reporting scope 1 and 2 and limited scope 3 emissions since the introduction of the Streamlined Energy and Carbon Reporting (SECR) regulations in 2019. This has focused the Group's awareness of carbon over the past three years and our ability to manage our overall environmental impact.

OUR FULL SECR REPORT CAN BE FOUND ON PAGE 36

Focus areas for 2026



Governance

Continue to develop the skills of the Board and senior management regarding climate-related risks and opportunities



Risk management

Continue to consider and identify any emerging climate-related risks and opportunities
Review mitigation measures put in place for any material climate-related risks identified



Metrics and targets

Consider adopting further metrics and targets that would allow the Group to monitor and track its material climate-related risks and opportunities

BOARD OF DIRECTORS AND COMPANY SECRETARY

Board of Directors

- Member of the Board of Directors
- Member of the Remuneration Committee
- Member of the Audit Committee
- Member of the Nomination Committee
- Chair



Nick Prest CBE
Chairman

Nick became Chairman of Cohort on flotation in March 2006.

After graduating from Oxford in 1974 Nick joined the UK MOD. In 1982 Nick moved to Alvis plc, the defence contractor, undertaking a variety of roles before becoming Chief Executive in 1989 and Chairman and Chief Executive in 1996. Nick left Alvis following its acquisition by BAE Systems in 2004, by which time the company had become a leading international business in military land systems. Nick was also Chairman of Aveva Group plc from 2006 until 2012 and Chairman of Shephard Media until 2020.



Andrew Thomis
Chief Executive

Andrew took over as Chief Executive of Cohort in May 2009.

Andrew graduated with an MEng degree in Electrical and Electronic Engineering from Imperial College London in 1987. He spent nine years in science, technology and policy roles in the UK MOD. He left in 1996 and, after a period working with public and private sector clients at Capita plc's management consultancy arm, he joined Alvis in a role covering strategy, M&A and business development. Following the acquisition of Alvis by BAE Systems in 2004, Andrew worked with Nick Prest and Stanley Carter on the creation of Cohort plc, acting as Finance Director during the flotation and subsequently Corporate Development Director. From 2007 to 2009 he was Managing Director of MASS. Andrew is a Fellow of the Institution of Engineering and Technology.



Simon Walther
Finance Director

Simon joined Cohort as Finance Director in May 2006.

After graduating with a BSc in Toxicology and Pharmacology from University College London, Simon went on to qualify as a Chartered Accountant with Touche Ross in 1992. Simon moved to the Peninsular and Oriental Steam Navigation Company (P&O) in 1993 where he was appointed as Chief Accountant for P&O European Ferries in 1995. He has nearly 30 years' industry-relevant experience, with previous senior finance roles at Alvis and BAE Systems.



Edward Lowe
Independent Non-executive Director

Edward was appointed to the Board on 1 July 2019 and became Chair of the Remuneration Committee on 23 July 2019.

Edward joined Racal Electronics in 1980 and, over a 20-year period, undertook a variety of commercial, sales and managerial roles. In 2000, he was appointed Vice President within Thales UK with responsibility for the commercial, sales and strategy functions. In 2005 he was appointed Managing Director of the Thales UK naval activities and led the international business line for naval platforms and services. In 2010 he was appointed Chief Operating Officer for Thales UK with operational responsibility for all Thales UK activities.

BOARD OF DIRECTORS AND COMPANY SECRETARY CONTINUED



Peter Lynas

Independent Non-executive Director and Senior Independent Director

Peter was appointed to the Board in January 2024. He was appointed the Chair of the Audit Committee following the retirement of Jeff Perrin at the 2024 AGM and is a member of the Remuneration and Nomination Committees.

Peter is a qualified Fellow of the Chartered Association of Certified Accountants (FCCA) who spent the early part of his career in a variety of financial roles, primarily with GEC Marconi. From 2000 he was at BAE Systems, first as Group Controller and then as Group Finance Director from 2011 until his retirement in 2020.

Peter brings with him a wealth of expertise across all aspects of finance within the international defence and aerospace sector, encompassing financial control and reporting, treasury, tax, risk management, mergers and acquisitions and investor relations. He also brings considerable experience of programme management and strategy development and execution.

Peter is also a non-executive director of FirstGroup plc and he served as a non-executive director of SSE plc from 2014 until 2023.



Beatrice Nicholas

Independent Non-executive Director

Dr Beatrice Nicholas joined Cohort in September 2021.

Beatrice started her career at the GEC Hirst Research Centre in 1984, moving to GEC Marconi Avionics in 1995, where she held several senior management positions. As part of the wider consolidation in the sector, GEC Marconi Avionics became part of BAE Systems in 1999 and then Selex Galileo Limited in 2012, subsequently part of the Leonardo Group.

In 2010, she was appointed Senior Vice President with responsibility for leading the electronic warfare business. In 2013, she was appointed Director of Engineering for the Airborne and Space division of Leonardo UK Limited, with responsibility for the execution of all engineering projects within the division.

Between 2017 and early 2022, she established and operated an independent consultancy, Beatrice Nicholas Consulting Limited, advising on diversity and inclusion.

Beatrice is also the Chair of the Cohort Climate Impact Forum.



Raquel McGrath

Company Secretary and General Counsel

Raquel was appointed as Company Secretary and General Counsel in October 2020.

Raquel graduated from the University of Bristol in 1991 with a Bachelor of Laws LLB (Hons) followed by Law Society Finals at the College of Law, Chester, in 1993. She started her career as a Solicitor and Articled Clerk with Slaughter and May in London before moving to Melbourne to work with Allens as a Senior Associate. Raquel has held the role of General Counsel and Company Secretary at a number of UK AIM-listed and large private companies. Raquel joined Cohort plc in November 2019 before taking over the role of Company Secretary from Simon Walther in October 2020, in addition to being appointed General Counsel for the Cohort Group.

- Member of the Board of Directors
- Member of the Remuneration Committee
- Member of the Audit Committee
- Member of the Nomination Committee
- Chair

Note:

Jeff Perrin also served on the Board until the conclusion of the AGM on 24 September 2024.

CORPORATE GOVERNANCE REPORT

Corporate governance report



Nick Prest CBE
Chairman

Introduction

Cohort has placed a great importance on corporate governance since its flotation in 2006 and has, as far as practicable, modelled its corporate governance structure on a recommended corporate governance code.

Since 1 May 2024, Cohort has applied the third edition of the QCA Corporate Governance Code 2023 (the QCA Code), which the Board considers is appropriate for a company with the size and structure of Cohort, and our Corporate governance report for the year ended 30 April 2025 explains how we have applied the principles of the QCA Code.

The QCA Code sets out ten principles in three broad categories and I have set out below the Group's application of each principle to the extent that the Board considers these to be appropriate to Cohort.

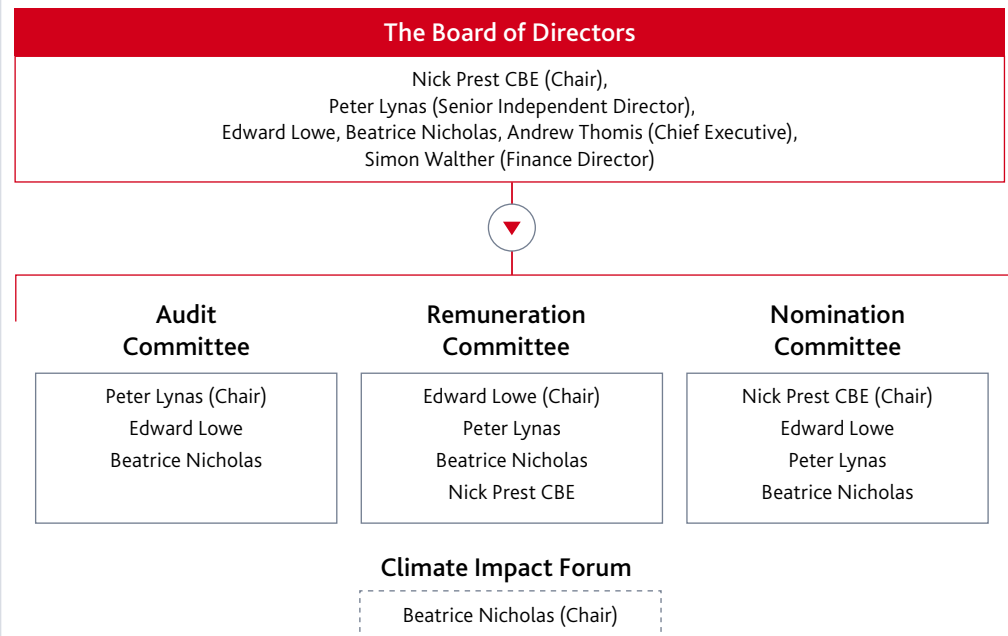
As Chairman of the Board, I take primary responsibility for corporate governance. An important part of my role is to build strong relationships with shareholders and other stakeholders and to ensure that the views expressed by shareholders are communicated to and considered by the Board.

The voting pattern at our 2024 AGM indicated a broad measure of shareholder support in relation to corporate governance matters. We nevertheless continue to keep these matters under close review and to pay careful attention to shareholder views.

The principal means of communicating our application of the QCA Code are this Annual Report and our website (cohortplc.com).

Governance structure

Corporate governance framework



Board composition



CORPORATE GOVERNANCE REPORT CONTINUED

Deliver growth

Principle 1. Establish a purpose, strategy and business model which promote long-term value for shareholders

Our purpose, business model and strategy are set out in the Strategic report. The Strategic report also clearly sets out how we have put our strategy into action over the past year, making our biggest acquisition to date and successfully supporting the businesses in the Group to grow adjusted trading profit organically by 19%. Key challenges to the execution of our strategy include identifying suitable acquisition opportunities with sustainable niche technology that is complementary to our existing businesses. To address this challenge, we maintain a wide network of contacts in the defence industry both in the UK and internationally to ensure we have a broad pipeline of potential opportunities to

consider. Challenges to the organic growth of our existing businesses are addressed in our Risk management report and in the climate-related financial disclosures.

The Board, led by the Chairman, sets the Group's strategic direction and is responsible to Cohort's stakeholders for the leadership, oversight and long-term success of the Group. In addition to our scheduled Board meetings, the Board meets for an annual strategy day at which it conducts an in-depth annual review of the strategy and business plans of Cohort and its subsidiaries. This provides the Executive Directors and the Non-executive Directors, in particular, with an opportunity to discuss execution and delivery of strategy in depth and to challenge the Group's corporate strategy. The Board also meets with each of the subsidiary managing directors for an in-depth review of the execution of strategy at each business throughout the year. In between our formal annual

strategy reviews, strategic issues and emerging risks are frequently discussed by the Board and progress on the execution of strategy is reported quarterly to the Board.

The value created for our shareholders through the application of this strategy is demonstrated by our five-year financial performance (on page 125) and our key performance indicators (shown for the last three years). We believe our strategy will continue to deliver value for shareholders in both the medium and the long term.

Our progressive dividend policy and share performance over the last five years are also indicators of long-term value for our shareholders with total shareholder return shown below.

Principle 2. Promote a corporate culture that is based on ethical values and behaviours

The Group has a strong ethical culture, supported by our policies and processes as further described in the Governance section of our Sustainability report.

Principle 3. Seek to understand and meet shareholder needs and expectations

Cohort places a great deal of importance on communication with all shareholders and details of how we achieve this are set out in Stakeholder engagement. The Company also meets with its institutional shareholders and analysts and receives regular feedback from its institutional shareholders, either directly or via its NOMAD, Investec. The Board is keen to ensure that shareholders are provided with the opportunity to engage with the Board and has continued to host live Q&A sessions following the 2023/24 financial year announcement in July 2024 and the interim results announcement in December 2024. Recordings of these sessions can be accessed on our website (cohortplc.com). Cohort hosted an investor day at SEA in Barnstaple in partnership with Shore Capital Group. Investors were able to take a tour of the site, see demonstrations and engage with Cohort and SEA's executive leadership.

We also consider any voting guidance reports received from organisations such as Institutional Shareholder Services.

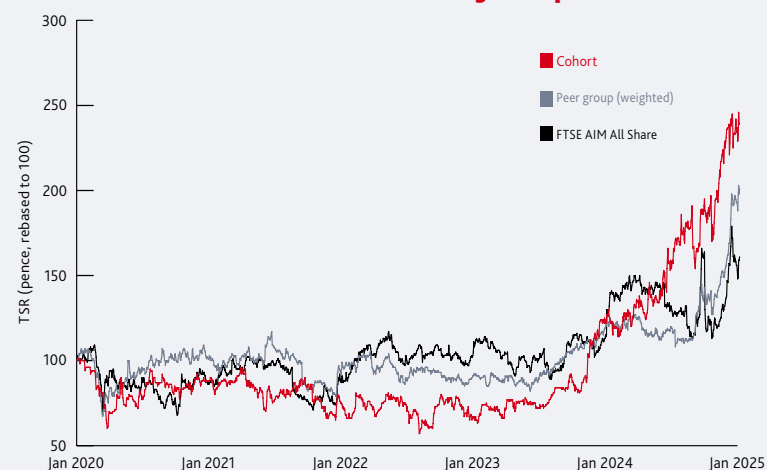
The primary points of contact with the shareholders are the Chief Executive, the Finance Director and me. Peter Lynas, the Senior Independent Director, is available to all shareholders should they have any concerns which communication through the normal channels of Chairman, Chief Executive and Finance Director has failed to resolve, or for which contact through the normal channels would be inappropriate. The Company Secretary also responds to any requests for information received from shareholders.

Principle 4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

Consideration of all of the Group's stakeholders is an integral part of the Board's discussions and decision making. Our stakeholders include shareholders, employees, customers, partners, suppliers and local communities. Further details of how we engage and respond to the needs, interests and expectations of our stakeholders are set out in our Stakeholder engagement report.

We believe that our employees are the key to our success. We are not a capital-intensive business but depend upon the skills, capabilities and flexibility of our employees, and our business model (see Strategic report) depends upon us being agile and responsive (see People in our Sustainability report). The Board receives a quarterly report on the key issues relating to our employees from the Group Head of HR and a monthly report on health and safety across the Group.

Total shareholder return five-year performance



The weighted peer group companies comprise Avon, Babcock, Chemring, QinetiQ and Ultra Electronics.

Some of the key activities which we have undertaken to promote long-term value are set out in our Section 172 statement.

CORPORATE GOVERNANCE REPORT CONTINUED

Deliver growth continued**Principle 4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success continued**

We recognise that it is important to provide a channel for named or anonymous feedback from our stakeholders. We provide a whistleblowing facility for confidential reporting by our employees which is managed by an independent third-party service provider. If any call is made to this third party, either the Chief Executive or the Senior Independent Director is notified promptly of the fact and the content of the call, so that appropriate action can be taken. A number of channels for feedback from our other stakeholders are made available via our website.

The governance and Board oversight of the Group's approach towards relevant environmental issues is facilitated by Beatrice Nicholas chairing the Climate Impact Forum meetings. Beatrice briefs the Board on the matters discussed after each meeting of the forum. Any risks identified are integrated into our risk management procedures and, if appropriate, into our strategy. The Board has put an Environmental Policy Statement in place which provides a framework for the subsidiaries to implement their own environmental policies according to the needs of each business.

Principle 5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the Group

The Board and Group approach to risk and internal controls is set out in the Audit Committee report and the Risk management and principal risks section. We also clearly state our risk appetite which is aligned to our strategic goals. Climate-related risks and opportunities are reported in the Non-financial and sustainability information statement and, in practice,

are integrated into the day-to-day risk reporting and management process by each subsidiary as appropriate.

Such systems are designed to manage rather than eliminate risks and can provide only reasonable and not absolute assurance against material misstatement or loss. Each year, in addition to our internal risk management process, the Audit Committee and the Board reviews any material risks potentially affecting the Group in discussions with the external auditor.

On the recommendation of the Audit Committee, the Board has determined that an internal audit function is not required due to the relatively small size of Cohort and the high level of Director review and authorisation of transactions. The Board will keep this matter under review as the Group develops. When appropriate, we engage external experts to assess management of particular risks and to provide assurance to the Board, for example, on cyber security.

The independence of the auditor is formally considered by the Audit Committee each year prior to commencement of the audit, based on the confirmation of independence and disclosure of any ancillary work provided by the auditor each year.

A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. In addition, the Group conducts quarterly re-forecasts. The Group's results, as compared against budget and the latest quarterly forecast, are reported to the Board on a monthly basis and discussed in detail at each meeting of the Board.

The subsidiary balance sheets are reviewed in detail on a quarterly basis by the Cohort finance team.

Maintain a dynamic management framework

The Board of Cohort plc is highly experienced in the defence market. Through the operation of the Board and the Group Executive, which meets quarterly and comprises the subsidiary managing directors, the Cohort plc Executive Directors and the Group function heads, the Board is able to monitor the business and respond in a timely manner to issues and opportunities as and when they arise.

Principle 6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair**The Board**

As at 30 April 2025, the Board of Directors comprised two Executive Directors, Andrew Thomis and Simon Walther, four Non-executive Directors, Beatrice Nicholas, Edward Lowe, Peter Lynas, and me. The Board considers that Edward Lowe, Peter Lynas, and Beatrice Nicholas are independent Non-executive Directors.

The mix of skills and experience brought to the Board by the Directors is set out under principle 7 below and each year the Nomination Committee considers if this is right mix of experience, skills and capabilities to oversee the execution and delivery of our strategy in order to create sustainable value for shareholders. This year, following the growth and expansion of the Group, we identified a requirement for more operational support and we are in the process of recruiting a senior operational executive. For further information, see the report of the Nomination Committee.

Board Committees

The Board has established three Committees: Audit, Nomination and Remuneration, each having written terms of reference, which can be viewed on the Company's website (cohortplc.com).

The reports of the three Committees are reported separately.

Audit Committee

The Audit Committee currently comprises three independent Non-executive Directors in accordance with the QCA Code, being Peter Lynas (Chair), Edward Lowe, and Beatrice Nicholas. The Audit Committee's role is set out in the Audit Committee report.

Nomination Committee

The Board established a Nomination Committee in April 2021. The Nomination Committee comprises three independent Non-executive Directors, Beatrice Nicholas, Edward Lowe, Peter Lynas, and me as Chair. The Nomination Committee's role is set out in the Nomination Committee report. The Committee meets as required and had one meeting during this reporting year.

Remuneration Committee

The Remuneration Committee comprises Edward Lowe (Chair), Peter Lynas, Beatrice Nicholas, and I. The Board is of the opinion that the composition of the Committee is compliant with both the UK Corporate Governance Code 2024 and the QCA Code as it is composed of three independent Non-executive Directors (one serving as Chair) and a Chairman who was independent on appointment. All members of the Committee have considerable experience of managing remuneration schemes for senior executives in public and private companies, both large and small.

The Remuneration Committee's role is set out in its report.

Climate Impact Forum

Beatrice Nicholas is the Chair of the Group's Climate Impact Forum (see Sustainability for more details).

Company Secretary

Raquel McGrath acts as Secretary to the Board and its Committees. The Company Secretarial department supports the Board, ensuring good information flows and advising on all corporate governance matters.

Attendance at Board and Committee meetings

Board and Committee meetings are scheduled in advance for each calendar year. Additional meetings are arranged as necessary, including meetings with the subsidiary managing directors to review strategic and financial plans and as mentioned above, and to visit the subsidiaries. As noted above, the Board also holds a strategy day in addition to the scheduled meetings.

CORPORATE GOVERNANCE REPORT CONTINUED

Deliver growth continued

Principle 6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair continued

Attendance at Board and Committee meetings continued

The scheduled Board and Committee meetings and attendance of the members during the year ended 30 April 2025 were as follows:

	Board (10 scheduled meetings)	Audit Committee (3 meetings)	Remuneration Committee (2 meetings)	Nomination Committee (1 meeting)
N Prest CBE (Chairman)	10/10	n/a	2/2	1/1
E Lowe (Independent Non-executive Director)	10/10	3/3	2/2	1/1
P Lynas (Independent Non-executive Director and Senior Independent Director)	10/10	3/3	2/2	1/1
B Nicholas (Independent Non-executive Director)	10/10	3/3	2/2	1/1
J Perrin ¹	3/3	1/1	2/2	0/0
A Thomis (Chief Executive)	10/10	n/a	n/a	n/a
S Walther (Finance Director)	9/10	n/a	n/a	n/a

1. Jeff Perrin retired as an Independent Non-executive Director and Senior Independent Director at the conclusion of the AGM on 24 September 2024.

The Executive Directors and subsidiary managing directors all work full time for the Group.

All the Non-executive Directors give adequate time to fulfil thoroughly their responsibilities to Cohort and, as Chairman, I monitor this. Any new external appointments for a Director will be discussed with and considered by me in advance.

Principle 7. Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities

The Board has ultimate responsibility for corporate governance, which it discharges either directly, or through its Committees as outlined above and through the management structure outlined below.

Group management

The Cohort Board holds at least nine scheduled meetings per calendar year; in addition, the Board meets to conduct business and strategic reviews which are not recorded as formal Board meetings. The Board also holds regular ad-hoc discussions as required to consider particular issues. As a Board, we visit each of the subsidiaries at least once a year and individual Non-executive Directors will visit subsidiaries as required to assist with matters within their area of expertise. The Non-executive Directors and I also meet at least once a year without the Executive Directors present.

The Board is supported by its Committees as outlined above.

The Board receives a detailed monthly Board report comprising individual reports from each of the Executive Directors and the subsidiary managing directors, together with any other material necessary for the Board to hold

fully informed discussions to discharge its duties, including the review of Company strategy to ensure this aligns with creating shareholder value. It is the Board's responsibility to formulate, review and approve the Group's strategy, budgets, major items of expenditure and commitment, major contract bids, acquisitions and disposals. A full schedule of the matters reserved for the Board can be viewed on the Cohort website (cohortplc.com).

The Group Executive Committee meets at least four times per calendar year, comprising Cohort Executive Directors, subsidiary managing directors, and Group heads of strategy, communications, commercial, legal and human resources.

Subsidiary management

There are monthly executive management meetings involving the senior management of each subsidiary. Cohort Executive Directors attend subsidiary executive management meetings on a regular basis and sit on the Board of each subsidiary. In addition to the matters reserved for the Board, there is a formal Delegation of Authority Policy which is approved by the Board and provides a framework for effective decision making at the subsidiary level together with appropriate Board oversight.

In addition to the two Executive Directors of Cohort, two independent Non-executive Directors with experience of the Australian defence sector have been appointed to the board of EM Solutions and board meetings are held four times each year.

The Board has a broad range of skills, with particularly deep experience in the defence sector. The balance of skills and experience of the Board is summarised as follows:

	Defence sector	Financial	General management	Other public company (board level)	Public sector
N Prest	■		■	■	■
A Thomis	■		■		■
S Walther	■	■			
E Lowe	■		■		
P Lynas	■	■	■	■	
B Nicholas	■		■		
J Perrin ¹	■	■	■	■	

1. Jeff Perrin retired as an Independent Non-executive Director and Senior Independent Director at the conclusion of the AGM on 24 September 2024.

The Board biographies give an indication of the breadth of skills and experience.

Cohort is predominantly a defence company and collectively the Board has experience of engineering, financial, commercial, sales and marketing and general management functions in a range of defence companies, large and small, operating in and supplying to a large number of countries throughout the world. We consider this collective experience to be an important contributor to Cohort.

Each member of the Board takes responsibility for maintaining their skill set, which includes formal training and attending relevant events and roundtables including on matters within the remit of the Board's Committees. The Board is advised by the Group's internal experts in matters relating to cyber security and it has also commissioned an independent review for external assurance.

CORPORATE GOVERNANCE REPORT CONTINUED

Deliver growth continued**Principle 7. Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities continued****Subsidiary management continued**

The Company Secretary, a qualified solicitor, is responsible within the Company for advising the Board on its legal and regulatory responsibilities and on corporate governance matters. The Company Secretary and the Cohort Group Head of Human Resources also advise the Non-executive Directors independently of the Executive Directors on any matter in which the Executive Directors are personally interested, for example their own remuneration.

When necessary, external advice is sought, on legal, personnel, financial and governance matters. The primary sources are the Company's NOMAD and the Company's lawyers. During the reporting year, the Board received advice from the Company's lawyers on the acquisition of EM Solutions and the associated placing.

We also commission tailored executive coaching for our senior executives from time to time.

Principle 8. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Our approach to evaluation of the Board's effectiveness is that it should be a continuous process rather than just a periodic event. It is my responsibility as Chairman to stimulate and orchestrate this process, consulting colleagues both individually and collectively. As part of the process, I must obtain the views of colleagues on my own performance. Evaluation should embrace at the individual level skills, personality and commitment and, at the collective level, processes and teamwork.

It is important that this largely informal process is supplemented periodically with a formal review of Board performance from time to time as recommended

by the QCA Code. The Board completed its first external evaluation facilitated by Independent Audit Limited (IAL), an independent third-party organisation in 2022. The Board will continue to evaluate Board effectiveness informally on an ongoing basis and will report any relevant findings in the Company's Annual Report. The Board will also consider conducting external Board evaluations periodically.

This year the Board has continued to evolve and has carried out an internal review of its performance. In 2024/25 areas of focus for the Board have included the Group's strategy process, the management and reporting of risk and the application of the 2023 QCA Code. The Board has also undertaken its annual review of its succession planning, including timelines where appropriate. This was considered in a meeting of the Nomination Committee. This year the Nomination Committee identified that additional executive operational support was required. For 2025/26 the Board will continue to review and refine the Group's strategy process, its approach to M&A and opportunities for shared value creation within the Group.

Principle 9. Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Remuneration report sets out how our Remuneration Policy supports long-term value creation, our purpose, strategy, and culture. This policy was implemented in 2021 and material shareholders were consulted prior to its implementation. The Remuneration Committee has worked closely with the Audit Committee to review the Group's outcomes against the performance targets set under the executive remuneration scheme and the Board has reviewed the overall outcome of the application of the policy each year and is satisfied that it incentivises responsible long-term performance and growth of the Group.

Our Remuneration report is put to an annual advisory vote. This received strong support at the 2024 AGM with more than 99% of votes cast in favour.

The Company currently offers two share schemes for all UK employees (a Save As You Earn scheme and a Share Incentive Plan) and a discretionary Company Share Option Plan for awards to senior management who do not participate in the LTIP. The Company intends to relaunch the SAYE and CSOP schemes which both expire during the course of the current financial year and to offer a Restricted Share Plan to senior management who do not participate in the LTIP. In accordance with this principle of the 2023 QCA Code, the Company will put these new schemes to a shareholder vote at the 2025 AGM. More details will be available in the notice of meeting.

Principle 10. Communicate how Cohort plc is governed and is performing by maintaining a dialogue with our shareholders and other relevant stakeholders

The Board communicates how the Company is governed and how it is performing by maintaining a dialogue with shareholders and other stakeholders through the mechanisms described in this report and in Stakeholder engagement.

Board Committees

The reports to shareholders of the Audit, Nomination and Remuneration Committees are shown separately.

The Board welcomes considered enquiries from shareholders and other stakeholders at any time.

Nick Prest CBE
Chairman



AUDIT COMMITTEE REPORT



Peter Lynas
Independent Non-executive Director and Senior Independent Director

Introduction

The Audit Committee comprises three independent Non-executive Directors and is scheduled to meet at least three times a year. It is the Audit Committee's role to provide formal and transparent arrangements for considering how to apply financial reporting under UK adopted IAS and the Companies Act 2006. The Audit Committee also considers risk and the internal control requirements of the QCA Corporate Governance Code and how to maintain an appropriate relationship with the independent auditor of the Group.

The Audit Committee is responsible for ensuring that the Group's risks are understood, managed and mitigated as far as practicable.

Peter Lynas is Chair of the Audit Committee, being a qualified Chartered Certified Accountant and having experience of the defence industry in this and previous roles.

The current terms of reference of the Audit Committee were reviewed and updated in March 2023.

Year in focus

During the year the Audit Committee has undertaken reviews of various policies and procedures as follows:

- **Risk reporting process:** An updated risk reporting process was introduced across the Group, formalising some elements of the previous process and streamlining bottom-up reporting of risks to the Group level.
- **Assurance/Compliance:** An enhanced reporting process for the assessment of compliance with Group policies was introduced.
- **Inventory Obsolescence Policy:** The Audit Committee oversaw the introduction of a Group-wide Inventory Obsolescence Policy to standardise provisioning treatment.

Additionally, the Audit Committee reviewed the tax fees across the Group.

Consideration of the financial statements

In making its recommendation that the financial statements be approved by the Board, the Audit Committee has taken account of the following significant issues and judgement areas:

Areas of judgement

Revenue and profit recognition on fixed-price contracts

The judgement applied in recognising revenue on a contract over time as performance obligations are completed is in respect of the input costs incurred and the attributable margin. The latter is particularly a judgement in respect of estimating the cost to complete on a particular contract and the remaining risk and associated contingency. This cost contingency takes account of the stage that the contract has reached and any judgement and uncertainty remaining to deliver the remainder of the contract. It is usual for these cost contingencies to reduce as the contract progresses and risk and uncertainty reduce.

Recoverability of trade and other receivables

Judgement is applied in determining whether any of the Group's trade and other receivables require a bad debt provision to be recognised. This takes account of the nature of our customers, many of whom are ultimately governments, our historical experience and the commercial terms we have in place to protect the recoverability of our receivables.

Goodwill

The Group has recognised goodwill and other intangible assets in respect of the acquisitions of businesses within its two reporting divisions, Communications and Intelligence (EID, EM Solutions, MASS and MCL) and Sensors and Effectors (Chess, ELAC SONAR and SEA). The other intangible assets are in respect of contracts acquired, intellectual property rights and specific opportunities and, in each case, are amortised over the expected life of the earnings associated with the other intangible assets acquired. The goodwill, which is not subject to amortisation but to at least annual impairment testing, arises from the intangible elements of the acquired businesses for which either the value or life is not readily derived. This includes, but is not limited to, reputation, customer relations, contacts and market synergies with existing Group members. The goodwill relating to acquisitions made by the Group has been tested for impairment as at 30 April 2025; this is an area of judgement. In each case there was no impairment. The Group's 2025 post-tax WACC of 10.1% is lower than the 2024 equivalent of 11.1%, which reflects lower equity risk and volatility in respect of Cohort plc's shares. These post-tax WACC amounts are equivalent to a pre-tax WACC of 14.3% (2024: 15.8%).

AUDIT COMMITTEE REPORT CONTINUED

Consideration of the financial statements continued

Areas of judgement continued

Provisions

The Group makes estimates of provisions for existing commitments arising from past events. In estimating these provisions, the Group makes judgements as to the quantity and likelihood of the liability arising. Certain provisions require more judgement than others. In particular, warranty provisions and contract loss provisions have to take account of future outcomes arising from past deliveries of products and services. In estimating these provisions, the Group makes use of management experience, precedents and specific contract and customer issues.

Alternative performance measures (APMs)

The Group reports a number of APMs which are not in accordance with the reporting requirements of UK adopted IAS. The Audit Committee has reviewed these during the year ended 30 April 2025 to ensure they are appropriate and that in each case:

- the reason for their use is clearly explained;
- they are reconciled to the equivalent UK adopted IAS figure; and
- they are not given undue prominence over the equivalent UK adopted IAS figure.

The most important APMs reported by the Group are as follows:

Adjusted operating profit

This is used by the Group to report what the Board considers its trading profit in a consistent manner, year on year, to provide the readers of the accounts with a consistent comparative. This is derived from the operating profit as reported under UK adopted IAS by excluding amortisation of other intangible assets, all of which arises on the acquisition of subsidiaries; research and development expenditure credits; exceptional items, including costs of acquisitions and reorganisations; and foreign exchange movements from non-trading activities, including marking forward exchange contracts to market.

The reconciliation of operating profit (UK adopted IAS) to adjusted operating profit is shown in the Consolidated income statement for the Group and in note 1 to the accounts for the Group's reporting divisions. The following table shows the Group's adjusted operating profit compared with operating profit for the last five years:

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Adjusted operating profit	27.5	21.1	19.1	15.5	18.6
Operating profit (UK adopted IAS)	26.1	21.2	15.3	11.1	7.8

In most years the main difference between the two figures is the amortisation of other intangible assets value which arises on the acquisition of subsidiaries.

It is the Board's opinion that the trading performance of the Group is better reflected by the adjusted operating profit.

Adjusted earnings per share

This is based upon the adjusted operating profit after taking account of tax applying to adjusted operating profit and interest, to enable the Group to report an earnings per share figure based upon what the Board considers is a more appropriate and comparable earnings basis.

This is reconciled to the headline (UK adopted IAS) earnings per share in note 8 to the accounts.

Independent auditor

Although not applicable to Cohort plc, the Audit Committee has considered the Financial Reporting Council's published standard on Audit Committees and External Audit: Minimum Standard. This is considered good practice and where appropriate the Cohort plc Audit Committee has followed the responsibilities outlined in this standard, specifically:

The independent auditor liaises with the Audit Committee regarding work to be undertaken and complies with the Ethical Standards for Auditors issued by the Financial Reporting Council. Prior to commencing its audit work, the independent auditor confirmed in writing the nature of any non-audit work carried out on behalf of the Group and the safeguards in place to ensure its independence and objectivity. Any in-year proposals for non-audit work are subject to prior approval by the Audit Committee. The Audit Committee has assessed the independence of the auditor in light of safeguards in place, non-audit work performed and tenor of senior audit staff and is satisfied that the auditor remains independent.

The independent auditor presented its audit plan to the Audit Committee prior to the Audit Committee meeting held in March 2025. The plan was reviewed and approved at that meeting with specific areas of focus by the independent auditor discussed in detail for the ensuing audit.

The independent auditor (RSM UK Audit LLP) was appointed in November 2019.

The analysis of RSM UK Audit LLP (2024: RSM UK Audit LLP) remuneration is shown in the table below.

Auditor's remuneration

This table has been audited.

	2025 £'000	2024 £'000
Fees payable to the Company's auditor for the audit of the Company and consolidated accounts	200	150
Fees payable for the audit of the Company's subsidiaries	571	458
Total audit fees	771	608
Interim review fee	81	83
Total non-audit fees	81	83
Total fees paid to auditor and its associates	852	691
Charged to profit for the year	852	691

Fees payable to RSM UK Audit LLP and its associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis only.

Peter Lynas

Chair of the Audit Committee

NOMINATION COMMITTEE REPORT



Nick Prest CBE
Chairman

The Nomination Committee is chaired by me and the other members are three independent Non-executive Directors, Edward Lowe, Peter Lynas and Beatrice Nicholas.

Key responsibilities

The Committee is appointed by the Board and its terms of reference are available on the Company's website (cohortplc.com). The Committee meets as required; there was one meeting held in the reporting year. In addition to our formal meeting, the members of the Nomination Committee discussed the various matters for which the Committee is responsible in the course of other meetings and undertook work to support the Executive Directors.

The key responsibilities of the Committee are:

- to regularly review the structure, size and composition of the Board (including the skills, knowledge, experience and diversity of the Board) and to make recommendations to the Board with regard to any changes;
- to keep the leadership needs of the organisation under review, including succession planning, in relation to both executives and non-executives, with a view to ensuring the continued ability of the organisation to compete effectively in the market place;
- to be responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise; and
- to undertake any work requested by the Board or Chief Executive to select or approve appointments below Board level.

Activities during the year

The Committee's main activities have been:

- reviewing the composition of the Board;
- approving a detailed candidate specification for the appointment of a senior operational executive;
- reviewing the Board succession planning;
- supporting the Executive Directors with appointments below Board level, including the appointment of a new managing director at MASS and the appointment of the joint managing directors at EM Solutions; and
- approving the appointment of independent Non-executive Directors to the board of EM Solutions to enhance governance.

Re-appointment of Directors

In line with the principle 6 of the 2023 QCA Code, all Cohort Directors will continue to offer themselves for annual election by shareholders at the 2025 AGM. The Board has considered the performance and commitment to the role of each of the Directors and recommends their re-election to the Board on the basis that their contribution is, and continues to be, important to the Company's long-term sustainable success.

Nick Prest CBE

Chair of the Nomination Committee

REMUNERATION COMMITTEE REPORT



Edward Lowe
Independent Non-executive Director

I am pleased to present the Remuneration Committee (the Committee) report for the year ended 30 April 2025.

This report is split into three sections:

- this annual letter summarising the work of the Committee in 2024/25;
- a statement of the current Directors' Remuneration Policy (the Policy), including the Long Term Incentive Plan (LTIP); and
- the Annual report on remuneration, which provides details of the remuneration earned by Executive Directors and the Non-executive Directors in the year ended 30 April 2025.

Executive Directors' Remuneration Policy

The current policy for the LTIP was implemented in 2021/22 and the second award under the policy will vest in August 2025 based on performance over the three-year period ended 30 April 2025 (as reported). The award will vest, partly in cash and partly in shares.

The view of the Committee is that the Policy has supported long-term value creation for our shareholders and has focused the Executive Directors on delivering the Group's long-term strategy alongside strong financial and operational performance.

It is to be noted that the remuneration of the Group's subsidiary managing directors is structured very similarly to that of the Executive Directors.

Performance related pay

The current reporting year (2024/25) has again seen a record trading performance and another strong year of order intake, laying a good foundation for 2025/26 and beyond. The Group's cash performance was also very strong and provides the Group with the resources to deliver its record order book and continue implementing its strategy. Cohort also made a significant addition to the Group in the acquisition of EM Solutions which completed in January of 2025 and was supported by a successful and oversubscribed placing to raise £41m.

The Group's financial performance for the reporting year resulted in a cash in-year bonus for the Executive Directors of 22% of salary (maximum pay out being 25% of salary) and the maximum award under the Long Term Incentive Plan (LTIP) (maximum level being 125% of base salary at the time of award). Full details are shown below.

The Committee must be satisfied with the level of performance during the performance period taking account of a range of factors, and has discretion to adjust the awards if it considers that the calculated numbers are out of line with the underlying performance of the Group or the individual, or in other exceptional circumstances.

The Committee considered that the calculated level of award was an appropriate and merited outcome in light of the Group's strong overall performance.

Employee Share Schemes

The Committee is also keen to promote the involvement of the Group's employees in the long-term success of the Group and to this end has been pleased to see continuing interest by UK employees in the Share Incentive Plan (SIP) and the Save As You Earn (SAYE) schemes. The Company is considering introducing a Global Share Incentive Plan to enable participation and to foster engagement by employees at our overseas subsidiaries.

Cohort also runs a discretionary Company Share Option Plan (CSOP) scheme which is awarded to senior management and other key employees who do not participate in the LTIP. The Company proposing a Restricted Share Plan for senior management in addition to or as an alternative to the CSOP to provide better incentivisation and retention for key senior employees.

Both the SAYE and the CSOP are due to expire prior to the 2026 AGM; therefore, in accordance with the 2023 QCA Code, the Company will put the renewal of these schemes to a shareholder vote at the 2025 AGM together with a proposed Restricted Share Plan. More details are available in the notice of meeting.

Outlook for 2025/26

The Committee remains committed to ensuring that executive remuneration is in line with best practice and appropriately incentivises the Executive Directors over the long term to deliver the Cohort strategy. The Committee reviewed the Policy in 2023/24 to ensure that it was fulfilling its objectives and that it remained competitive with industry peers. This review led to the award of increases in base salary and an increase in the maximum level of in-year bonus for the Executive Directors as reported in last year's Remuneration report. For this year, the Committee has decided to award a 5% increase in basic salary to the Executive Directors from 1 May 2025. This increase is in line with awards made to other senior staff. The Committee has also reviewed the level of the Company's contribution to the retirement allowance and is adjusting this from 4% to 5.5% to be more in line with the market. This is also in line with the other Cohort plc staff. All other aspects of the Remuneration Policy are unchanged from that reported last year.

The Non-executive Directors' fees are remaining as per the 2024/25 level, but will be reviewed in the course of 2025/26.

I would like to thank shareholders for their support over the last year.

Should you have any queries in relation to this report please do not hesitate to contact me through the Company Secretary.

Edward Lowe
Chair of the Remuneration Committee

REMUNERATION COMMITTEE REPORT CONTINUED

Cohort plc Executive Directors' Remuneration Policy

Element of remuneration	Purpose and link to strategy	Operation	Maximum potential value	Performance measure and target
Base salary	To provide competitive fixed remuneration to attract, motivate and retain Executive Directors of a calibre required to deliver growth for the business.	Reviewed annually with changes taking effect from 1 May each year. The Committee considers remuneration levels for comparable companies of a similar size and complexity, industry sector and location. Individual salary adjustments take into account each Executive Director's performance and the Group's financial circumstances.	No prescribed maximum salary or maximum increase in salary. Salaries are market competitive to retain skilled executive talent and attract new talent as required. Increases are awarded having given consideration to those awarded across the wider workforce.	Not applicable.
Benefits	As above.	Executive Directors are entitled to benefits such as private health insurance, income protection and life assurance. Executive Directors are eligible to participate in any all-employee share plan operated by the Company, on the same terms as other eligible employees. Executive Directors will be eligible for any other benefits which are introduced for the wider workforce on broadly similar terms and additional benefits might be provided from time to time if the Committee decides payment of such benefits is appropriate and in line with emerging market practice.	A maximum is not pre-determined. Benefit values can vary year on year depending on premiums and the maximum is the cost of providing the relevant benefits. The maximum level of participation in all-employee share plans is subject to the limits imposed by HMRC.	Not applicable.
Retirement allowance	To reward sustained contribution by providing retirement benefits.	The Company pays a retirement allowance in lieu of pension contributions. Where this is operated via salary exchange the Company passes on the employer's National Insurance saving of 15% of the exchanged salary back to the Executive Director as additional retirement allowance, in line with its general workforce practices.	For Cohort Executive Directors the retirement allowance is set at 5.5% (2024: 4.0%) of basic salary in line with the current general workforce contribution level. National Insurance saving on allowance delivered via salary exchange is set at 15% (2024: 10%) of the salary sacrificed.	Not applicable.

REMUNERATION COMMITTEE REPORT CONTINUED

Cohort plc Executive Directors' Remuneration Policy continued

Element of remuneration	Purpose and link to strategy	Operation	Maximum potential value	Performance measure and target
In-year performance bonus	To reward the achievement of annual financial business performance targets which support the strategic direction of the business.	<p>Paid annually in cash based on annual performance against targets set and assessed by the Remuneration Committee.</p> <p>0% to 15% of salary payable based on full year adjusted operating profit performance against budget calculated as follows:</p> <ul style="list-style-type: none"> Zero if performance is below 100% of budget. 5% if performance matches budget. Linear increase from 0% to 10% as performance goes from 100% to 115% of budget. <p>Plus 0% or 5% of salary based on half year adjusted operating profit performance against budget calculated as follows:</p> <ul style="list-style-type: none"> Zero if half year adjusted operating profit performance is below half year budgeted performance. 5% if half year adjusted operating profit performance exceeds: <ul style="list-style-type: none"> half year budgeted performance; and full year adjusted operating profit performance exceeds budgeted full year adjusted operating profit performance. <p>Plus 0% or 5% of salary payable based on full year operating cash flow performance against budget calculated as follows:</p> <ul style="list-style-type: none"> Zero if performance is below budget. 5% if performance is at or exceeds budget. <p>Malus and clawback provisions apply.</p>	25% of base salary.	<p>Actual performance compared to budget for the financial year for adjusted operating profit and operating cash flow (both excluding the impact of any in-year acquisitions and disposals).</p> <p>Both adjusted operating profit and operating cash flow shall be calculated after deducting the costs of all bonus payments, including the cost of long-term performance awards.</p> <p>Financial measures determine 100% of the bonus calculation.</p> <p>The Committee has discretion to adjust the awards if it considers that the calculated numbers are out of line with the underlying performance of the Company or the executive, or in other exceptional circumstances.</p>
Long Term Incentive Plan	<p>Designed to align Executive Directors' interests with our strategic objectives of delivering sustainable organic growth and building through acquisitions and to deliver our purpose whilst building long-term growth of shareholder value.</p> <p>Encourages long-term shareholding and discourages excessive risk taking in line with our culture and values.</p>	<p>Annual award based on the future annualised profit growth of the Group over a three-year performance, 50% based on organic growth and 50% based on total growth. An additional two-year holding period applies after the end of the three-year vesting period.</p> <p>Up to 125% of basic salary split:</p> <ul style="list-style-type: none"> one third as a cash bonus; and two thirds as performance shares. <p>Awards will vest subject to the performance criteria set out above and following audit clearance of the Group accounts in the relevant third year. Executive Directors are required to hold any shares arising from the vesting of their award, net of any shares sold to meet personal tax and social security obligations, for a period of two years from the vesting date. An overall reward period of five years.</p> <p>Malus and clawback provisions apply.</p>	Cash and performance shares valued at up to 125% of basic salary for the base year. The shares element is awarded as the number of shares based on the average mid-market share price of Cohort plc shares for the five business days prior to the award under this scheme.	<p>Compound annualised growth rate per share¹ in adjusted profit before interest and tax (after excluding non-controlling interests) between the base year and the vesting year three years later.</p> <p>For the avoidance of doubt, amortisation of other intangible items, marking forward exchange contracts to market at the period end and such exceptional items as the Committee, in its absolute discretion, decides shall be excluded from the calculation.</p> <p>The Committee has discretion to adjust the awards if it considers that the calculated numbers are out of line with the underlying performance of the Group or the Executive, or in other exceptional circumstances.</p> <p>The calculation of awards under this scheme will be disclosed in Remuneration Committee reports as awards vest.</p>

1. Being the weighted average number of Cohort plc shares in issue.

REMUNERATION COMMITTEE REPORT CONTINUED

Cohort plc Executive Directors' Remuneration Policy continued

Element of remuneration	Purpose and link to strategy	Operation	Maximum potential value	Performance measure and target
Share ownership levels	To increase alignment between Executives and shareholders.	Executive Directors are encouraged to build a holding of shares in the Company during their tenure with the Company. The Committee keeps the level of the Executive Directors' shareholding under review. Sale of shares in the Company by an Executive Director is only allowed with the approval of the Chairman.	Levels were set for 2021 onwards.	CEO at 200% of salary. FD at 150% of salary. Subsidiary MDs at 100% of salary.
Chairman and Non-executive Directors' fees	To provide compensation in line with the demands of the roles at a level that attracts high-calibre individuals and reflects their experience and knowledge.	Base fee for Chairman and Non-executive Directors. Normally reviewed biannually. The Company reimburses any reasonable expenses that a Non-executive Director incurs in carrying out their duties as a Director, including travel, hospitality related and other modest benefits, if appropriate. If there is a temporary material increase in the time commitments for Non-executive Directors, the Board may pay extra fees to recognise the additional workload. The Non-executive Directors are not entitled to any bonuses or share options. The Non-executive Directors are entitled to participate in the Company private health insurance scheme at their own expense should they wish to do so.	No maximum. Fees are set taking into account internal benchmarks such as the salary increase for the general workforce and external benchmarks of fees paid by companies of a similar size and complexity.	Not applicable.
Service contracts	Not applicable.	The Executive Directors have service agreements with the Company which can be cancelled by either party giving six months' notice at any time or 12 months' notice in the event of losing office following a change of control arising as a result of any person or persons acquiring more than 50% of the voting rights at a general meeting of the Company.	Not applicable.	Not applicable.

REMUNERATION COMMITTEE REPORT CONTINUED

Annual report on remuneration

The role of the Remuneration Committee (the Committee) is to:

- establish a formal and transparent policy on executive remuneration and to set remuneration packages for individual Executive Directors (the Group Chief Executive and Finance Director) and the Group Executive Management (the managing directors of the subsidiary businesses);
- assess the performance of the individual Executive Directors and Group Executive Management against these packages and determine the related remuneration;
- recommend to the Board the remuneration packages for new appointments to the Board and, in conjunction with the Chief Executive, the remuneration package for other Executive Management appointments; and
- undertake any other tasks appropriate to the Committee requested by the Board.

Performance incentives outcomes for Executive Directors in 2025

The in-year performance achieved resulted in 22% of salary being awarded as an in-year bonus for the year ended 30 April 2025 (13% for the year ended 30 April 2024).

The performance of the LTIP vesting based on the results of the three-year period ended 30 April 2025 has resulted in a cash and share bonus payment of 100.00% of the maximum possible, together 125.00% of grant date salary (2024: 8.43% of the maximum possible). These were approved at the Committee meeting on 8 July 2025 and will be awarded in August 2025.

Ordinary shares under option outstanding at 30 April 2025 were as shown in Table 1 on the right. No share options were awarded in 2025 or 2024.

The average mid-market price of Cohort plc 10 pence ordinary shares for the year ended 30 April 2025 was 975.1 pence (2024: 534.2 pence); the lowest and highest market prices in the year were 1370.0 pence and 750.0 pence respectively.

The Group has the right to recover from the Cohort Executive Directors any cash bonus paid or shares awarded in respect of a reporting period where a material adverse restatement is made.

Table 1: Directors' remuneration

This table has been audited.

	Salary 2025 £	In-year cash bonus 2025 £	Long-term cash bonus 2025 £	Performance share awards 2025 £	Benefits in kind 2025 £	Retirement allowance 2025** £	Emoluments 2025 £	Pension contributions 2025 £	Total 2025 £
Executive Directors									
A Thomis*	350,000	77,493	118,125	236,250	2,355	14,000	798,223	909	799,132
S Walther*	260,000	57,566	92,292	184,583	2,355	10,400	607,196	909	608,105
Non-executive Directors									
N Prest	115,000	—	—	—	—	—	115,000	—	115,000
E Lowe***	62,500	—	—	—	—	—	62,500	—	62,500
J Perrin****	21,929	—	—	—	—	—	21,929	—	21,929
B Nicholas****	51,500	—	—	—	—	—	51,500	—	51,500
P Lynas*****	52,019	—	—	—	—	—	52,019	—	52,019
Total	912,948	135,059	210,417	420,833	4,710	24,400	1,708,367	1,818	1,710,185

Non-executive Directors each receive a base fee of £47.5k, and an additional £7.5k as Chair of a Committee.

* This will rise by 5.0% for the CEO to £367,500 and 5% for the FD to £273,000 from 1 May 2025.

** From 1 May 2025, the Company has paid (and will continue to pay) to the Executive Directors 5.5% (2024: 4%) of annual salary as a retirement allowance. This payment does not count towards the Executive Directors' determination of bonus. This is in line with pension contribution rates to the wider workforce.

*** E Lowe receives an additional £7.5k p.a. for consulting on the PAC.

**** B Nicholas receives an additional £4k p.a. for chairing the Climate Impact Forum.

***** J Perrin retired from the Board on 24 September 2024 and P Lynas was appointed Chair of the Audit Committee in his place.

	Salary 2024 £	In-year cash bonus 2024 £	Long-term cash bonus 2024 £	Performance share awards 2024 £	Benefits in kind 2024 £	Retirement allowance 2024 £	Emoluments 2024 £	Pension contributions 2024 £	Total 2024 £
Executive Directors									
A Thomis	301,925	39,634	9,160	18,320	1,990	12,077	383,106	909	384,015
S Walther	235,950	30,973	7,167	14,333	1,990	9,438	299,851	909	300,760
Non-executive Directors									
N Prest	115,000	—	—	—	—	—	115,000	—	115,000
E Lowe	62,500	—	—	—	—	—	62,500	—	62,500
J Perrin	55,000	—	—	—	—	—	55,000	—	55,000
B Nicholas	51,500	—	—	—	—	—	51,500	—	51,500
P Lynas	15,833	—	—	—	—	—	15,833	—	15,833
Total	837,708	70,607	16,327	32,653	3,980	21,515	982,790	1,818	984,608

REMUNERATION COMMITTEE REPORT CONTINUED

Annual report on remuneration continued

Directors' interests in the equity of Cohort plc

	At 30 April 2025 Number of 10p ordinary shares	At 30 April 2024 Number of 10p ordinary shares
N Prest CBE	1,791,738	1,791,738
A Thomis	264,224	260,280
S Walther	242,220	238,572
P Lynas	15,000	15,000

The Directors in office during the year under review and their interests in the equity of the Company are shown in the table above. The changes in the Executive Directors' equity interests in the Company between 30 April 2024 and 30 April 2025 are analysed as follows:

	A Thomis	S Walther
At 30 April 2024	260,280	238,572
Shares awarded under Restricted Share Scheme	—	—
Shares awarded under the Long Term Incentive Plan	1,944	1,521
Shares acquired under Cohort plc Share Option Plan	4,186	—
Shares sold	(5,358)	—
Shares acquired under Cohort plc Share Incentive Plan	365	365
Additional PCA falling out of scope	(210)	—
Automatic dividend reinvestment in shares (within an ISA and/or a SIPP)	3,023	1,780
Shares sold on transfer to ISA	(6)	(18)
At 30 April 2025	264,224	242,220

The executives' shareholdings at 30 April 2025 represent 1,034% of Andrew Thomis' and 1,276% of Simon Walther's annual salaries respectively (at 30 April 2024 the respective levels were 645% and 782%) and are based upon the market price of Cohort plc shares at those respective dates: £13.70 at 30 April 2025 and £7.48 at 30 April 2024. These levels exceed shareholding targets set by the Remuneration Committee.

Of the above shareholdings at 30 April 2025, 5,064 (2024: 10,702) of Andrew Thomis' and 3,959 (2024: 8,367) of Simon Walther's are held on trust by the EBT as part of the closed Restricted Share Scheme and do not receive a dividend. These shares will vest in stages over the next two years in accordance with the rules of the scheme.

Table 2: Directors' share options

	At 1 May 2024 Number	Granted Number	Exercised Number	Lapsed/ forfeited Number	At 30 April 2025 Number	Date of grant	Date from which option can be exercised	Exercise period Years
A Thomis								
Cohort plc 2016 share option scheme (approved)								
– Option price of £3.760 per share	7,978	—	7,978	—	—	25 Aug 2017	26 Aug 2020	7
Cohort plc 2016 share option scheme (unapproved)								
– Option price of £3.760 per share	1,809	—	1,809	—	—	25 Aug 2017	26 Aug 2020	7
– Option price of £3.900 per share	9,846	—	9,846	—	—	10 Aug 2018	11 Aug 2021	7
– Option price of £4.875 per share	7,569	—	7,569	—	—	28 Aug 2019	29 Aug 2022	7
– Option price of £6.200 per share	8,411	—	—	—	8,411	28 Aug 2020	29 Aug 2023	7
– Option price of £5.390 per share	9,675	—	—	—	9,675	16 Aug 2021	16 Aug 2024	7
Save As You Earn (SAYE) scheme								
– Option price of £3.870 per share	2,176	—	—	—	2,176	28 Sep 2023	1 Nov 2025	
– Option price of £6.990 per share	—	1,369	—	—	1,369	19 Sep 2024	1 Nov 2027	
	47,464	1,369	27,202	—	21,631			

REMUNERATION COMMITTEE REPORT CONTINUED

Annual report on remuneration continued

Directors' interests in the equity of Cohort plc continued

Table 2: Directors' share options continued

	At 1 May 2024 Number	Granted Number	Exercised Number	Lapsed/ forfeited Number	At 30 April 2025 Number	Date of grant	Date from which option can be exercised	Exercise period Years
S Walther								
Cohort plc 2016 share option scheme (approved)								
– Option price of £3.900 per share	307	—	—	—	307	10 Aug 2018	11 Aug 2021	7
– Option price of £6.200 per share	4,645	—	—	—	4,645	28 Aug 2020	29 Aug 2023	7
Cohort plc 2016 share option scheme (unapproved)								
– Option price of £3.900 per share	7,397	—	—	—	7,397	10 Aug 2018	11 Aug 2021	7
– Option price of £4.875 per share	5,922	—	—	—	5,922	28 Aug 2019	29 Aug 2022	7
– Option price of £6.200 per share	1,936	—	—	—	1,936	28 Aug 2020	29 Aug 2023	7
– Option price of £5.390 per share	7,569	—	—	—	7,569	16 Aug 2021	16 Aug 2024	7
Save As You Earn (SAYE) scheme								
– Option price of £5.320 per share	1,015	—	—	—	1,015	5 Sep 2022	1 Oct 2025	
– Option price of £3.870 per share	1,665	—	—	—	1,665	28 Sep 2023	1 Nov 2026	
– Option price of £6.990 per share	—	880	—	—	880	19 Sep 2024	1 Nov 2027	
	30,456	880	—	—	31,336			

There are no future performance conditions applying to any of the share option schemes above. The price paid for all share options in the above schemes was nil pence.

Both Andrew Thomis and Simon Walther have participated in the Cohort plc Share Incentive Plan (SIP) which was launched on 1 September 2018. As at 30 April 2025, contributions were made by each of £1,050. This would convert to 76 Cohort plc ordinary shares as at 30 April 2025 based on the closing share price of 1,370.0 pence per share. On 18 October 2024, contributions of £1,800 each were converted to 200 ordinary shares each at 898.0 pence per share.

The terms of the Cohort plc SIP are set out in note 20.

The aggregate amount of gains made by the Directors as a result of exercising share options during the year was £106,484 (2024: £nil).

CEO remuneration as a multiple of the average remuneration of all employees

	2021	2022	2023	2024	2025
Salary	5.58	5.59	5.63	5.95	7.11
Total remuneration	9.31	7.89	8.38	7.23	15.20

Salary includes benefits in kind and retirement allowance. Total remuneration includes all bonuses.

Relative spend on pay

The following table shows actual expenditure of the Group on remuneration of all employees compared with distributions to shareholders and profit retained:

	Number of permanent employees as at 30 April	Total remuneration expenditure £'000	Other expenditure as a percentage of total remuneration			
			Dividends paid to shareholders		Profit retained	
			£'000	%	£'000	%
2025	1,619	93,443	6,476	7	9,666	10
2024	1,309	78,138	5,598	7	11,158	14
2023	1,132	65,682	5,124	8	9,808	15
2022	1,050	59,764	4,684	8	5,308	9
2021	1,005	51,881	4,247	8	1,652	3

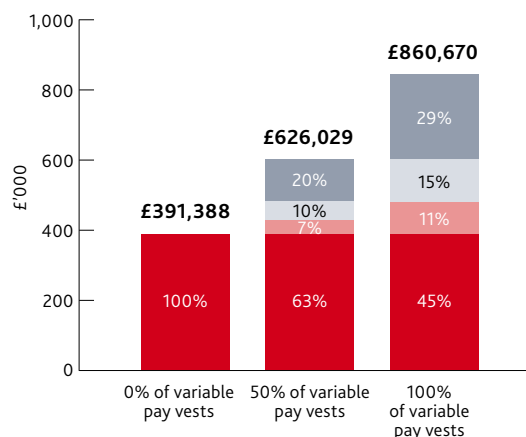
The total shareholder return performance graph is shown in the Corporate governance report.

REMUNERATION COMMITTEE REPORT CONTINUED

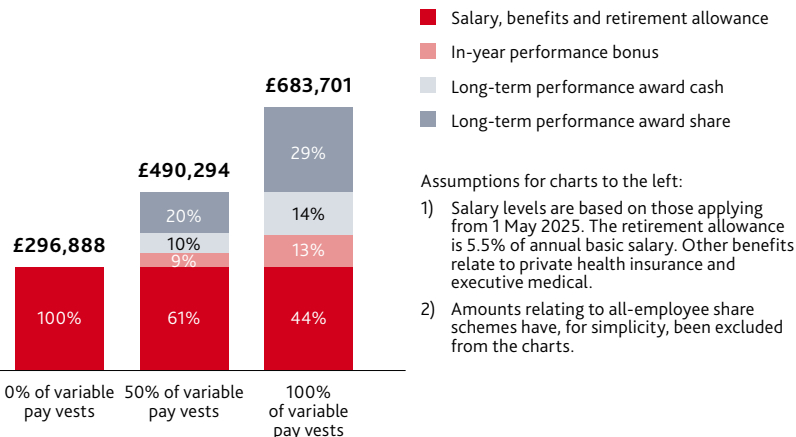
Illustration of the application of the Remuneration Policy

The charts below illustrate how the Policy would function for minimum, 50% of maximum and maximum performance for each Executive Director for the year beginning 1 May 2025. Actual LTIP options vested will be disclosed in the year of vesting once awards crystallise and compared to the maximum potential award.

Chief Executive – Andrew Thomis



Finance Director – Simon Walther

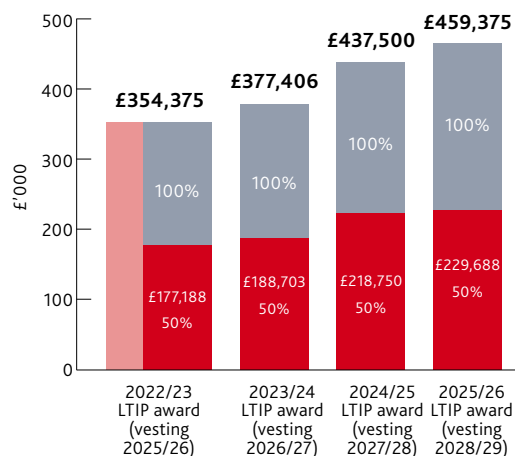


Assumptions for charts to the left:

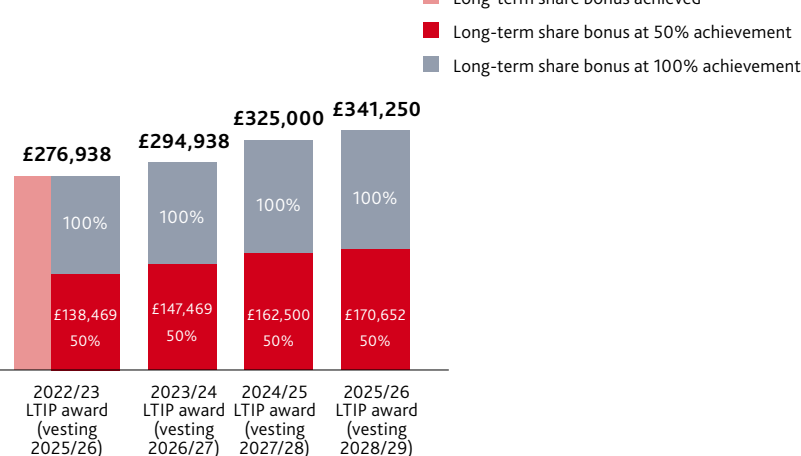
- Salary levels are based on those applying from 1 May 2025. The retirement allowance is 5.5% of annual basic salary. Other benefits relate to private health insurance and executive medical.
- Amounts relating to all-employee share schemes have, for simplicity, been excluded from the charts.

An illustration of proposed and existing LTIPs, is provided below:

Chief Executive – Andrew Thomis



Finance Director – Simon Walther



LTIP targets applicable to Group executives are as follows:

	2021/22 LTIP award (vesting 2024/25)	2022/23 LTIP award (vesting 2025/26)	2023/24 LTIP award (vesting 2025/26)	2024/25 LTIP award (vesting 2026/27)
Vesting conditions				
– Up to 50% based on organic CAGR over 3 years between:	3% to 8%	3% to 8%	3% to 8%	3% to 8%
– Up to 50% based on total CAGR over 3 years between:	3% to 13%	3% to 13%	3% to 13%	3% to 13%
Vesting conditions attained				
– 50.00% based on organic CAGR over 3 years:				17.03%
– 50.00% based on total CAGR over 3 years:				19.09%

DIRECTORS' REPORT

Introduction

The Directors present their report and the audited Group financial statements of Cohort plc for the year ended 30 April 2025. Cohort plc is a company incorporated in and operating from England. Its registered address is One Waterside Drive, Arlington Business Park, Theale, Reading RG7 4SW.

Certain information required for disclosure in this report is provided in other appropriate sections of the Annual Report and Accounts; accordingly, the following sections of the Annual Report and Accounts are incorporated into this Directors' report by reference:

- Strategic report.
- Corporate governance report.
- Audit Committee report.
- Remuneration Committee report.
- Financial review.
- The financial statements together with the notes to those financial statements.

Principal activities

The principal activity of the Company is that of a holding company. The principal activities of the Group are described in our Operating review. The Company's subsidiary undertakings, including those located outside the UK, are listed in note 11 of the financial statements within their respective reporting segments.

Business review

The Strategic report provides a review of the Group's business performance during the year, its strategy and likely future developments, its key performance indicators, and a description of the principal risks and uncertainties facing the business. The Chairman's statement is included in the Strategic report.

As reported in the Financial review, the Group's banking facility has been extended to 18 July 2027. The revolving credit facility (RCF) was for an initial £35m with an option (accordion) which was exercised in November 2024 as part of the acquisition of EM Solutions to draw a further £15m, making a total facility available to the Group of £50.0m of which £33.3m was drawn as at 30 April 2025 and leaving £16.7m available to be drawn. The facility terms are explained in detail in the Strategic report.

Dividends

The Directors recommend a final dividend of 11.05 pence (2024: 10.10 pence) per 10 pence ordinary share which, subject to shareholder approval, is due to be paid on 3 October 2025 to ordinary shareholders on the register on 22 August 2025. Together with the interim dividend of 5.25 pence paid on 18 February 2025, the full dividend for the year will be 16.30 pence (2024: 14.80 pence), an increase of 10% over last year.

Directors and their interests

Brief biographies of the current Directors are set out on pages 52 and 53 (Board of Directors). All current members of the Board were in office throughout the year and up to the date of signing these accounts. Jeff Perrin served on the Board from the start of the year until the conclusion of the 2024 AGM on 24 September 2024. Details of the Directors' interests in the equity of the Company and of the share awards that have been granted to the Executive Directors are disclosed in the Remuneration Committee report.

The Group maintains appropriate insurance cover in respect of legal actions against the Directors, as well as against material loss or claims against the Group, and reviews the adequacy of the cover regularly.

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors during the reporting period and these remain in force at the date of this report.

The Company's rules about the appointment and replacement of Directors, together with the powers of Directors, are contained in the Articles of Association (the Articles) (available on the Company's website, www.cohortplc.com). Changes to the Articles must be approved by special resolution of the shareholders. A copy of the matters reserved for the Board is available on the Company's website (www.cohortplc.com).

Table 1: Information in respect of the Directors of the Company

Disclosure	Report
Directors who served throughout the year	Remuneration Committee report
Directors' election and re-election	Nomination Committee report
Directors' biographies	Board of Directors
Directors' interests	Remuneration Committee report
Directors' share options	Remuneration Committee report

Table 2: Significant shareholdings and voting rights

As at 30 June 2025, the following interests of shareholders in excess of 3% have been notified to the Company:

	Percentage of voting rights and issued share capital %	Number of ordinary shares	Nature of holding
S Carter	19.45	9,085,884	Direct
Canaccord Genuity Wealth Management	5.01	2,338,326	Direct
Schroders Investment Management	3.85	1,800,000	Direct
N Prest	3.84	1,791,738	Direct
Rathbone investment Management	3.78	1,767,221	Direct
Hargreaves Lansdown Asset Management	3.33	1,555,503	Direct

Research and development

During the year ended 30 April 2025 the Group expenditure on research and development, both on behalf of customers and the Group's own private venture expenditure, was £20.2m (2024: £14.8m).

Going concern

The Group's financial statements have been prepared on the going concern basis.

As highlighted in note 15 to the financial statements, the Company meets its day-to-day working capital requirements through a facility which was renewed in July 2022 and extended for a second time in May 2024, out to July 2027. As mentioned elsewhere the re-prioritisation of defence spending within Europe and further afield in the Group's export markets are driving increased demand for the Group's products and the Group is well positioned for future growth.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, and its order book extending out to the mid-2030s show that the Company should be able to operate within the level of its current facility.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

DIRECTORS' REPORT CONTINUED

Capital structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 19. The Company has one class of ordinary shares, each of which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Subject to the provisions of the Company's Articles and the Companies Act 2006, at a general meeting of the Company the Directors may request authority to allot shares and the power to disapply pre-emption rights and the authority for the Company to purchase its own ordinary shares in the market. The Board requests such authority at each Annual General Meeting (AGM). Details of the authorities to be sought at the AGM on 25 September 2025 are set out in the Notice of Annual General Meeting.

Details of employee share schemes are set out in note 20. The Trustee of the Cohort Employee Benefit Trust (EBT) (see note 21) abstains from voting on the Company's shares held on trust and these shares do not receive any dividend.

At 30 April 2025, the EBT held 1,215,927 Cohort plc ordinary shares, 2.60% of the issued share capital (2024: 913,308; 2.20%). The maximum number of shares held at any time in the year ended 30 April 2025 was 1,370,472 (3.29%) of the issued share capital at that time. Shares in Cohort plc are acquired and disposed of by the EBT for the purposes of satisfying employee share options, Share Incentive and Restricted Share Schemes, and the Long Term Incentive Plan, details of which are shown in note 20.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Under its Articles, the Company has authority to issue up to half of its issued shares as new ordinary shares. This approximates to 23.3m shares at 30 April 2025.

Change of control

There are a number of agreements entered into in the normal course of business by the Company or by its subsidiaries that may take effect, alter or terminate upon a change of control of the Company or the relevant subsidiary including commercial contracts; the Group's banking facility agreement; property lease arrangements; and employee share plans. In addition, the National Security and Investment Act 2021 provides the UK Government with new powers to scrutinise and potentially make void transactions in the defence and other sectors on the grounds of national security.

The following agreements are those individual agreements which the Company considers to be significant to the Group as a whole that contain provisions giving the other party a specific right to terminate them if the Company is subject to a change of control:

- SEA's contract with the UK's Ministry of Defence to provide Electronic Warfare Countermeasures Increment 1a (EWCM 1a) to the Royal Navy entered into in March 2024. Termination of this contract would also have an impact on Chess which is supplying technology and hardware;
- ELAC SONAR's contracts to provide the sonar system for a new build submarine programme for the Italian Navy entered into in July 2021 with a follow-on contract awarded in December 2023; and
- EM Solution's contracts for SATCOM systems with the Royal Australian Navy and its NATO customers.

In addition, there are contracts across the Group entered into with the same customer(s) that are not considered to be significant to the Group on their own; however, if, upon a change of control, such a customer decided to terminate all of its agreements with Group companies, the aggregate impact could be material.

The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid, other than those disclosed in the Remuneration Committee report.

International Financial Reporting Standards (IFRS)

The Group and parent company's reported results for the year ended 30 April 2025 are prepared in accordance with UK adopted International Accounting Standards (IFRS). Information about the use of financial instruments by the Company and its subsidiaries is given in note 18 to the financial statements.

Non-current assets

There is no material difference between the book value and current open market value of the Group's interests in land and buildings.

Employee consultation

Details of our engagement with employees and how the Directors have considered their interests throughout the year are set out in Stakeholder engagement and the Sustainability report.

Disabled employees

The policy of the Group is to offer the same opportunities to disabled people as to all others in respect of recruitment and career advancement, provided their disability does not prevent them from carrying out their required duties. Employees who become disabled will, wherever possible, be retained, rehabilitated and, where necessary, retrained.

Donations

During the year ended 30 April 2025 the Group made charitable donations of £38,000 (2024: £24,000), mainly in respect of military and local charities. The Group made no political donations during the year (2024: £nil).

Environment

The Company is required to disclose its UK energy use and associated greenhouse gas emissions (GHG) under the Streamlined Energy and Carbon Reporting (SECR) Regulations. Details of our report are set out in our Sustainability report. This is the fifth year that the Company has undertaken a GHG emissions assessment to comply with SECR. This year, Cohort is building on the disclosures previously made on Climate-related Financial Disclosures by making a disclosure in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022 (CFD). This is included in our Strategic report.

Post balance sheet event

On 30 June 2025 SEA sold its Transport business (note 31).

Provision of information to the auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

RSM UK Audit LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming AGM.

Approved by the Board of Directors on 29 July 2025 and signed by order of the Board:

Raquel McGrath
Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in respect of the Annual Report and financial statements

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with UK adopted International Accounting Standards (IFRS) and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'.

The Group financial statements are required by law and accounting standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position and performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of the Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK adopted International Accounting Standards (IFRS);
- for the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Cohort plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Strategic report and the Statement of directors' responsibilities are approved on behalf of the Board on 29 July 2025.

Andrew Thomis

Chief Executive

Simon Walther

Finance Director

INDEPENDENT AUDITOR'S REPORT

to the members of Cohort plc

Opinion

We have audited the financial statements of Cohort plc (the parent company) and its subsidiaries (the Group) for the year ended 30 April 2025 which comprise the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated and Company statement of financial position, Consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 April 2025 and of the Group's profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	Group <ul style="list-style-type: none">• Revenue and margin recognition on long-term contracts• EM Solutions acquisition accounting• Goodwill impairment
	Parent company <ul style="list-style-type: none">• Impairment of investments in subsidiaries
Materiality	Group <ul style="list-style-type: none">• Overall materiality: £1,370,000 (2024: £1,050,000)• Performance materiality: £1,020,000 (2024: £787,500)
	Parent company <ul style="list-style-type: none">• Overall materiality: £500,000 (2024: £400,000)• Performance materiality: £375,000 (2024: £300,000)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 99% of adjusted operating profit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group and parent company 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 Group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Cohort plc

Key audit matters continued

Revenue recognition

Key audit matter description Revenue is recognised in the financial statements as the Group satisfies its performance obligations by transferring goods and services to customers.

The Group's revenue and profit recognition accounting policy is disclosed on pages 120 to 122 in the notes to the financial statements with related critical accounting judgements and key sources of estimation uncertainty disclosed on page 124.

The Group applies judgement when assessing contractual obligations as point in time (type 1), over time service (type 2) and over time (type 3).

Revenue and margin recognition has been identified as a key audit matter for ongoing type 3 contracts due to the higher level of judgement and estimation uncertainty required in recognising revenue over time as performance obligations are satisfied based on input costs and estimated costs to complete, which are used to ascertain the profit margin to be recognised.

How the matter was addressed in the audit Our work included:

- attendance at year-end project contract status review meetings for relevant components to understand the reporting process and the levels of challenge applied by management;
- selecting a risk-based sample of ongoing type 3 contracts. Our sample selection focused on the larger revenue contracts in the year together with those contracts with large contract asset or contract liability balances at the year end;
- for our sample of ongoing type 3 contracts, we focused on:
 - understanding and challenging the model of accounting and checking the mathematical accuracy of the model;
 - corroborating inputs, such as contract details and a sample of costs to date to supporting documentation;
 - checking the appropriate classification and calculation of the year-end contract asset or liability balance;
 - assessing whether the contract is correctly allocated as a type 3 contract and that relevant aspects of the contract are accurately allocated to type 1 and/or type 2;
 - discussing and challenging the status of projects, including estimates of costs to complete and cost contingencies at meetings with project managers and/or, where relevant, other management within the Group;
 - reviewing post-year-end management information to assess reasonableness of year-end assumptions; and
 - considering whether there were any indicators of management override of controls or bias in arriving at its reported position, including a stand back assessment of the contract position;
- for a sample of type 3 contracts completed during the year, performing a retrospective review to assess the accuracy of prior year management estimates;
- using data analytics procedures to understand the Group's sales cycle for all contract types and investigating and corroborating any outliers from our expectations; and
- reviewing and auditing the disclosures in the financial statements, including checking accuracy and considering completeness.

EM Solutions fair value acquisition accounting

Key audit matter description In January 2025, the Group completed the acquisition of EM Solutions Pty Limited for an aggregate purchase price of AU\$159m (£80.3m). The acquisition has been accounted for as a business combination under IFRS 3 'Business Combinations' as explained in note 30 to the financial statements with the related key sources of judgement and estimation uncertainty disclosed on page 124.

The purchase price was allocated to the assets acquired and liabilities assumed based on their respective fair values in accordance with IFRS 3 'Business Combinations'. The purchase price allocation (PPA) assessment involves both management judgement and the use of forward-looking estimates. Management engaged an external expert to assist in the preparation of the PPA assessment.

Due to the significance of the estimates and judgements associated with the fair value accounting acquisition and quantum of the goodwill (£27.1m) and other intangible assets (£48.8m) recognised in the consolidated financial statements, we consider this is a key audit matter.

How the matter was addressed in the audit To respond to this key audit matter, we completed the following procedures:

- We obtained an understanding of the transaction via enquiries of management and evaluation of the signed purchase agreement;
- We assessed whether the accounting treatment applied was in accordance with the requirements of IFRS 3 'Business Combinations' and was consistent with the underlying terms of the purchase agreement;
- We obtained an understanding of the process adopted by management to derive the fair value of consideration and acquired assets and liabilities and the relevant controls in place;
- We critically assessed the capabilities, competence and objectivity of management's expert engaged for the PPA assessment;
- With involvement of our valuation specialists, we:
 - Evaluated the reasonableness of the valuation methodologies applied and the conclusions in the report of management's expert; and
 - Evaluated the reasonableness of significant assumptions including the discount rate and long-term revenue growth rates used to estimate the present value of future customer relationships and technology asset;
- We tested the mechanical accuracy of the valuation models;
- We recalculated the measurement of goodwill based upon the consideration transferred, the assets acquired, and liabilities assumed; and
- We assessed the presentation and disclosure of the business combination including the accounting estimates and judgements.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Cohort plc

Key audit matters continued

Goodwill impairment (Group) and impairment of investments in subsidiaries (parent company)

Key audit matter description The Group has a goodwill balance of £76.6m (2024: £50.1m) which is subject to annual impairment review as described in note 9 to the financial statements with the key sources of estimation uncertainty disclosed on page 124.

Management assesses goodwill for impairment using discounted cash flow (DCF) models to estimate the value in use of the Group's cash-generating units (CGUs) and compare this to the carrying values of the CGU.

The parent company holds investments in subsidiaries at £129.5m (2024: £87.7m) as set out in note 11 to the financial statements.

The DCF models are also used to assess whether there has been any impairment in value of the investments in subsidiaries.

As explained in note 9 to the financial statements, the value-in-use calculations require a number of estimates. Due to the significance of these estimates and the quantum of the goodwill and investments in subsidiaries, this has been determined to be a key audit matter.

How the matter was addressed in the audit

Our work included:

- obtaining the management impairment review paper and the supporting accounting model (including sensitivity analysis) together with details of estimates and assumptions;
- understanding and challenging the key assumptions used by management in their impairment review;
- checking the mathematical accuracy of the model and corroborating inputs, where possible, to supporting documentation and checking the consistency of the model (and assumptions) with information obtained elsewhere during the audit;
- reviewing current year actual financial performance and comparing it to the prior year's budget to identify potential indicators of impairment and to assess the reliability of management's forecasting process;
- using internal valuation experts to assess the reasonableness of the discount rate applied by management in the model;
- challenging management's sensitivity analysis and assessing whether it is appropriate in the current economic environment; and
- reviewing and auditing the disclosures in the financial statements, including checking accuracy and considering completeness.

Our application of materiality

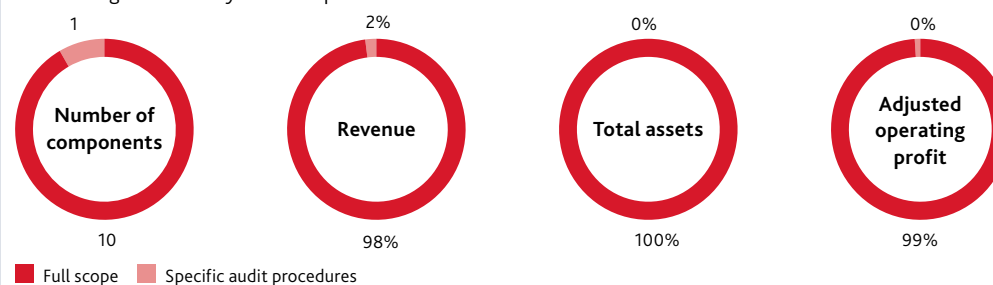
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£1,370,000 (2024: £1,050,000)	£500,000 (2024: £400,000)
Basis for determining overall materiality	5% (2024: 5%) of adjusted operating profit	8% of operating expenses (2024: 9% of operating expenses)
Rationale for benchmark applied	Adjusted operating profit is the key benchmark against which the business is assessed by management and investors.	Operating expenses is a constituent of Group adjusted operating profit, so it is the key benchmark for management and investors.
Performance materiality	£1,020,000 (2024: £787,500)	£375,000 (2024: £300,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £68,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £25,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The Group consists of ten components, seven of which are based in the UK, one in Canada, one in Portugal, one in Germany and one in Australia.

The coverage achieved by our audit procedures was:



Of the above, full scope audits for three components were undertaken by component auditors.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Cohort plc

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. Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the going concern model prepared by management, including the inputs and assumptions, and the review and approval process by the Board;
- testing the mathematical accuracy of the model and agreement of relevant inputs to Board approved budgets and forecasts;
- reviewing the Board approved budgets and forecasts for the period to 30 April 2028 and challenging key assumptions, including:
 - comparing forecast revenue with the Group's order book and historical performance;
 - evaluating the historical accuracy of forecasts;
 - assessing the sensitivity of the available headroom on bank facilities and related covenants and the Group's cash; and
 - reviewing post-year-end trading in comparison to the forecasts; and
- reviewing and challenging the going concern disclosures in the financial statements.

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 or the parent company's ability to continue as a going concern for a period of at least 12 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.

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 the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 72, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Cohort plc

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the Group and parent company operate in and how the Group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our audit approach.

The most significant laws and regulations were determined as follows:

Legislation/regulation	Additional audit procedures performed by the Group audit engagement team and component auditors included:
UK adopted International Accounting Standards, the Companies Act 2006, Financial Reporting Standard 101 and the AIM rules	Review of the financial statement disclosures and testing to supporting documentation. Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Review of tax computations and related advice received from external tax advisers.
Anti-bribery and corruption legislation and cyber risk and data security regulations	Discussions held with those charged with governance and enquiries of management as to whether there have may been any non-compliance with laws and regulations that may materially impact the Group.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Cohort plc

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

The extent to which the audit was considered capable of detecting irregularities, including fraud continued

In addition to the key audit matters set out above, the other areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	<p>Testing the appropriateness of journal entries and other adjustments.</p> <p>Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.</p> <p>Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.</p>
Revenue recognition – point in time (type 1) and over time service (type 2)	<p>Using data analytics procedures to understand the Group's sales cycle for all contract types and investigating and corroborating any outliers from our expectations.</p> <p>For a sample of transactions, in the identified cut-off period, verifying that revenue had been recognised in the correct reporting period.</p>
Recoverability of trade receivable and contract assets	<p>Selecting a sample of trade receivables and contract assets and corroborating to supporting documentation and checking recoverability after the year end.</p> <p>Reviewing the ageing of receivables and obtaining explanations for a sample of aged debts that have not been provided for or recovered since the year end and challenging key assumptions, corroborating where appropriate.</p> <p>Reviewing the contract asset balances and obtaining explanations for a sample of old balances that have not been provided for or recovered since the year end, challenging key assumptions, corroborating where appropriate, and checking for any inconsistencies with our revenue recognition work.</p> <p>Selecting a sample of provisions posted in the year, especially those near the year end, and challenging management to identify any excessive provisions.</p>

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

Use of our report

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

Richard Coates (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
29 July 2025

CONSOLIDATED INCOME STATEMENT

for the year ended 30 April 2025

	Notes	2025 £'000	2024 £'000
Revenue	1	270,043	202,533
Cost of sales		(179,618)	(126,260)
Gross profit		90,425	76,273
Administrative expenses		(64,323)	(55,086)
Operating profit	1	26,102	21,187
Comprising:			
Adjusted operating profit	1	27,475	21,141
Amortisation of other intangible assets (included in administrative expenses)	9	(3,032)	(3,121)
Research and development expenditure credits (RDEC) (included in cost of sales)		3,255	2,870
Credit on forward exchange contracts and loans (included in cost of sales)	18	138	297
Exceptional items (included in administrative expenses)			
Cost of acquisition of EM Solutions	30	(1,635)	—
Cost of acquisition of ITS	29	(99)	—
		26,102	21,187
Finance income	4	1,125	500
Finance costs	5	(1,599)	(1,863)
Profit before tax		25,628	19,824
Income tax charge	6	(6,008)	(4,532)
Profit for the year	3	19,620	15,292
Attributable to:			
Equity shareholders of the parent		19,249	15,316
Non-controlling interests		371	(24)
		19,620	15,292
Earnings per share		Pence	Pence
Basic	8	45.07	37.87
Diluted	8	44.25	37.72

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2025

	2025 £'000	2024 £'000
Profit for the year	19,620	15,292
Items which may be subsequently reclassified to profit or loss:		
Foreign currency translation differences on net assets of overseas subsidiaries	(5,502)	(450)
Items that will not be subsequently reclassified to profit and loss:		
Changes in retirement benefit obligations	1,827	(426)
Other comprehensive expense for the period, net of tax	(3,675)	(876)
Total comprehensive income for the year	15,945	14,416
Attributable to:		
Equity shareholders of the parent	15,625	14,463
Non-controlling interests	320	(47)
	15,945	14,416

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2025

Group	Attributable to the equity shareholders of the parent						Non-controlling interests £'000	Total equity £'000
	Share capital £'000	Share premium account £'000	Own shares £'000	Share option reserve £'000	Retained earnings £'000	Total £'000		
At 1 May 2023	4,146	31,484	(3,601)	2,116	62,876	97,021	2,757	99,778
Profit/(loss) for the year	—	—	—	—	15,316	15,316	(24)	15,292
Other comprehensive income for the year	—	—	—	—	(853)	(853)	(23)	(876)
Total comprehensive income/(expense) for the year	—	—	—	—	14,463	14,463	(47)	14,416
Transactions with owners of Group and non-controlling interests, recognised directly in equity								
Issue of new shares	15	673	—	—	—	688	—	688
Equity dividends	—	—	—	—	(5,598)	(5,598)	—	(5,598)
Vesting of Restricted Shares	—	—	—	—	209	209	—	209
Own shares purchased	—	—	(1,917)	—	—	(1,917)	—	(1,917)
Own shares settled	—	—	802	—	—	802	—	802
Net loss on settling own shares	—	—	147	—	(147)	—	—	—
Adjustment to non-controlling interest	—	—	—	—	1,544	1,544	(1,544)	—
Share-based payments	—	—	—	1,278	—	1,278	—	1,278
Deferred tax adjustment in respect of share-based payments	—	—	—	184	—	184	—	184
Transfer of share option reserve on vesting of options	—	—	—	(719)	719	—	—	—
At 30 April 2024	4,161	32,157	(4,569)	2,859	74,066	108,674	1,166	109,840
Profit for the year	—	—	—	—	19,249	19,249	371	19,620
Other comprehensive expense for the year	—	—	—	—	(3,624)	(3,624)	(51)	(3,675)
Total comprehensive income for the year	—	—	—	—	15,625	15,625	320	15,945
Transactions with owners of Group and non-controlling interests, recognised directly in equity								
Issue of new shares	507	40,797	—	—	—	41,304	—	41,304
Equity dividends	—	—	—	—	(6,476)	(6,476)	—	(6,476)
Vesting of Restricted Shares	—	—	—	—	133	133	—	133
Own shares purchased	—	—	(3,998)	—	—	(3,998)	—	(3,998)
Own shares settled	—	—	889	—	—	889	—	889
Net loss on settling own shares	—	—	267	—	(267)	—	—	—
Share-based payments	—	—	—	1,375	—	1,375	—	1,375
Deferred tax adjustment in respect of share-based payments	—	—	—	1,080	—	1,080	—	1,080
Transfer of share option reserve on vesting of options	—	—	—	(651)	651	—	—	—
At 30 April 2025	4,668	72,954	(7,411)	4,663	83,732	158,606	1,486	160,092

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2025

Company	Share capital £'000	Share premium account £'000	Own shares £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
At 1 May 2023	4,146	31,484	(3,601)	2,116	31,553	65,698
Profit for the year	—	—	—	—	13,207	13,207
Transactions with owners of the Company, recognised directly in equity						
Issue of new shares	15	673	—	—	—	688
Equity dividends	—	—	—	—	(5,598)	(5,598)
Vesting of Restricted Shares	—	—	—	—	209	209
Own shares purchased	—	—	(1,917)	—	—	(1,917)
Own shares settled	—	—	802	—	—	802
Net loss on settling own shares	—	—	147	—	(147)	—
Share-based payments	—	—	—	1,278	—	1,278
Deferred tax adjustment in respect of share-based payments	—	—	—	184	—	184
Transfer of share option reserve on vesting of options	—	—	—	(719)	719	—
At 30 April 2024	4,161	32,157	(4,569)	2,859	39,943	74,551
Profit for the year	—	—	—	—	20,185	20,185
Transactions with owners of the Company, recognised directly in equity						
Issue of new shares	507	40,797	—	—	—	41,304
Equity dividends	—	—	—	—	(6,476)	(6,476)
Vesting of Restricted Shares	—	—	—	—	133	133
Own shares purchased	—	—	(3,998)	—	—	(3,998)
Own shares settled	—	—	889	—	—	889
Net loss on settling own shares	—	—	267	—	(267)	—
Share-based payments	—	—	—	1,375	—	1,375
Deferred tax adjustment in respect of share-based payments	—	—	—	186	—	186
Transfer of share option reserve on vesting of options	—	—	—	(651)	651	—
At 30 April 2025	4,668	72,954	(7,411)	3,769	54,169	128,149

The reserves of the Group and the Company are described in note 22.

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 April 2025

	Notes	Group		Company	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Assets					
Non-current assets					
Goodwill	9	76,600	50,145	—	—
Other intangible assets	9	49,087	2,848	—	—
Right of use asset	10a	9,688	7,818	284	374
Property, plant and equipment	10b	31,009	19,370	43	58
Investment in subsidiaries	11	—	—	129,466	87,663
Amounts due from subsidiaries		—	—	64,529	17,859
Deferred tax assets	17	4,745	2,543	907	386
Restricted cash	15	3,198	—	—	—
		174,327	82,724	195,229	106,340
Current assets					
Inventories	12	52,081	33,310	—	—
Trade and other receivables	13	88,984	79,377	1,460	1,051
Current tax assets		6,495	1,823	—	—
Derivative financial instruments	18	45	105	—	—
Cash and cash equivalents	15	74,646	55,157	—	—
		222,251	169,772	1,460	1,051
Total assets		396,578	252,496	196,689	107,391
Liabilities					
Current liabilities					
Trade and other payables	14	(126,579)	(80,967)	(5,116)	(5,523)
Current tax liabilities		(3,708)	(2,150)	—	(178)
Derivative financial instruments	18	(190)	(399)	—	—
Lease liability	10a	(2,313)	(1,781)	(118)	(117)
Bank borrowings	15	(36,986)	(15,490)	(30,714)	(10,225)
Provisions	16	(6,441)	(8,914)	—	—
		(176,217)	(109,701)	(35,948)	(16,043)

	Notes	Group		Company	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-current liabilities					
Deferred tax liabilities	17	(13,450)	(887)	—	—
Lease liability	10a	(7,166)	(6,708)	(182)	(267)
Bank borrowings	15	(32,410)	(16,530)	(32,410)	(16,530)
Provisions	16	(4,054)	(3,204)	—	—
Retirement benefit obligations	26	(3,189)	(5,626)	—	—
		(60,269)	(32,955)	(32,592)	(16,797)
Total liabilities		(236,486)	(142,656)	(68,540)	(32,840)
Net assets		160,092	109,840	128,149	74,551
Equity					
Share capital	19	4,668	4,161	4,668	4,161
Share premium account		72,954	32,157	72,954	32,157
Own shares	21	(7,411)	(4,569)	(7,411)	(4,569)
Share option reserve		4,663	2,859	3,769	2,859
Retained earnings		83,732	74,066	54,169	39,943
Total equity attributable to the equity shareholders of the parent		158,606	108,674	128,149	74,551
Non-controlling interests		1,486	1,166	—	—
Total equity		160,092	109,840	128,149	74,551

The accompanying notes form part of the financial statements.

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 parent company's profit after tax was £20,185,000 (2024: £13,207,000).

The financial statements on pages 79 to 125 were approved by the Board of Directors and authorised for issue on 29 July 2025 and are signed on its behalf by:

Andrew Thomis
Chief Executive

Simon Walther
Finance Director

Company number
05684823

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 April 2025

	Notes	Group	
		2025 £'000	2024 £'000
Net cash inflow from operating activities	23	51,184	23,017
Cash flows from investing activities			
Interest received		1,125	500
Purchases of property, plant and equipment	10b	(13,182)	(6,659)
Payment for acquisition of subsidiaries, net of cash acquired	29, 30	(81,589)	—
Net cash used in investing activities		(93,646)	(6,159)
Cash flows from financing activities			
Issue of new shares		2,058	688
Share placement net of associated transaction costs		39,246	—
Dividends paid	7	(6,476)	(5,598)
Purchase of own shares	21	(3,998)	(1,917)
Settlement of own shares	21	889	802
Drawdown of borrowings	15	16,780	—
Repayment of borrowings	15	—	(9,000)
Repayment of lease liabilities	10a	(2,317)	(1,892)
Net cash from/(used in) financing activities		46,182	(16,917)
Net increase/(decrease) in cash and cash equivalents		3,720	(59)
Represented by:			
Cash and cash equivalents brought forward		39,667	41,454
Net increase/(decrease) in cash and cash equivalents		3,720	(59)
Foreign exchange loss		(4,876)	(1,728)
Cash and cash equivalents carried forward		38,511	39,667

	At 1 May 2024 £'000	Effect of foreign exchange rate changes £'000	Cash flow £'000	At 30 April 2025 £'000
Net funds reconciliation				
Group				
Cash and bank	55,157	(4,876)	24,365	74,646
Bank overdrafts	(15,490)	—	(20,645)	(36,135)
Cash and cash equivalents	39,667	(4,876)	3,720	38,511
Loan	(16,530)	49	(16,780)	(33,261)
Net funds	23,137	(4,827)	(13,060)	5,250

Cash and cash equivalents comprise cash held by the Group, short-term bank deposits and bank overdrafts with a maturity at commencement of three months or less. The carrying amounts of these assets approximate to their fair value.

Net funds exclude IFRS 16 lease liabilities (note 10a).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2025

1. Segmental analysis

For management and reporting purposes, the Group, during the year ended 30 April 2025, operated through its two trading divisions: Communications and Intelligence, and Sensors and Effectors. These divisions are the basis on which the Company reports its primary business segment information in accordance with IFRS 8. Whilst each division internally reports by reference to the sectors it sells to, these are considered by the Board to have similar economic characteristics in terms of the nature of the services and their customer base and therefore disaggregated information is not regularly reported to the Board. On this basis, the Board, which is deemed to be the chief operating decision maker, considers each trading division a separate reporting segment.

The principal activities of the trading subsidiaries are described in the Strategic report.

All are UK operations with the exception of EID, which is based in Portugal; EM Solutions, which is based in Australia; and ELAC SONAR, which is based in Germany. All operations are continuing. Inter-segment sales are charged at arm's length rates.

Unallocated corporate expenses are the costs of the Cohort plc head office including the remuneration of the Cohort plc Board.

Business segment information about these divisions is presented below:

	Communications and Intelligence £'000	Sensors and Effectors £'000	Eliminations and Central £'000	Group £'000
2025				
Revenue				
External revenue	124,891	145,152	—	270,043
Inter-segment revenue	75	238	(313)	—
	124,966	145,390	(313)	270,043
Adjusted operating profit	21,095	12,654	(6,274)	27,475
(Charge)/credit on forward exchange contracts and bank loans (included in cost of sales)	(124)	189	73	138
Costs of acquisition of EM Solutions	(1,635)	—	—	(1,635)
Costs of acquisition of ITS	(99)	—	—	(99)
Amortisation of other intangible assets	(1,893)	(1,139)	—	(3,032)
Research and development expenditure credits (RDEC)	564	2,691	—	3,255
Operating profit	17,908	14,395	(6,201)	26,102
Finance cost (net of income)	(380)	(1,061)	967	(474)
Profit before tax	17,528	13,334	(5,234)	25,628
Income tax charge				(6,008)
Profit after tax				19,620
2025				
Other information				
Capital additions	3,439	11,652	13	15,104
Depreciation of property, plant and equipment	1,303	2,126	27	3,456
Depreciation of right of use assets	704	1,530	114	2,348

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

1. Segmental analysis continued

2025	Australia £'000	Portugal £'000	Germany £'000	UK £'000	Group £'000	Communications and Intelligence £'000	Sensors and Effectors £'000	Eliminations £'000	Group £'000
Balance sheet									
Assets									
Segment assets	29,567	26,370	42,122	86,946	185,005	82,079	118,089	(15,163)	185,005
Goodwill and other intangible assets	71,452	2,254	8,788	43,193	125,687	91,244	34,443	—	125,687
Current tax asset									6,495
Deferred tax asset									4,745
Cash									74,646
Consolidated total assets	101,019	28,624	50,910	130,139	310,692	173,323	152,532		396,578
Liabilities									
Segment liabilities	(13,281)	(21,202)	(30,700)	(84,748)	(149,931)	(56,680)	(108,728)	15,477	(149,931)
Current tax liability									(3,708)
Deferred tax liability									(13,451)
Bank borrowings									(69,396)
Consolidated total liabilities	(13,281)	(21,202)	(30,700)	(84,748)	(149,931)	(56,680)	(108,728)		(236,486)

The above figures include 100% of EID. The non-controlling interest of 20.00% is reported separately in the income statement and Group reserves.

2024	Communications and Intelligence £'000	Sensors and Effectors £'000	Eliminations and Central £'000	Group £'000
Revenue				
External revenue	82,929	119,604	—	202,533
Inter-segment revenue	453	885	(1,338)	—
	83,382	120,489	(1,338)	202,533
Adjusted operating profit	12,842	12,787	(4,488)	21,141
Credit/(charge) on forward exchange contracts and bank loans (included in cost of sales)	225	140	(68)	297
Amortisation of other intangible assets	(99)	(3,022)	—	(3,121)
Research and development expenditure credits (RDEC)	539	2,331	—	2,870
Operating profit	13,507	12,236	(4,556)	21,187
Finance cost (net of income)	(75)	(676)	(612)	(1,363)
Profit before tax	13,432	11,560	(5,168)	19,824
Income tax charge				(4,532)
Profit after tax				15,292

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

1. Segmental analysis continued

2024 Other information	Communications and Intelligence £'000	Sensors and Effectors £'000	Central £'000	Group £'000
Capital additions	1,035	5,573	51	6,659
Depreciation of property, plant and equipment	712	1,881	55	2,648
Depreciation of right of use assets	482	1,359	111	1,952

2024 Balance sheet	Portugal £'000	Germany £'000	UK £'000	Group £'000	Communications and Intelligence £'000	Sensors and Effectors £'000	Eliminations £'000	Group £'000
Assets								
Segment tangible assets	14,751	30,045	95,184	139,980	33,010	109,049	(2,079)	139,980
Goodwill and other intangible assets	2,265	9,929	40,799	52,993	17,163	35,830	—	52,993
Current tax asset								1,823
Deferred tax asset								2,543
Cash								55,157
Consolidated total assets	17,016	39,974	135,985	192,973	50,173	144,879		252,496
Liabilities								
Segment liabilities	(14,664)	(18,987)	(73,948)	(107,599)	(29,373)	(76,743)	(1,483)	(107,599)
Current tax liability								(2,150)
Deferred tax liability								(887)
Bank borrowings								(32,020)
Consolidated total liabilities	(14,664)	(18,987)	(73,948)	(107,599)	(29,373)	(76,743)		(142,656)

The above figures include 100% of EID. The non-controlling interest of 20.00% is reported separately in the income statement and Group reserves.

For the purposes of monitoring segment performance and allocating resource between segments, the Group's Chief Executive monitors the tangible, intangible and financial assets attributable to each segment.

All assets and liabilities are allocated to reportable segments with the exception of central cash and bank borrowings, current tax and deferred tax assets and liabilities.

Goodwill and other intangible assets are allocated to reportable segments as analysed in note 9.

Geographical segments

For an analysis of the Group's revenue by geographical location of the customer, please refer to the "Revenue by market and geography" table in the Financial review (page 20).

All Group assets, tangible and intangible, are located in the UK with the exceptions of EID, which is located in Portugal; ELAC SONAR, which is based in Germany; and EM Solutions, which is based in Australia.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

1. Segmental analysis continued

Market segments

The Group's revenue by market sector is as follows:

	2025 %	2024 %
Maritime	53%	48%
Land	28%	30%
Cyber and Information	2%	2%
Air and Space	6%	5%
Joint and Strategic	5%	10%
Other	6%	5%
	100%	100%

For an analysis of the Group's total revenue, broken down by type of deliverable, please refer to the "Revenue by type of deliverable" table in the Financial review (page 20).

Product includes bespoke product, customised systems and sub-systems and is hardware and/or software. Services include operational support and training.

Further information on revenue by market segment and capability can be found in the Strategic report.

Revenue by IFRS 15 classification

	Year ended 30 April 2025		Year ended 30 April 2024	
	£m	%	£m	%
Point in time	141.6	52%	148.4	73%
Over time	128.4	48%	54.1	27%
Total revenue	270.0	100%	202.5	100%

Major customers

Revenue from major customers included in the Group's business segments for the year ended 30 April 2025 is as follows:

	2025					2024				
	UK MOD £'000	Portuguese MOD £'000	BAE Systems £'000	Leonardo £'000	New Zealand MOD £'000	UK MOD £'000	Portuguese MOD £'000	BAE Systems £'000	NDMA £'000	New Zealand MOD £'000
Communications and Intelligence	77,524	17,593	1,895	—	—	58,016	10,334	—	—	—
Sensors and Effectors	17,765	—	20,029	16,778	11,306	10,719	—	11,425	6,277	8,888
	95,289	17,593	21,924	16,778	11,306	68,735	10,334	11,425	6,277	8,888

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

2. Employee benefit expense (including Directors)

	2025 £'000	2024 £'000
Wages and salaries	75,509	64,081
Social security costs	9,943	8,114
Retirement benefit obligations (see note 26):		
Defined contribution schemes	4,753	3,401
Defined benefit scheme	241	223
Long-term incentive payments	2,997	2,319
	93,443	78,138

Average number of employees (including Directors)

	2025 Number	2024 Number
Engineering and production	1,022	755
Managed services	113	110
Total operational	1,135	865
Administration and support	434	368
	1,569	1,233

The above disclosures include Directors. Directors' emoluments and share option details are disclosed separately in the Remuneration Committee report, where the relevant disclosures have been highlighted as audited (page 62).

3. Profit for the year

The profit for the year has been arrived at after charging/(crediting):

	Notes	2025 £'000	2024 £'000
Net foreign exchange gains	18	(138)	(297)
Research and development costs		20,066	14,807
Depreciation of property, plant and equipment	10b	3,199	2,648
Depreciation of right of use assets	10a	2,272	1,952
Amortisation of other intangible assets	9	3,032	3,121
Cost of inventories recognised as expenses		96,025	67,858
Staff costs (excluding long-term incentive payments)	2	90,446	75,819
Long-term incentive payments	2	2,997	2,319

The fees payable to the auditor for audit and non-audit services are disclosed in the Audit Committee report, where the relevant disclosures have been highlighted as audited (page 60).

4. Finance income

	2025 £'000	2024 £'000
Interest on bank deposits	1,125	500

All finance income is in respect of continuing operations.

5. Finance costs

	2025 £'000	2024 £'000
Loans	1,103	1,420
Interest paid on lease liabilities (see note 10a)	334	284
Retirement benefit obligations (see note 26)	162	159
	1,599	1,863

All finance costs are in respect of continuing operations.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

6. Income tax charge

	2025 £'000	2024 £'000
Current tax charge/(credit):		
UK corporation tax: in respect of this year	6,587	6,388
UK corporation tax: in respect of prior years	(377)	(252)
Australia corporation tax: in respect of this year	448	—
Germany corporation tax: in respect of this year	351	528
Germany corporation tax: in respect of prior years	—	(354)
Portugal corporation tax: in respect of this year	(298)	(442)
Portugal corporation tax: in respect of prior years	(10)	—
Other foreign corporation tax: in respect of this year	(4)	—
	6,697	5,868
Deferred tax charge/(credit):		
In respect of this year	270	(1,292)
In respect of prior years	(959)	(44)
	(689)	(1,336)
	6,008	4,532

The corporation tax is calculated at 25.0% (2024: 25.0%) of the estimated taxable profit for the year, as disclosed to the right.

The deferred tax includes a credit of £647,000 in respect of amortisation of other intangible assets (2024: £852,000), and a charge of £16,000 (2024: £74,000) in respect of marking forward exchange contracts to market at the year end. The deferred tax is further explained in note 17.

The tax charge for the year is reconciled to profit per the Consolidated income statement for the year ended 30 April 2025 as follows:

	2025 £'000	2024 £'000
Profit before tax on continuing operations	25,628	19,824
Tax at the UK corporation tax rate of 25.0% (2024: 25.0%)	6,407	4,956
Tax effect of expenses/credits that are not deductible/are deductible in determining taxable profit	(204)	237
Tax effect of R&D tax credits in Portugal	(695)	(515)
Tax effect of exceptional items that are not recognised in determining taxable profit	353	—
Tax effect of other timing differences not reflected in deferred tax	1,300	734
Tax effect of net impact of statutory deduction for share options exercised	43	(157)
Tax effect of foreign tax rates	224	115
Tax effect of deferred tax movement on share options to be exercised	(74)	(188)
Tax effect of other prior year adjustments	(1,346)	(650)
Tax charge for the year	6,008	4,532

The UK corporation tax for the year ended 30 April 2025 is 25.0% (2024: 25.0%). The Portuguese corporation tax rate calculated for the year ended 30 April 2025 is 31.0% (2024: 31.0%) and the German corporation tax rate calculated for the year ended 30 April 2025 is 31.6% (2024: 31.6%). The Australian corporation tax rate for the year ended 30 April 2025 is 30.0% (2024: not applicable).

In addition, a deferred tax credit of £1,080,000 (2024: credit of £187,000) was recognised directly in equity in respect of share options.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

7. Dividends

	2025 £'000	2024 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend in respect of the year ended 30 April 2024 at 10.10 pence per ordinary share (2023: 9.15 pence)	4,095	3,697
Interim dividend in respect of the year ended 30 April 2025 at 5.25 pence per ordinary share (2024: 4.70 pence)	2,381	1,901
	6,476	5,598
Proposed final dividend for the year ended 30 April 2025 at 11.05 pence per ordinary share (2024: 10.10 pence per ordinary share)	5,024	4,085

The cost of the proposed final dividend, which is an estimate, is subject to approval by shareholders at the AGM to be held on 25 September 2025 and has not been included as a liability in these financial statements. If approved, this dividend will be paid on 3 October 2025 to shareholders on the register as at 22 August 2025.

The Cohort Employee Benefit Trust, which holds ordinary shares in Cohort plc representing 2.60% (2024: 2.20%) of the Company's called up share capital, has agreed to waive all dividends due to it in accordance with an arrangement dated 20 November 2009.

8. Earnings per share

The earnings per share are calculated as follows:

	2025			2024		
	Weighted average number of shares Number	Earnings £'000	Earnings per share Pence	Weighted average number of shares Number	Earnings £'000	Earnings per share Pence
Basic earnings (net profit attributable to equity holders of Cohort plc)	42,712,549	19,249	45.07	40,445,297	15,316	37.87
Share options	784,652			156,639		
Diluted earnings	43,497,201	19,249	44.25	40,601,936	15,316	37.72

The basic earnings per share are calculated by dividing the profit attributable to equity holders of the parent company (Cohort plc) by the weighted average number of ordinary shares in issue during the year. The diluted earnings per share are calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares in issue during the year as adjusted for the effects of potentially dilutive share options.

The weighted average number of shares for the years ended 30 April 2025 and 30 April 2024 is after deducting the own shares, which are held by the Cohort Employee Benefit Trust.

In addition, the adjusted earnings per share of the Group are calculated in a similar manner to the basic earnings per share with the adjustments to the basic earnings as shown below:

	Notes	2025			2024		
		Weighted average number of shares Number	Earnings £'000	Earnings per share Pence	Weighted average number of shares Number	Earnings £'000	Earnings per share Pence
Basic earnings		42,712,549	19,249	45.07	40,445,297	15,316	37.87
Charge on forward exchange contracts and loans at the year end (net of tax credit of £34,000 (2024: £74,000))	18	—	(103)	—	—	(223)	—
Cost of acquisition of EM Solutions		—	1,635	—	—	—	—
Cost of acquisition of ITS		—	99	—	—	—	—
Amortisation of other intangible assets (see below)		—	2,374	—	—	2,254	—
Adjusted earnings		42,712,549	23,254	54.44	40,445,297	17,347	42.89
Share options		784,652	—	—	156,639	—	—
Diluted adjusted earnings		43,497,201	23,254	53.46	40,601,936	17,347	42.72

The adjusted earnings are in respect of continuing operations. The research and development expenditure credit (RDEC) has no effect on adjusted earnings per share.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

8. Earnings per share continued

The following table shows the adjustment to earnings in respect of amortisation of other intangible assets for calculating the adjusted earnings per share.

	2025					2024				
	Amortisation of other intangible assets (note 9) £'000	Deferred tax credit thereon £'000	Net £'000	Non- controlling interest £'000	Attributable to equity shareholders of the Group £'000	Amortisation of other intangible assets (note 9) £'000	Deferred tax credit thereon £'000	Net £'000	Non- controlling interest £'000	Attributable to equity shareholders of the Group £'000
EID	70	(16)	54	(11)	43	99	(23)	76	(15)	61
EM Solutions	1,011	(297)	714	—	714	—	—	—	—	—
MCL	812	(203)	609	—	609	—	—	—	—	—
Chess	—	—	—	—	—	1,355	(305)	1,050	—	1,050
ELAC SONAR	893	(280)	613	—	613	1,525	(482)	1,043	—	1,043
JSK (SEA)	246	149	395	—	395	142	(42)	100	—	100
	3,032	(647)	2,385	(11)	2,374	3,121	(852)	2,269	(15)	2,254

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

9. Goodwill and other intangible assets

	Communications and Intelligence £'000	Sensors and Effectors £'000	Group £'000
Goodwill			
Cost			
At 1 May 2023	17,093	35,052	52,145
At 1 May 2024	17,093	35,052	52,145
Recognised on acquisition of a subsidiary	27,795	—	27,795
Foreign currency revaluation	(1,182)	(158)	(1,340)
At 30 April 2025	43,706	34,894	78,600
Amortisation			
At 1 May 2023	—	2,000	2,000
At 1 May 2024	—	2,000	2,000
At 30 April 2025	—	2,000	2,000
Net book value			
At 30 April 2025	43,706	32,894	76,600
At 30 April 2024	17,093	33,052	50,145
Other intangible assets			
Cost			
At 1 May 2023	30,265	45,264	75,529
At 1 May 2024	30,265	45,264	75,529
Recognised on acquisition of a subsidiary	51,553	—	51,553
Foreign currency revaluation	(2,543)	619	(1,924)
At 30 April 2025	79,273	45,883	125,156
Amortisation			
At 1 May 2023	30,096	39,464	69,560
Charge for the year ended 30 April 2024	99	3,022	3,121
At 1 May 2024	30,195	42,486	72,681
Charge for the year ended 30 April 2025	1,892	1,140	3,032
Foreign currency revaluation	(352)	708	356
At 30 April 2025	31,735	44,334	76,069
Net book value			
At 30 April 2025	47,538	1,549	49,087
At 30 April 2024	70	2,778	2,848

Goodwill arises on the acquisition of subsidiaries. These subsidiaries are the cash-generating units to which goodwill has been allocated. The goodwill relating to the individual subsidiaries has been included in the division against which each subsidiary reports.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

9. Goodwill and other intangible assets continued

The amortisation charge is disclosed as "Amortisation of other intangible assets" in the income statement.

The Group tests goodwill biannually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the subsidiaries (cash-generating units) are determined from value-in-use calculations.

The value-in-use calculations take the cash flows of each cash-generating unit and apply the Group's weighted average cost of capital (WACC) to this to determine if there is any impairment of the cash-generating units' goodwill.

In assessing any impairment of goodwill, each value-in-use calculation makes a number of estimates, which use the same basis as used in previous years, as follows:

	Basis of estimate
Cash flow	As in previous years, the cash flows for the years ending 30 April 2026, 2027 and 2028 are based upon the cash-generating units' budgets and forecasts for those years. These cash flows are based upon the revenue, margin and overhead cost forecasts for each business taking account of the run-off of order book, renewal of existing business and winning of new business. Historically, these cash flow forecasts have been a reasonable forecast of actual performance over the period of measurement. Costs reflect inflation rates, currently assumed at 5% (2024: 5%). With regard to the revenue, margin and overhead cost forecasts, the key assumptions underlying these inputs are that current projects contracted will continue as per agreement, that government defence spending will remain largely consistent in the future and that each cash-generating unit will continue to be as successful in competing for new contracts as it has been historically. At 30 April 2025, c£229m (83% of latest consensus forecasts) of revenue for 2026 was already under contract and, as such, the main assumptions related to revenue volumes are in periods for 2027 and after where there is greater uncertainty and risk.
Growth rate	The cash flows for each UK-based cash-generating unit from years four to twenty inclusive are based upon the forecast cash flow for the year ending 30 April 2028 to which a growth rate of 1.5% is applied each year (2024: 1.5%). This rate reflects a prudent view of recent UK growth rates and is below the historically higher UK growth rate of 2.11% and announced growth for UK defence. The growth rate is similar for all of the UK-based cash-generating units as a significant proportion of their business is with the same customer, the UK MOD. In the case of EID, its main customer is the Portuguese MOD. As such, the growth rate assumed for EID's future cash flows is 1.0% (2024: 1.0%), reflecting the expected growth rate for Portuguese Government expenditure. In the case of ELAC SONAR, its domestic customer, the German Bundeswehr, does not form a significant proportion of its revenue with much of its business from export customers. A growth rate of 1.5% has been assumed for ELAC SONAR in 2025 (2024: 1.5%). EM Solutions has used a similar growth rate of 1.5% reflecting prudent growth rates for its prime customers, the Australian MOD and European Navy's. The longevity of the cash flows used reflects the length of our order books and the long duration of the customer platforms and applications we supply and support. Our order book currently includes deliveries out to the mid-2030s.

WACC comprises a number of elements as follows:

	Basis of estimate
Value of equity	Calculated as the issued share capital of the Group (Cohort plc) multiplied by the closing share price at 30 April 2025 of £13.70 (2024: £7.48).
Risk free interest rate	Based upon ten-year UK Government gilt rate of 4.33% (2024: 4.35%). The ten-year gilt rate has been used given current uncertainty over longer-term projections. Previously the 30-year gilt rate was used.
Beta factor	Derived from analyst estimates provided by the Group's NOMAD (Investec) and reflects a range of outcomes from 0.10 to 0.50 (2024: 0.20 to 0.60).
Equity risk premium	The equity risk premium of the Group of 9.59% (2024: 9.76%) reflecting UK equity risk premium to which is added a further range of risk premium of 4% to reflect customer market risk and the low liquidity and risk of AIM stocks.
Cost of debt	The Group is in a net funds position. The Group loans at 30 April 2025 have an average interest cost of 5.45% per annum as at that date (2024: 5.99% per annum).

The Group's pre-tax WACC applied to each cash-generating unit's cash flows was in a range from 14.3% to 15.3% (2024: 15.8% to 17.7%). The Group WACC has been deemed appropriate to use for each cash-generating unit as all funding is cross-guaranteed and therefore the same cost of funding is incurred by each cash-generating unit. The decrease in the Group's pre-tax WACC is due to lower interest rates and volatility (Beta factor) in respect of Cohort plc shares.

On the basis of these tests, no impairment of goodwill has arisen in the year ended 30 April 2025 within either of the divisions. Sensitivity was applied to the impairment tests to deliver a material impairment of goodwill. If the post-tax WACC is increased to 11.2% (pre-tax WACC of 17.0%), goodwill within Communications and Intelligence relating to EM Solutions (£33.4m) equals recoverable value. A similar impairment would occur should the growth rate drop by 1.42%; however, this is considered unlikely as this falls significantly behind the historical growth rate and current expectations of growth in the defence sector. This goodwill is the most sensitive to impairment due to a current high level of divisional current assets.

The other intangible assets arose on the acquisition of subsidiaries and are mainly in respect of contracts and prospects acquired. The Communications and Intelligence other intangible asset will be fully amortised by 30 April 2035. The Sensors and Effectors other intangible asset will be fully amortised by 30 April 2029.

The split of the net book value of other intangibles, where it comprises both contracts/opportunities to be secured and contracts acquired, is as follows:

	2025		2024	
	Communications and Intelligence £'000	Sensors and Effectors £'000	Communications and Intelligence £'000	Sensors and Effectors £'000
Contracts acquired	4,103	425	70	671
Customer relationships and technology assets	43,435	1,124	—	2,107
	47,538	1,549	70	2,778

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

10. Fixed assets

a) Right of use assets

	Group			Company £'000
	Property £'000	Fixtures and equipment £'000	Total £'000	
Cost				
At 1 May 2023	12,896	1,468	14,364	786
Additions	471	860	1,331	53
Disposals	—	(113)	(113)	—
Foreign exchange movements	(51)	(16)	(67)	—
At 1 May 2024	13,316	2,199	15,515	839
Additions	1,265	888	2,153	23
Disposals	—	(192)	(192)	—
Acquired on acquisition	3,175	—	3,175	—
Foreign exchange movements	(1,110)	(3)	(1,113)	—
At 30 April 2025	16,646	2,892	19,538	862
Depreciation				
At 1 May 2023	4,973	870	5,843	355
Charge for the year	1,513	439	1,952	110
Disposals	—	(63)	(63)	—
Foreign exchange movement	(27)	(8)	(35)	—
At 1 May 2024	6,459	1,238	7,697	465
Charge for the year	1,707	565	2,272	113
Disposals	—	(117)	(117)	—
Foreign exchange movement	(2)	—	(2)	—
At 30 April 2025	8,164	1,686	9,850	578
Net book value at 30 April 2025	8,482	1,206	9,688	284
Net book value at 30 April 2024	6,857	961	7,818	374

	Group			Company £'000
	Property £'000	Other £'000	Total £'000	
Lease liabilities				
At 1 May 2023	8,483	650	9,133	436
New lease liabilities	470	810	1,280	53
Interest charge	255	29	284	25
Payments	(1,705)	(471)	(2,176)	(130)
Foreign exchange movement	(23)	(9)	(32)	—
At 1 May 2024	7,480	1,009	8,489	384
New lease liabilities	623	802	1,425	24
Interest charge	287	47	334	24
Payments	(2,032)	(619)	(2,651)	(132)
Acquired on acquisition	2,301	—	2,301	—
Foreign exchange movement	(415)	(4)	(419)	—
At 30 April 2025	8,244	1,235	9,479	300
Current	1,827	486	2,313	118
Non-current	6,417	749	7,166	182
At 30 April 2025	8,244	1,235	9,479	300
Current	1,366	415	1,781	117
Non-current	6,114	594	6,708	267
At 30 April 2024	7,480	1,009	8,489	384

	2025 £'000	2024 £'000
Amounts recognised in Consolidated income statement		
Interest expense on lease liabilities (note 5)	334	284
Depreciation expense	2,272	1,952
	2,606	2,236

The Company's right of use asset is in respect of its property lease at Theale (net book value £243,000; 2024: £317,000) and vehicles (net book value £41,000; 2024: £57,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

10. Fixed assets continued

b) Property, plant and equipment

Group	Notes	Land and buildings £'000	Fixtures and equipment £'000	Total £'000
Cost				
At 1 May 2023		12,551	17,339	29,890
Additions		2,671	3,988	6,659
Disposals		—	(1,723)	(1,723)
Foreign exchange movement		85	316	401
At 1 May 2024		15,307	19,920	35,227
Additions		7,662	5,520	13,182
Disposals		—	(216)	(216)
Acquired on acquisition	29, 30	—	1,693	1,693
Foreign exchange movement		43	65	108
At 30 April 2025		23,012	26,982	49,994
Depreciation				
At 1 May 2023		3,441	11,145	14,586
Charge in the year		301	2,347	2,648
Eliminated on disposal		—	(1,383)	(1,383)
Foreign exchange movement		43	(37)	6
At 1 May 2024		3,785	12,072	15,857
Charge in the year		144	3,055	3,199
Eliminated on disposal		—	(209)	(209)
Foreign exchange movement		—	138	138
At 30 April 2025		3,929	15,056	18,985
Net book value				
At 30 April 2025		19,083	11,926	31,009
At 30 April 2024		11,522	7,848	19,370

The net book value of the Company's property, plant and equipment was £43,000 at 30 April 2025 (2024: £58,000). This was after additions of £13,000, net disposals of £nil and a depreciation charge of £28,000 for the year ended 30 April 2025.

The depreciation charge is disclosed within "Administrative expenses" in the Consolidated income statement.

The Group's land and buildings as disclosed above are the cost of purchase plus refurbishment and the fair value on acquisition. As such the Group has no revaluation reserve at this time.

11. Investment in subsidiaries

	Company	
	2025 £'000	2024 £'000
Investment in subsidiaries	129,466	87,663

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

11. Investment in subsidiaries continued

A list of all the investments in subsidiaries is as follows:

Name of company	Registered office	Country of registration	Type of shares	Proportion of shareholding and voting rights held	Nature of business
Directly owned					
Systems Consultants Services Limited	c/o Clarke Bell, 3rd Floor, The Pinnacle, 73 King Street, Manchester M2 4NG	England	Ordinary	100%	Formerly a provider of technical consultancy. Dissolved June 2025.
MASS Limited	One Waterside Drive, Arlington Business Park, Theale, Reading RG7 4SW	England	Ordinary	100%	Holding company of MASS Consultants Limited
SEA (Group) Ltd.	Beckington Castle, 17 Castle Corner, Beckington, Frome BA11 6TA	England	Ordinary	100%	Holding company of Systems Engineering & Assessment Ltd and Beckington Castle Ltd
Marlborough Communications (Holdings) Limited	1 Perrywood Business Park, Honeycrock Lane, Redhill, Surrey RH1 5DZ	England	Ordinary	100%	Holding company of Marlborough Communications Limited
Thunderwaves, S.A.	6. Rua do Alecrim 26E 1200-018, Lisbon, Portugal	Portugal	Ordinary	100%	Holding company of EID
Cohort Deutschland GmbH	Neufeldtstraße 10, 24118 Kiel, Germany	Germany	Ordinary	100%	Holding company of ELAC SONAR GmbH
Chess Technologies Limited	One Waterside Drive, Arlington Business Park, Theale, Reading RG7 4SW	England	Ordinary	100%	Holding company of Chess Dynamics Limited, Chess Dynamics Inc and Vision4ce Limited
CHRT Australia Pty Ltd	C/o Deloitte Tax Services Pty Ltd, 477 Collins Street, Melbourne VIC 3000, Australia	Australia	Ordinary	100%	Holding company of CHRT Holdings Pty Ltd
Held through a subsidiary					
CHRT Holdings Pty Ltd	C/o Deloitte Tax Services Pty Ltd, 477 Collins Street, Melbourne VIC 3000, Australia	Australia	Ordinary	100%	Holding company of EM Solutions Pty Ltd
EM Solutions Pty Ltd	55 Curzon Street, Tennyson, QLD 415, Australia	Australia	Ordinary	100%	Designs and manufactures advanced satellite communication systems for the defence and security markets. Holding company of EM Solutions (Europe) B.V.
EM Solutions (Europe) B.V.	Campagneweg 35, 4761RM Zevenbergen, Netherlands	Netherlands	Ordinary	100%	Provides support services in Europe on behalf of EM Solutions Pty Ltd
MASS Consultants Limited	Enterprise House, Great North Road, Little Paxton, St. Neots, Cambridgeshire PE19 6BN	England	Ordinary	100%	Electronic warfare, managed services, secure communications and digital services
Systems Engineering & Assessment Ltd	Beckington Castle, 17 Castle Corner, Beckington, Frome BA11 6TA	England	Ordinary	100%	Deliverer of systems engineering, software and electronic engineering services and solutions to the defence and transport markets and is also the holding company of JS Residual Ltd
JS Residual Ltd	Riverside Road, Pottington Business Park, Barnstaple, Devon EX31 1LY	England	Ordinary	100%	Subsidiary of Systems Engineering & Assessment Ltd and holds investment in SEA's Canadian operations. Dormant
Systems Engineering & Assessment International Ltd	Beckington Castle, 17 Castle Corner, Beckington, Frome BA11 6TA	England	Ordinary	100%	Subsidiary of SEA (Group) Ltd. Dormant

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

11. Investment in subsidiaries continued

Name of company	Registered office	Country of registration	Type of shares	Proportion of shareholding and voting rights held	Nature of business
Held through a subsidiary continued					
Marlborough Communications Limited	1 Perrywood Business Park, Honeycrook Lane, Redhill, Surrey RH1 5DZ	England	Ordinary	100%	Designs, sources and supports advanced electronic and surveillance technology
Interactive Technical Solutions Limited	1 Perrywood Business Park, Honeycrook Lane, Redhill, Surrey RH1 5DZ	England	Ordinary	100%	Designs, sources and supports advanced electronic and surveillance technology
Beckington Castle Ltd	Beckington Castle, 17 Castle Corner, Beckington, Frome BA11 6TA	England	Ordinary	100%	Property company holding freehold of Beckington Castle and SEA's Bristol office
Chess Dynamics Limited	Quadrant House, North Heath Business Park, North Heath Lane, Horsham, West Sussex RH12 5QE	England	Ordinary	100%	Design and production of detection and tracking systems, including software, as well as counter-UAV solutions for the defence and security markets
Empresa de Investigação e Desenvolvimento de Electrónica, S.A.	Quinta dos Medronheiros-Lazarim, 2820-486 Charneca da Caparica, Lisbon, Portugal	Portugal	Ordinary	80%	Designs and manufactures advanced communications systems for the defence and security markets
8963665 Canada Inc.	2500-1100, Rene-Levesque Blvd, Montreal (Quebec), Canada H3B 5C9	Canada	Ordinary	100%	The holding company of the Group's investment in SEA CAN Systems Inc.
SEA CAN Systems Inc.	193 Brunswick Blvd, Pointe-Claire, Quebec, Canada H9R 5N2	Canada	Ordinary	100%	Delivers and supports SEA products and services into the Canadian Navy
Vision4ce Limited	Quadrant House, North Heath Business Park, North Heath Lane, Horsham, West Sussex RH12 5QE	England	Ordinary	100%	Subsidiary of Chess Dynamics Limited. Dormant
Chess Dynamics Inc	c/o Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801 USA	USA	Ordinary	100%	US representative of Chess's UK business
ELAC SONAR GmbH	Neufeldtstraße 10, 24118 Kiel, Germany	Germany	Ordinary	100%	Supplies advanced sonar systems and underwater communications to global customers in the naval market
ELAC SONAR Unterstützungskasse GmbH	Neufeldtstraße 10, 24118 Kiel, Germany	Germany	Ordinary	100%	Social institution of ELAC SONAR GmbH which provides pension related support benefits to ELAC SONAR GmbH employees

All shares held in subsidiaries are the same class and carry equal weighting to any shares held by other shareholders.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

11. Investment in subsidiaries continued**Company**

The Company's investments in subsidiaries are as follows:

	Thunderwaves £'000	CHRT Australia £'000	MASS £'000	MCL £'000	Chess £'000	Cohort Deutschland £'000	SCS £'000	SEA £'000	Total £'000
At 1 May 2023	9,003	—	14,725	16,558	19,936	169	1,584	26,518	88,493
Share-based payments	—	—	413	352	448	435	—	622	2,270
Capital repayments	—	—	—	(3,100)	—	—	—	—	(3,100)
At 1 May 2024	9,003	—	15,138	13,810	20,384	604	1,584	27,140	87,663
Additions	—	42,452	—	—	—	—	—	—	42,452
Transfers in year	—	—	(161)	(267)	(310)	(333)	—	(437)	(1,508)
Share-based payments	—	—	258	82	157	102	—	260	859
At 30 April 2025	9,003	42,452	15,235	13,625	20,231	373	1,584	26,963	129,466

12. Inventories

	2025 £'000	2024 £'000
Raw materials	25,586	15,863
Work in progress	21,807	13,054
Finished goods	4,688	4,393
Total	52,081	33,310

The inventory at 30 April 2025 is stated after stock provision of £3,728,000 (2024: £3,812,000). The cost of inventories recognised as an expense during the year is disclosed in note 3.

13. Trade and other receivables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade receivables (net of provision for doubtful debts)	36,668	38,562	—	1
Contract assets	42,391	31,892	—	—
Prepayments and accrued income	9,925	8,923	1,087	1,050
Amounts due from subsidiaries	—	—	373	—
	88,984	79,377	1,460	1,051

The average credit period taken on sales of goods is 29 days (2024: 54 days). Of the trade receivables balance, £7.4m was considered overdue at 30 April 2025 (30 April 2024: £6.9m). Overdue is defined as trade receivables still outstanding beyond invoice terms (typically 30 days). The allowance for doubtful debt is determined by management's best estimates, by reference to the particular trade and other receivables over which doubt may exist. None of the other receivables were past due.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

13. Trade and other receivables continued

The Directors consider that the carrying amount of trade and other receivables approximates to their fair values. One of the largest trade receivables, to which the Group is exposed at 30 April 2025, is the UK MOD with a balance outstanding of £4.6m (2024: £4.9m). Customers who represent more than 5% of trade receivables include:

	2025 £m	2024 £m
BAE Systems	4.5	6.4
UK MOD	4.6	4.9
Australian MOD (2024: Contraves Advanced Devices)	4.4	1.9
Portuguese MOD	5.1	5.6
MBDA (2024: Lockheed)	1.7	5.0
NDMA	1.6	2.4

Trade receivables include £3.5m (2024: £1.7m) denominated in foreign currency. The predominant currency of the trade receivables is pounds sterling.

The majority of the Group's customers are UK or overseas government organisations and larger prime contractors in the defence sector.

The Group assesses all new customers for creditworthiness before extending credit. In the case of overseas customers, the Group utilises various payment protection mechanisms including but not limited to export credit guarantees, letters of credit and advance payments.

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful debts because the credit quality of the customer is not considered to have changed and the amount due is considered fully recoverable. The Group recognises provisions for doubtful debts on a credit loss basis taking into account the future anticipated losses based upon the creditworthiness of the end customer.

Ageing of past due but not impaired receivables	2025 £'000	2024 £'000
<30 days	2,011	1,301
30–60 days	3,131	1,530
60–90 days	281	536
>90 days	2,029	3,508
	7,452	6,875

Of the amount in >90 days, £392,000 trade and other receivables were overdue for greater than one year.

Movement in the allowance for doubtful debts (reported within trade receivables)	2025 £'000	2024 £'000
Balance at 1 May	680	1,202
Expected credit losses recognised	29	72
Acquired	933	—
Utilised on write off of debt	(150)	(298)
Released on recovery of debt previously provided	(400)	(288)
Foreign exchange movement	—	(8)
Balance at 30 April	1,092	680

Contract receivables	2025 £'000	2024 £'000
Opening balance	31,892	25,862
Acquired	7,052	—
Contract asset recognised in revenue	71,007	39,573
Contract asset invoiced	(67,547)	(33,323)
Foreign exchange movement	(13)	(220)
Closing balance	42,391	31,892

The Group order book and its expected recognition as revenue in future periods are shown in the Financial review.

14. Trade and other payables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Contract liabilities	71,826	38,216	—	—
Trade payables	23,127	10,881	958	1,086
Social security and other taxes	4,640	5,550	446	412
Accruals and deferred income	26,986	26,320	2,128	1,219
Amounts due to subsidiary undertakings	—	—	1,584	2,806
	126,579	80,967	5,116	5,523

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing contract costs. Contract liabilities reflect invoicing ahead of work done in accordance with contracted terms. The average credit period taken for trade purchases is 27 days (2024: 29 days), based upon each Group business's standard payment terms. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms (see Risk management).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

14. Trade and other payables continued

Trade payables and accruals, other payables and taxes are all due for settlement within 12 months of the year end, the majority within three months.

Social security and other taxes include employment taxes and VAT.

The Directors consider that the carrying amount of trade payables approximates to their fair values.

Total payable includes £2.0m (2024: £2.1m) denominated in foreign currency.

	2025 £'000	2024 £'000
Contract liabilities		
Opening balance	38,216	13,824
New advances	128,685	92,359
Contract liability recognised in revenue	(101,209)	(67,755)
Acquired	6,706	—
Foreign exchange movement	(572)	(212)
Closing balance	71,826	38,216

15. Cash and bank borrowings

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank overdrafts	36,135	15,490	30,714	10,225
Bank loans	33,261	16,530	32,410	16,530
	69,396	32,020	63,124	26,755

These borrowings are repayable as follows:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
On demand or within one year	36,986	15,490	30,714	10,225
In the second year	—	—	—	—
In the third to fifth years inclusive	32,410	16,530	32,410	16,530
	69,396	32,020	63,124	26,755
Less: amounts due for settlement within 12 months (shown under current liabilities)	(36,986)	(15,490)	(30,714)	(10,225)
Amount due for settlement after 12 months	32,410	16,530	32,410	16,530

The weighted average interest rates paid were as follows:

	2025 %	2024 %
Bank loans (variable)	4.44%	6.70%

The variable rates are based upon the Bank of England or European Central Bank interest rates. The year-end interest rate applying to the bank loans drawn in sterling was 6.01% (2024: 6.99%) and in euros was 3.85% (2024: 5.55%).

On 18 July 2022, the Group agreed a new facility for £35m with a banking syndicate comprising Lloyds, NatWest and Commerzbank. The facility had an option to draw down a further £15m, which was exercised on 6 December 2024. The facility is provided for three years with options to extend for a further two years to July 2027. This was extended initially for one year on 14 June 2023 and on 20 May 2024 the Group exercised its option to extend the facility to July 2027. The facility is secured over all of the Group's assets excluding EID, which is not part of the facility arrangement and maintains its own facilities locally in Portugal. The new facility is available to the Group (excluding EID) in respect of acquisition financing and overdraft. The Group has complied with all covenants under the facility.

The movement in the facility drawn in the year by currency was as follows:

	Sterling £'000	Euro £'000	Total £'000
At 1 May 2023	14,000	11,837	25,837
Borrowing repaid	(9,000)	—	(9,000)
Foreign exchange movement	—	(307)	(307)
At 1 May 2024	5,000	11,530	16,530
Borrowing drawn down	7,000	9,780	16,780
Foreign exchange movement	—	(49)	(49)
At 30 April 2025	12,000	21,261	33,261

At 30 April 2025, the Group had available £16.7m (2024: £18.5m) of undrawn banking facility. The Directors consider the carrying amount of bank borrowings approximates their fair values.

The Group has entered into separate bilateral arrangements with each of its banks, Lloyds and NatWest, for ancillary facilities including bonding, letters of credit and foreign exchange contracts. Similar arrangements exist for ELAC SONAR with Commerzbank.

Similar bilateral arrangements exist for EID with its bank in Portugal. EID has a facility of €2.5m with Santander which is renewable on a six-month rolling basis. €1.0m of this facility was drawn at 30 April 2025.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

15. Cash and bank borrowings continued

The Group's cash, net of bank overdrafts, at 30 April 2025 of £38.5m is held with the following banks:

	2025 £'000	2024 £'000	Moody's long-term credit rating of bank as at 2025
National Westminster Bank plc	19,853	29,918	A 1
Lloyds Bank plc	461	1	A 1
Novo Banco	—	15	Baa 3
Santander Bank	57	414	A 2
Banco Comercial Português	552	3,638	A 2
Caixa Geral de Depósitos Bank	751	328	A 3
Commerzbank	5,316	5,147	A 2
TD Bank	3,800	193	A 2
St George	7,711	—	Aa 2
Other banks and cash	10	13	
	38,511	39,667	

The Group (via EM Solutions) has placed a deposit of £3,198,000 with Westpac as a contract guarantee. This amount is not available for general use by the Group and is classified as a non-current asset in the statement of financial position.

16. Provisions

Group	Warranty £'000	Other contract related provisions £'000	Total £'000
At 1 May 2023	1,580	8,511	10,091
Charged/(released) to the income statement	2,327	(85)	2,242
Utilised	(42)	(150)	(192)
Foreign exchange movement	(22)	(1)	(23)
At 1 May 2024	3,843	8,275	12,118
On acquisition and review of provisional fair values	35	3,382	3,417
Charged to the income statement	376	171	547
Reclassified	—	(5,740)	(5,740)
Utilised	(59)	(215)	(274)
Foreign exchange movement	(9)	436	427
At 30 April 2025	4,186	6,309	10,495
Provisions due in less than one year	1,031	5,410	6,441
Provisions due in greater than one year	3,155	899	4,054
At 30 April 2025	4,186	6,309	10,495
Provisions due in less than one year	1,509	7,405	8,914
Provisions due in greater than one year	2,334	870	3,204
At 30 April 2024	3,843	8,275	12,118

The warranty provisions are management's best estimates of the Group's liability under warranties granted on software and other products supplied and are based upon past experiences. The timing of such expenditure is uncertain, although warranties generally have a time limit of no more than 12 months, unless a longer warranty period is purchased by the customer. Warranty provisions are reviewed at the half year and year end in respect of actual spend and the remaining obligations to be fulfilled.

Other contract related provisions are management's best estimate of the Group's exposure to contract related costs and undertakings which are in addition to contract accruals and include contract loss provisions. The timing of these is uncertain and, where uncertainty exists, are accounted for as current apart from dilapidation provisions for the Group's leased properties, which are recognised as non-current if the lease is greater than one year. These arise where a service or product has been previously delivered to the customer and the Group receives a claim or an adverse indication in respect of the work done. Where the amount required is uncertain or the Group disputes the amount of the claim, provision is made for the best estimate of the amount that will be required to settle the issue.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

16. Provisions continued

Other contract related provisions also include contract loss provisions in respect of contracts where the estimated cost at completion exceeds the total expected revenue of the contract. A contract loss provision is recognised as a provision in full immediately as it arises. The contract loss provisions are held in respect of contracts which are expected to complete in the next 12 months.

Other contract related provisions also include property dilapidation provisions and other trade related issues which may not be related to a trading contract.

17. Deferred tax

	Accelerated tax depreciation £'000	Other intangible assets £'000	Revaluation of building £'000	Other short-term timing differences £'000	Share options £'000	Group £'000
At 1 May 2023	(751)	(1,736)	(411)	2,958	73	133
(Charge)/credit to the income statement in respect of the current tax year	(45)	852	—	287	188	1,282
Credit to the income statement in respect of prior tax years	1	—	—	43	—	44
Foreign exchange movement	—	—	—	10	—	10
Recognised in the income statement	(44)	852	—	340	188	1,336
Recognised in equity	—	—	—	—	187	187
At 1 May 2024	(795)	(884)	(411)	3,298	448	1,656
(Charge)/credit to the income statement in respect of the current tax year	(189)	648	—	(1,028)	74	(495)
(Charge)/credit to the income statement in respect of prior tax years	(192)	—	—	1,151	—	959
Foreign exchange movement	—	408	—	(183)	—	225
Recognised in the income statement	(381)	1,056	—	(60)	74	689
Recognised in equity	—	—	—	—	1,080	1,080
Acquired on acquisition	(8)	(14,856)	—	2,734	—	(12,130)
At 30 April 2025	(1,184)	(14,684)	(411)	5,972	1,602	(8,705)

Certain deferred tax assets and liabilities have been offset where the Group has a legally enforceable right to do so. The following is the analysis of the total deferred tax balances (after offset) for financial reporting purposes:

	2025 £'000	2024 £'000
Deferred tax assets	4,745	2,543
Deferred tax liabilities	(13,450)	(887)
	(8,705)	1,656

A deferred tax liability in respect of the revaluation of a freehold building arose on the acquisition of SEA and is the potential tax liability payable on the revaluation gain in respect of the building with reference to its historical cost.

The Company's deferred tax balance at 30 April 2025 was an asset of £907,000 (2024: £386,000), being £609,000 (2024: £275,000) in respect of other short-term timing differences, accelerated tax depreciation of £18,000 (2024: £18,000) and share options of £280,000 (2024: £93,000).

The corporation tax rate in the UK for the year ended 30 April 2025 was 25.0% (2024: 25.0%) which has been applied by Cohort in calculating its income tax (see note 6).

For deferred tax balances in respect of EID (Portugal), the rate used was 22.45% (2024: 22.45%). For ELAC SONAR (Germany) the rate used was 31.58% (2024: 31.58%). For EM Solutions (Australia) the rate used was 30% (2024: not applicable).

The equity movement in deferred tax on share options is to reflect the future tax associated with the total future share options exercisable and is not capped at the share-based payment level.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

18. Derivative financial instruments

The Group has derivative financial instruments as follows:

	2025 £'000	2024 £'000
Assets		
Foreign currency forward contracts	45	105
Liabilities		
Foreign currency forward contracts	(190)	(399)

The changes in marking the outstanding foreign currency forward contracts to fair value (which are based upon quoted market valuations) are credited or charged to the Consolidated income statement as "credit/(charge) on marking forward exchange contracts to market at the year end". They are in respect of trading contracts undertaken by the Group and in respect of Communications and Intelligence and Sensors and Effectors and are disclosed within their respective operating profits in the segmental analysis (see note 1). They are considered to be level 2 classification. The gain to the Consolidated income statement for the year ended 30 April 2025 was as follows:

	2025 £'000	2024 £'000
Foreign currency	138	297

Currency derivatives

The Group utilises forward currency contracts to hedge significant future transactions and cash flows. The Group is party to a number of foreign currency forward contracts in the management of its foreign exchange rate exposure.

The changes in total outstanding committed foreign currency forward contracts of the Group were as follows:

2025	Buy £'000	Sell €'000	Sell £'000	Buy €'000	Buy £'000	Sell US\$'000	Sell £'000	Buy US\$'000
At forward exchange rates								
At 1 May 2024	2,063	2,263	(699)	(814)	6,029	8,146	(865)	(1,088)
Contracts matured in period	(1,305)	(1,429)	699	814	—	—	390	490
New contracts in period	93	112	(2,783)	(3,308)	13	16	(3,317)	(4,273)
At 30 April 2025	851	946	(2,783)	(3,308)	6,042	8,162	(3,792)	(4,871)
Fair value adjustment	(44)	—	(29)	—	77	—	141	—
At 30 April 2025 at spot rate	807	—	(2,812)	—	6,119	—	(3,651)	—

The total fair value adjustment is £145,000 (2024: £294,000) and the change in the forward exchange fair values for the year ended 30 April 2025 is £2,749,000 (30 April 2024: £297,000), which is included in the operating profit of the Group as a loss (2024: profit).

2024	Buy £'000	Sell €'000	Sell £'000	Buy €'000	Buy £'000	Sell US\$'000	Sell £'000	Buy US\$'000
At forward exchange rates								
At 1 May 2023	4,803	5,317	(8,652)	(9,678)	10,181	13,767	(4,628)	(5,628)
Contracts matured in period	(2,740)	(3,054)	8,652	9,678	(4,152)	(5,621)	4,628	5,628
New contracts in period	—	—	(699)	(814)	—	—	(865)	(1,088)
At 30 April 2024	2,063	2,263	(699)	(814)	6,029	8,146	(865)	(1,088)
Fair value adjustment	(105)	—	4	—	397	—	(2)	—
At 30 April 2024 at spot rate	1,958	—	(695)	—	6,426	—	(867)	—

Liquidity risk

The maturity of the outstanding contracts was as follows:

At 30 April 2025	Buy £'000	Sell €'000	Sell £'000	Buy €'000	Buy £'000	Sell US\$'000	Sell £'000	Buy US\$'000
Within one year	851	946	(2,783)	(3,308)	2,095	2,834	(3,346)	(4,300)
Within two years	—	—	—	—	2,140	2,889	(446)	(571)
Greater than two years	—	—	—	—	1,807	2,439	—	—
At 30 April 2025 at forward rate	851	946	(2,783)	(3,308)	6,042	8,162	(3,792)	(4,871)

At 30 April 2024	Buy £'000	Sell €'000	Sell £'000	Buy €'000	Buy £'000	Sell US\$'000	Sell £'000	Buy US\$'000
Within one year	1,305	1,429	(699)	(814)	—	—	(390)	(490)
Within two years	758	834	—	—	2,082	2,819	(475)	(598)
Greater than two years	—	—	—	—	3,947	5,327	—	—
At 30 April 2024 at forward rate	2,063	2,263	(699)	(814)	6,029	8,146	(865)	(1,088)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

18. Derivative financial instruments continued

The following significant exchange rates applied at 30 April:

	2025		2024	
	US\$	Euro	US\$	Euro
Exchange rates at 30 April	0.7496	0.8511	0.7898	0.8625

Sensitivity analysis

A 10% strengthening of sterling against the above currencies at 30 April 2025 would increase the reported operating profit by £1,441,000 (2024: increase the reported operating profit by £908,000) in respect of marking these forward contracts to market value.

19. Share capital

	2025 Number	2024 Number
Allotted, called up and fully paid 10 pence ordinary shares	46,682,990	41,606,486

Movement in allotted, called up and fully paid 10 pence ordinary shares:

	Number
At 1 May 2023	41,458,477
Share options exercised	148,009
At 1 May 2024	41,606,486
Share options exercised	390,791
Share placement	4,685,713
At 30 April 2025	46,682,990

The Company has one class of ordinary shares, none of which carry a right to fixed income.

During the year ended 30 April 2025, 390,791 ordinary shares (2024: 148,009) in Cohort plc were issued to satisfy share options. A share placement of 4.7 million shares was undertaken as part of the acquisition of EM Solutions (note 30).

New shares were issued as follows:

Price per share (£)	Number of shares	Proceeds from new shares issued £
5.185	40,012	207,447
5.302	145,387	770,833
5.721	17,126	97,973
5.367	44,409	238,324
5.390	6,000	32,340
8.750	4,685,713	40,999,990
5.265	8,671	45,655
5.183	17,199	89,146
5.059	32,298	163,383
5.591	4,637	25,927
4.990	39,288	196,044
5.358	35,764	191,635
	5,076,504	43,058,697

£507,650 was added to the share capital with the balance £42,551,047 added to the share premium account, before share issue expenses of £1,754,000 were deducted.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

20. Share options

The Group grants new share options under the Cohort plc 2016 share option scheme to senior management and key employees. Previous options have been granted under the Cohort plc 2006 and 2016 share option schemes. The Group also operates a Save As You Earn (SAYE) scheme and a Share Incentive Plan (SIP), both of which are available to all employees.

The following options were outstanding at 30 April 2025:

Scheme and grant date	Exercise price £	Vesting date	Expiry date	30 April 2025			30 April 2024		
				Vested	Not vested	Total	Vested	Not vested	Total
Cohort plc 2006 share option scheme									
20 Aug 2015	3.725	21 Aug 2018	20 Aug 2025	4,000	—	4,000	15,921	—	15,921
Cohort plc 2016 share option scheme									
15 Aug 2016	3.400	16 Aug 2019	15 Aug 2026	15,500	—	15,500	15,500	—	15,500
25 Aug 2017	3.760	26 Aug 2020	25 Aug 2027	57,000	—	57,000	84,787	—	84,787
10 Aug 2018	3.900	11 Aug 2021	10 Aug 2028	69,404	—	69,404	101,150	—	101,150
28 Aug 2019	4.425	29 Aug 2022	28 Aug 2029	49,930	—	49,930	89,900	—	89,900
18 Sep 2019	4.875	19 Sep 2022	18 Sep 2029	5,922	—	5,922	13,491	—	13,491
28 Aug 2020	6.200	29 Aug 2023	28 Aug 2030	47,154	—	47,154	119,828	—	119,828
1 Oct 2020	6.150	2 Oct 2023	1 Oct 2030	—	—	—	6,000	—	6,000
28 Apr 2021	6.340	29 Apr 2024	28 Apr 2031	41,000	—	41,000	64,000	—	64,000
16 Aug 2021	5.390	16 Aug 2024	15 Aug 2031	99,720	—	99,720	—	320,931	320,931
18 Aug 2022	5.410	18 Aug 2025	18 Aug 2032	—	355,000	355,000	—	366,500	366,500
17 Aug 2023	5.100	17 Aug 2026	17 Aug 2033	—	428,500	428,500	—	437,500	437,500
30 Apr 2024	7.560	30 Apr 2027	30 Apr 2034	—	3,969	3,969	—	3,969	3,969
15 Aug 2024	8.760	15 Aug 2027	15 Aug 2034	—	500,000	500,000	—	—	—
				389,630	1,287,469	1,677,099	510,577	1,128,900	1,639,477
Save As You Earn (SAYE) scheme									
6 Sep 2019	4.475			—	—	—	—	17,760	17,760
4 Sep 2020	6.700			—	8,995	8,995	—	9,774	9,774
3 Sep 2021	5.830			—	5,400	5,400	—	35,126	35,126
5 Sep 2022	5.320			—	44,217	44,217	—	49,234	49,234
28 Sep 2023	3.870			—	177,017	177,017	—	195,160	195,160
19 Sep 2024	6.992			—	152,276	152,276	—	—	—
				—	387,905	387,905	—	307,054	307,054
				389,630	1,675,374	2,065,004	510,577	1,435,954	1,946,531

The SAYE options have maturity periods of three or five years from the date of grant. The Group plan provides for a grant price equal to the closing market price of the Group shares on the trading day prior to the date of grant. In the case of the SAYE schemes, the price is determined on the date before the invitation to participate, which was on 22 August 2024 for the 2024 scheme. The vesting period is generally three years, five years in the case of some SAYE options.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

20. Share options continued

If options under the Cohort plc 2006 or 2016 share option schemes remain unexercised after a period of ten years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest.

The Group launched an all-employee Share Incentive Plan (SIP) on 1 September 2018. The scheme provides for participating employees to save up to £150 per month throughout each annual accumulation period. At the end of each accumulation period (30 August each year), the amount saved will be used to purchase Cohort plc ordinary shares at the lower of the mid-market share price on the first and last day of accumulation period.

The shares to be issued under the Group's SIP scheme are provided by the Cohort Employee Benefit Trust (see note 21).

The movement in share options during the year is as follows:

	2025		2024	
	Options	Weighted average exercise price £	Options	Weighted average exercise price £
Outstanding at 1 May	1,946,531	5.04	1,738,403	5.20
Granted during the year	655,191	8.34	653,964	4.72
Forfeited during the year	(108,198)	4.84	(161,762)	5.64
Exercised during the year	(428,520)	5.20	(278,620)	6.62
Expired during the year	—	—	(5,454)	5.50
Outstanding at 30 April	2,065,004	6.05	1,946,531	5.04
Exercisable at 30 April	389,630	4.86	510,577	4.85

The weighted average remaining contractual life is seven years, one month (2024: six years, two months).

The exercised options in the year were satisfied by transferring shares from the Cohort Employee Benefit Trust (see note 21) and the issue of new shares (see note 19).

In the year ended 30 April 2025, options were granted as follows: 155,191 on 19 September 2024 under the SAYE scheme, and 500,000 on 15 August 2024 under the Cohort plc 2016 share option scheme. The option price for the SAYE scheme was £6.992 per share which was the mid-market price on the day before the scheme invitation was made on 22 August 2024. The option price for the options issued under the Cohort plc 2016 share option scheme was £8.76, the mid-market price the day before the respective grant.

Share options granted during the current and previous years were valued using the Black Scholes model provided by the Quoted Companies Alliance. The inputs to this model for the current and previous years were as follows:

	2025	2024
Average share price	£9.75	£5.34
Weighted average exercise price	£8.34	£4.74
Expected volatility	33%	39%
Risk free rate	4.17%–4.35%	4.25%–4.37%
Leaver rate (per annum)	10.0%	10.0%
Dividend yield	1.08%	1.09%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous two years. The leaver rate used in the model is based on management's best estimate. The risk free rate is determined using the spot curve for the date ranges of the options for the period of vesting.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

20. Share options continued

Additionally the Group operates a Long Term Incentive Plan (LTIP) for senior management.

Scheme and grant date	Vesting date	Expiry date	30 April 2025			30 April 2024		
			Vested	Not vested	Total	Vested	Not vested	Total
Long Term Incentive Plan (LTIP) scheme								
August 2021	August 2024	August 2024	—	—	—	—	208,016	208,016
August 2022	August 2025	August 2025	—	190,432	190,432	—	214,926	214,926
August 2023	August 2026	August 2026	—	210,787	210,787	—	210,787	210,787
August 2024	August 2027	August 2027	—	143,049	143,049	—	—	—
			—	544,268	544,268	—	633,729	633,729

The LTIP scheme is subject to certain non-market performance conditions.

The Group recognised a cost of £1,375,000 (2024: £1,278,000) relating to share-based payment transactions which are all equity settled, an equivalent amount being transferred to the share option reserve. This excludes share-based payments which are cash settled.

The cost of share-based payments is included in "Administrative expenses" within the Consolidated income statement.

21. Own shares

	£'000
Balance at 1 May 2023	3,601
Acquired in the year	1,917
Sold in the year	(802)
Loss on shares sold in the year	(147)
Balance at 30 April 2024	4,569
Acquired in the year	3,998
Sold in the year	(889)
Loss on shares sold in the year	(267)
Balance at 30 April 2025	7,411

The own shares reserve represents the cost of shares in Cohort plc purchased in the market and held by the Cohort Employee Benefit Trust to satisfy options under the Group's share options (see note 20), the Long Term Incentive Share Scheme (see the Remuneration Committee report) and the Group's SIP scheme.

The number of ordinary shares in Cohort plc held by the Employee Benefit Trust at 30 April 2025 was 1,215,927 (2024: 913,308).

Tranches of Cohort plc ordinary shares were acquired by the Employee Benefit Trust as follows:

Date	Number acquired	Price per share £	Investment £'000
7 May 2024	57,000	7.789	444
14 May 2024	20,000	8.017	160
21 May 2024	70,000	8.024	562
23 May 2024	186,937	8.024	1,500
5 June 2024	166,063	8.024	1,332
	500,000		3,998

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

21. Own shares continued

Ordinary shares in Cohort plc were transferred by the Employee Benefit Trust for the purposes of satisfying the exercise of share options, LTIP and SIP as follows:

Exercise price per share Pence	Number of shares sold	Proceeds £'000	(Loss)/gain on sale of shares £'000
376.0	7,978	30	(10)
492.0	31,496	155	(37)
497.8	50,355	251	(55)
506.1	18,192	92	(19)
507.2	35,080	178	(36)
539.0	4,695	25	2
620.0	6,056	38	7
634.0	19,000	120	25
		889	(123)

In addition, 24,527 (2024: 35,828) ordinary shares in Cohort plc were transferred at nil value realising a loss on sale of shares of £143,905 for the purpose of satisfying shares awarded to the Executive Directors (see the Remuneration Committee report) and senior management under the Group's Restricted Share Scheme. The total loss on satisfying share options and Restricted Shares by the Employee Benefit Trust was £267,258 (2024: £147,218). All of the shares sold at £4.920 per share were in respect of satisfying the Group's SIP.

21,805 (2024: 46,334) of the shares held by the Employee Benefit Trust at 30 April 2025 remain to be issued under the Restricted Share Scheme, on which an estimated loss of £132,896 (2024: £231,767) will be recognised as they are issued.

As at 30 April 2025, an estimated 16,000 shares (2024: 22,000) held by the Employee Benefit Trust expect to be issued under the SIP on which a loss of £43,000 (2024: loss of £15,000) would be recognised as they are issued.

The market valuation of the ordinary shares in Cohort plc held by the Employee Benefit Trust at 30 April 2025 was £16,658,200 (2024: £6,831,544).

The cost of operating the Employee Benefit Trust during the year ended 30 April 2025 was £31,980 (2024: £25,820) and this cost is included within "Administrative expenses" in the Consolidated income statement.

22. Reserves and non-controlling interests

The Group (consolidated) and Company statements of changes in equity are disclosed as primary statements. Below is a description of the nature and purpose of the individual reserves:

- Share capital represents the nominal value of shares issued, including those issued to the Cohort Employee Benefit Trust (see note 19).
- Share premium includes the amounts over the nominal value in respect of share issues. Costs in respect of share issues are debited to this account.
- Own shares held by the Group represent shares in Cohort plc. All the shares are held by the Cohort Employee Benefit Trust (see note 21).
- Share option reserve represents the cumulative share-based payment charged to reserves less the transfer to retained earnings on vesting of options.
- Retained earnings include the realised gains and losses made by the Group and the Company.

The non-controlling interests are analysed as follows:

Group	Communications and Intelligence £'000
At 1 May 2023	2,757
Profit	(24)
Other comprehensive income	(23)
Reserve transfer	(1,544)
At 1 May 2024	1,166
Profit	371
Other comprehensive income	(51)
At 30 April 2025	1,486

Non-controlling interest within Communications and Intelligence comprises EID (20%).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

23. Net cash from operating activities

	Group	
	2025 £'000	2024 £'000
Profit for the year	19,620	15,292
Adjustments for:		
Income tax charge	6,008	4,532
Depreciation of property, plant and equipment	3,199	2,648
Depreciation of right of use assets	2,272	1,952
Amortisation of other intangible assets and goodwill	3,032	3,121
Net finance expense	474	1,363
Derivative financial instruments and other non-trading exchange movements	(138)	(297)
Share-based payment	698	1,106
Increase in provisions	3,857	2,213
Operating cash flows before movements in working capital	39,022	31,930
Increase in inventories	(7,133)	(1,371)
Increase in receivables	(8,851)	(24,726)
Increase in payables	35,203	23,769
	19,219	(2,328)
Cash generated from operations	58,241	29,602
Income taxes paid	(5,459)	(4,722)
Interest paid	(1,598)	(1,863)
Net cash inflow from operating activities	51,184	23,017

Interest paid includes the interest element of lease liabilities under IFRS 16 (see note 10) of £334,000 (2024: £284,000).

24. Leases

Prior to 1 May 2019 the Group recognised only finance leases and operating leases. Since 1 May 2019 the Group has recognised three types of lease arrangements for reporting purposes.

Type	How determined	Reporting
1. Finance leases	Lease agreement is a finance lease.	Asset is reported in property, plant and equipment (see note 10b) and depreciated over term of lease. Liability is shown as part of debt (see note 15).
2. Operating leases as right of use assets	Lease agreement is an operating lease but does not meet the criteria for type 3 below.	Asset is reported as right of use asset (see note 10a) and depreciated over term of lease and liability is shown as lease liability (see note 10a).
3. Operating leases	Operating leases where: length of lease is less than 12 months in duration; and/or the value of the lease is low (below £5,000) at inception.	No asset or liability is recognised, and the cost of lease is expensed over the lease term as part of operating profit in the income statement. The cost of these operating leases is recognised in the Consolidated income statement and in the year ended 30 April 2025 was £183,000 (30 April 2024: £505,000).

25. Commitments

There was £8,559,000 of capital commitments at 30 April 2025 (2024: £2,858,000), largely relating to the new building at the Group's German operations.

26. Retirement benefit obligations

The Group operates a variety of retirement benefit arrangements. These are all defined contribution schemes with the exception in Germany of ELAC SONAR where a defined benefit scheme operates.

i. Defined contribution schemes

The Group makes contributions to defined contribution stakeholder pension schemes. The contributions for the year of £4,753,000 (2024: £3,401,000) were charged to the Consolidated income statement. Contributions outstanding at 30 April 2025 were £854,000 (2024: £746,000).

ii. Defined benefit schemes

The Group operates a single defined benefit scheme in Germany on behalf of employees in ELAC SONAR. The scheme has been closed to new members since 1 January 2019. The scheme provides annuities to the entitled participants and is funded by an external support fund. At each balance sheet date, the obligations are calculated by an external actuary.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

26. Retirement benefit obligations continued

Retirement benefit risks

Defined benefit schemes expose the Group to a number of risks, the most significant of which are detailed below:

Asset risk	As the scheme assets are in the form of purchased annuities held with an independent insurance provider, this risk is low.
Longevity risk	The plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Charges to the income statement in respect of the Group's defined benefit scheme are as follows:

	2025 £'000	2024 £'000
Service cost	241	223
Net interest expense	162	159
	403	382

Amounts recognised in the statement of comprehensive income are set out below:

	2025 £'000	2024 £'000
Net (gains)/losses from changes in assumptions	(1,590)	507
Gains from plan assets	(237)	(81)
	(1,827)	426

Amounts included in the Group's Consolidated balance sheet arising from the Group's defined benefit scheme obligations are:

	2025 £'000	2024 £'000
Present value of defined benefit obligations	(10,225)	(12,490)
Fair value of scheme's assets	7,036	6,864
Net liability arising from defined benefit obligations	(3,189)	(5,626)

Fair value of the scheme's assets are as follows:

	2025 £'000	2024 £'000
Opening scheme assets	6,864	6,660
Interest income	228	240
Amounts recognised in income in respect of defined benefit scheme	228	240
Return on plan assets excluding amounts included in interest income	237	81
Amounts recognised in the statement of comprehensive income	237	81
Contributions:		
Employer	453	464
Payment from plan:		
Benefits paid	(246)	(243)
Effect of movements in exchange rates	(500)	(338)
Closing scheme assets	7,036	6,864

The plan assets at acquisition and at 30 April 2025 comprised insurance annuities held with a third-party insurer.

The present value of defined benefit obligations comprised:

	2025 £'000	2024 £'000
Opening defined benefit obligations	(12,490)	(11,952)
Current service cost	(241)	(223)
Interest expense	(390)	(399)
Amounts recognised in the statement of comprehensive income in respect of defined benefit scheme	(631)	(622)
Remeasurement gains/(losses) from:		
Change in financial assumptions	1,383	(451)
Experience adjustments	207	(56)
Amounts recognised in the statement of other comprehensive income	1,590	(507)
Benefits paid	(207)	56
Benefit payments from employer	518	244
Payments from plan	311	300
Effects of movements in exchange rates	995	291
Closing defined benefit obligations	(10,225)	(12,490)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

26. Retirement benefit obligations continued

Actuarial assumptions

The assumptions used for the purpose of the actuarial valuations were as follows:

	At year end 30 April 2025	At year end 30 April 2024
Discount rate	3.80%	3.45%
Salary increase rate	3.00%	3.50%
Pensions-in-payment increase rate	2.00%	2.40%
Mortality assumption	Richttafeln 2018 G	Richttafeln 2018 G

The assumptions regarding future mortality are based on actuarial advice in accordance with published statistics, which are country specific.

The current and future beneficiaries of the scheme are as follows:

	Number	Average age	Average annual pension £
Active	69	54	6,035
Deferred	79	55	1,227
Retired	163	76	1,934

The weighted average duration of the benefit obligation as at 30 April 2025 is 20 years (2024: 19 years).

Using the mortality tables adopted, the expected lifetime of average members at age 65 in 20 years' time is as follows:

	Male Years	Female Years
30 April 2024	88.7	91.5
30 April 2025	88.8	91.6

The expected contributions for the year ending 30 April 2025 are £453,000 for scheme assets and a further £65,000 benefit payments not from the plan assets.

The expected total benefit payments for the next ten years are £4.6m ranging from around £359,000 per annum to £518,000 per annum.

Sensitivity analysis

Several significant actuarial assumptions are made for the determination of the defined benefit obligation. These are set out below along with the impact on the net liability of the scheme as at 30 April 2025 by the prescribed sensitivity change:

	Change in assumption	Increase/ (decrease) in net liability of scheme £m
Mortality rate – increase in life expectancy	+1 year	0.3
Discount rate – increase in rate	+1%	(1.4)
Salary increase assumption – increase in rate	+1%	0.4
Pension payment increase assumption – increase in rate	+1%	1.3

The above sensitivities are based on a change of assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may have some correlation. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

27. Contingent liabilities

At 30 April 2025 the Group had in place bank guarantees of £35,530,000 (2024: £29,884,000) in respect of trading contracts. The Group is not aware of any conditions which would realise these contingent liabilities. The increase in the Group's contingent liabilities is in respect of higher levels of export orders including attached bank guarantee requirements.

28. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. However, the key transactions with the Company are disclosed as follows:

	Interest paid to subsidiaries £'000	Interest received from subsidiaries £'000	Management fees received from subsidiaries £'000	Dividends received from subsidiaries £'000	Group relief received from subsidiaries £'000
2025	—	1,358	5,050	23,800	675
2024	125	557	5,590	12,800	—

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

28. Related party transactions continued

During the year ended 30 April 2025, the Directors of Cohort plc received dividends from the Company as follows:

	2025 £	2024 £
N Prest CBE	275,032	248,156
A Thomis	40,197	33,904
S Walther	36,328	31,552
P Lynas	2,303	—
J Perrin (retired 24 September 2024)	614	554
	354,474	314,166

Further details of the remuneration of the Directors are set out in the Remuneration Committee report.

The aggregate remuneration (excluding share option costs) of the key management (2025: 12; 2024: 13, including Peter Lynas for part of the year) of the Group was as follows:

	2025 £	2024 £
Salary (including any allowances, benefits and employer's NIC)	2,328,337	2,071,060
Long-term incentive awards	1,296,861	783,230
Employer's pension contribution	47,440	79,684
	3,672,638	2,933,974

The key management of the Group is the Board of Cohort plc plus each subsidiary's managing director.

29. Acquisition of Interactive Technical Solutions Limited

On 31 May 2024 Cohort plc acquired 100% of Interactive Technical Solutions Limited (ITS) through its wholly owned subsidiary Marlborough Communications Limited (MCL). This business has been integrated within MCL where it will continue to provide technical support and services to both MCL and external customers, including other members of the Group. No further payments are due.

	Final fair value £'000
Recognised amounts of identifiable assets and liabilities assumed:	
Property, plant and equipment	31
Other intangible assets	2,717
Trade and other receivables	308
Cash	777
Trade and other payables	(114)
Deferred tax liability	(687)
	3,032
Goodwill	734
Total consideration (all satisfied by cash) transferred	3,766
Net cash outflow arising on acquisition:	
Cash consideration paid	3,766
Cash acquired	(777)
	2,989

The fair value adjustments reflect adjustments arising out of Cohort's due diligence work on the acquisition. The fair value adjustment is in respect of the other intangible assets and is analysed, including their estimated useful lives, as follows:

	Final fair value £'000	Estimated life Years
Contracts	709	2
Customer relationships	2,008	8
Other intangible assets	2,717	

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

29. Acquisition of Interactive Technical Solutions Limited continued

The other intangible assets acquired are based upon the following:

Contracts	The estimated profit in the acquired order book of ITS, discounted at an appropriate WACC over the expected life of the order book. This other intangible asset will be amortised over the estimated order book life at a rate to reflect the expected generation of profit from the order book.
Customer relationships	The estimated profit in identified future orders and prospects, discounted at an appropriate WACC over the expected life of the future order or prospect. This other intangible asset will be amortised over the estimated useful life at a rate to reflect the expected generation of profit from those future orders and prospects.

The goodwill of just over £0.7m arising from the acquisition represents customer contacts, supplier relationships and know-how to which no certain value can be ascribed. None of the goodwill is expected to be deductible for tax purposes.

For the year ended 30 April 2025, the Group has recognised just over £1.5m of revenue from ITS.

The costs of acquisition of £99,000 have been disclosed as an exceptional item in the income statement.

30. Acquisition of EM Solutions Pty Ltd

On 31 January 2025 Cohort plc acquired 100% of EM Solutions Pty Ltd (EM Solutions). EM Solutions is an Australian-based technology developer for innovative microwave and on-the-move radio and satellite products that help deliver high-speed telecommunications anywhere in the world. No further payments are due.

	Provisional fair value £'000
Recognised amounts of identifiable assets and liabilities assumed:	
Contract asset	7,052
Contract liability	(6,706)
Property, plant and equipment	1,662
Right of use assets	3,175
Other intangible assets	48,833
Deferred tax asset	3,865
Inventory	10,207
Restricted cash	3,144
Trade and other receivables	4,075
Cash	1,690
Trade and other payables	(1,841)
Provisions	(3,994)
Right of use liability	(2,301)
Deferred tax liability	(15,632)
	53,229
Goodwill	27,061
Total consideration (all satisfied by cash) transferred	80,290
Net cash outflow arising on acquisition:	
Cash consideration paid	80,290
Cash acquired	(1,690)
	78,600

The fair value adjustments reflect adjustments arising out of Cohort's due diligence work on the acquisition. These include additional provisions against trade and other receivables and for other contractual obligations, including product warranty. Deferred tax recognised on acquisition relates to the tax effects of the acquisition adjustments.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 April 2025

30. Acquisition of EM Solutions Pty Ltd continued

The fair value adjustment is in respect of the other intangible assets and is analysed, including their estimated useful lives, as follows:

	Provisional fair value £'000	Estimated life Years
Contracts	4,789	6
Customer relationships and technology assets	44,044	10
Other intangible assets	48,833	

The other intangible assets acquired are based upon the following:

Contracts	The estimated profit in the acquired order book of EMS, discounted at an appropriate WACC over the expected life of the order book. This other intangible asset will be amortised over the estimated order book life at a rate to reflect the expected generation of profit from the order book.
Customer relationships and technology assets	The estimated profit in identified future orders and prospects, discounted at an appropriate WACC over the expected life of the future order or prospect. This other intangible asset will be amortised over the estimated useful life at a rate to reflect the expected generation of profit from those future orders and prospects.

The goodwill of just over £27m arising from the acquisition represents customer contacts, supplier relationships and know-how to which no certain value can be ascribed. None of the goodwill is expected to be deductible for tax purposes.

For the year ended 30 April 2025, the Group has recognised just over £6.7m of revenue and £1.9m adjusted operating profit from EM Solutions.

The costs of acquisition of £1,635,000 have been disclosed as an exceptional item in the income statement. £1,754,000 of share placement costs relating to the issue of shares were recognised directly in the share premium account in equity.

31. Post balance sheet events

The sale of SEA's Transport undertaking for an enterprise value of just over £8m completed on 30 June 2025 (this sits within our Sensors and Effectors division). The Transport undertaking is not a strategic part of the Group's primary defence offering.

ACCOUNTING POLICIES

Basis of accounting

The Group financial statements have been prepared and approved by the Directors in accordance with UK adopted International Accounting Standards and applicable UK company law.

The Company is a public company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the parent company's registered office is shown on page 127. The Company financial statements presented on pages 79 to 125 are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'.

The financial statements are prepared on the historical cost basis except for derivative financial instruments that are stated at their fair value.

The consolidated financial statements are presented in GBP which is the ultimate parent company's functional currency.

On publishing the parent company financial statements here, together with the Group financial statements, the Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of these approved financial statements. As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of the categories of financial instruments and the nature and extent of risks arising on these financial instruments;
- disclosure of the future impact of new UK adopted International Financial Reporting Standards in issue but not yet effective at the reporting date; and
- related party disclosures for transactions with the parent or wholly owned members of the Group.

Exemption from audit

For the year ended 30 April 2025 Cohort plc has provided a guarantee in respect of all liabilities due by its following subsidiaries: MASS Limited (registration number 05863964), SEA (Group) Ltd. (registration number 02430846), Marlborough Communications (Holdings) Limited (registration number 07739219), and Chess Technologies Limited (registration number 06539922). This entitles them to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Going concern

As highlighted in note 15 to the financial statements, the Company meets its day-to-day working capital requirements through a facility which was renewed on 18 July 2022 and extended in May 2024 to July 2027. The current heightened international security situation, especially following the invasion of Ukraine, has increased the focus of governments, particularly in NATO, on defence capability and driven increasing levels of demand for the Group's products. Specifically in respect of UK defence spending (UK MOD represents 50% of the Group's 2024/25 revenue), the recent SDR published in 2025, does give the Group some improved visibility from this key customer.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facility.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, which is at least 12 months from the date of signing this report. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further information regarding the Company's business activities, together with the factors likely to affect its future development, performance and position, is set out in the Strategic report and included in the Risk management section. The financial position of the Company, its cash flows, its liquidity position and its borrowing facilities are also described in the Strategic report.

In addition, the Strategic report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings made up to 30 April 2025. Subsidiaries acquired during the year are consolidated from the date of acquisition, using the purchase method (see "Business combinations" below).

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

Subsidiaries are entities controlled by the Group. 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. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

ACCOUNTING POLICIES CONTINUED

Adoption of new and revised standards

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 May 2024, none of which had a material impact on the entity:

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current' (effective for years commencing 1 January 2024).
- Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback' (effective for years commencing 1 January 2024).
- Amendments to IAS 1 'Non-current Liabilities with Covenants' (effective for years commencing 1 January 2024).
- Amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements' (effective for years commencing 1 January 2024).

Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2025 reporting periods and have not been early adopted by the Group. These standards, outlined below, are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions:

- Amendments to IAS 21 'Lack of Exchangeability – The Effects of Changes in Foreign Exchange Rates' (effective for years commencing 1 January 2025).
- Amendments to IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective for years commencing 1 January 2026).
- Annual Improvements to IFRS Accounting Standards (effective for years commencing 1 January 2026).
- IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for years commencing 1 January 2027).
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective for years commencing 1 January 2027).

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method and are disclosed within accruals to the extent they are not settled in the period, unless the loan terms provide for the interest to be added to the principal, in which case the interest is added to the carrying amount of the instrument to which it pertains.

Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred unless, where appropriate, interest costs are capitalised into assets, fixed and current. The costs of arranging the Group facility are expensed over the term of the facility except for those costs arising as a result of an acquisition or disposal of a business which are then included as part of those transaction costs.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured as the aggregate of the fair values, at the completion date, of assets acquired, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired subsidiary. The costs of acquisition are charged to the Consolidated income statement as an exceptional item in accordance with IFRS 3.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable intangible assets, assets, liabilities and contingent liabilities recognised. If, after reassessment, which is a point in time greater than 12 months after the completion date, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds or is below the cost of the business combination, the excess or shortfall is recognised immediately in the income statement as an exceptional item.

Adjustments to the provisional value of assets and liabilities acquired in a business combination when the final values have become known within 12 months are adjusted for and reported as a movement in the current period.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss as an exceptional item.

The Group measures the non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquired business in the event of liquidation, at its proportionate interest in the recognised amount of the identifiable net assets of the acquired business at the acquisition date.

Where less than 100% of a subsidiary is acquired but the Group has effective control, that subsidiary is accounted for as if 100% were acquired with the non-controlling interest recognised appropriately.

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on-demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Deposits are included within cash and cash equivalents where the maturity from commencement of the deposit is three months or less. Restricted cash representing cash backed bank guarantees, given as part of long-term contracts, are held separately on the balance sheet until the contracts to which they relate end.

ACCOUNTING POLICIES CONTINUED

Derivative financial instruments

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. The Group does not use derivative financial instruments for speculative purposes.

Changes in the fair value of derivative financial instruments are recognised in the income statement as they arise and are disclosed separately in deriving the Group's adjusted operating profit.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency), which is generally sterling for the Group. Cohort's direct subsidiaries, Thunderwaves and Cohort Deutschland, and indirect subsidiaries, EID and ELAC SONAR, all have the euro as their functional currency, whilst EM Solutions and the Australian holding companies have the Australian dollar as their functional currency. For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company and the presentational currency for the consolidated financial statements, with any exchange difference included in the Consolidated statement of comprehensive income.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are included in the income statement for the year.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts. The Group's accounting policies in respect of such derivative financial instruments are described above. The Group does not apply hedge accounting.

These forward foreign exchange contracts are revalued to fair value at each balance sheet date with any movement included in the Consolidated income statement as part of the cost of sales and disclosed separately in deriving the Group's adjusted operating profit.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable intangible assets, assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment biannually. Any impairment is recognised immediately in the income statement as an exceptional item and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's subsidiaries as appropriate. Subsidiaries (cash-generating units) to which goodwill has been allocated are tested for impairment biannually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the subsidiary is less than the carrying amount of the subsidiary, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the subsidiary and then to the other assets of the subsidiary pro rata on the basis of the carrying amount of each asset in the subsidiary. An impairment loss recognised for goodwill is not reversed in a subsequent period. The impairment of goodwill is a critical judgement and estimate and is discussed in detail below.

On disposal of a subsidiary, or part of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any).

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or subsidiary) is estimated to be less than its carrying amount, the carrying amount of the asset (subsidiary) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (subsidiary) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (subsidiary) in prior years. A reversal of an impairment loss is recognised as income immediately.

Intangible assets

Intangible assets are recognised in respect of contracts, intellectual property rights and other measurable intangibles, including customer relations, arising on business combinations. The value of these intangible assets is determined by the estimated value to the Group going forward. The intangible assets are written off over the estimated useful lives of those particular assets. As discussed, the valuation of intangible assets is an area of critical judgement and estimate for the Directors.

ACCOUNTING POLICIES CONTINUED

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less the further cost expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items, at a minimum covering all stock older than six years that has not been kitted to an active project. Stock is accounted for on a first in, first out basis.

Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Group accounts for each lease component separately from the non-lease components. The Group allocates the consideration in the contract to each lease component on the basis of its relative standalone price and the aggregate standalone price of the non-lease components.

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use asset reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, to the extent that the right of use asset is reduced to £nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and of short-term (less than 12 months) leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Pension contributions

Payments are made to the Group's stakeholder pension schemes, all of which are defined contribution schemes with the exception of a defined benefit scheme in Germany. In respect of defined contribution schemes, amounts are charged to the income statement as incurred.

In respect of the defined benefit scheme, the schemes' assets and liabilities are valued annually by an external actuary. The service cost and net interest movements are recognised in the Consolidated income statement. Movements in valuation from changes in assumptions, including discount rate and mortality rate, are recognised in the Consolidated statement of other comprehensive income. The gross assets and obligations of the scheme, as independently valued, are shown net as retirement benefit obligations in the Consolidated statement of financial position at each balance sheet date.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their fair value at the date of acquisition, plus any subsequent cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	2%–4%
Fixtures, fittings and equipment	20%–50%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

ACCOUNTING POLICIES CONTINUED

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) which arises as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material. In respect of specific types of provisions, the policy is as follows:

Warranty

Provisions for the expected cost of warranty obligations under local sale of goods legislation and specifically contracted warranty undertakings are recognised at the date of sale of the relevant product or service. The provision is the Directors' best estimate of the expenditure required to settle the Group's obligation.

Other contract related provisions including contract loss provisions

The Group undertakes a number of contracts where contractual and/or third-party obligations arise as a result of delivering the contract. This provision includes amounts for losses on contracts which are recognised in full immediately when it is probable that total contract costs will exceed total contract revenue. In some cases, after a product has been delivered and revenue has been recognised, the Group receives claims (including warranty issues) from customers in respect of work done. Where the amount required to settle the claim is uncertain or the Group disputes the amount of the claim, provision is made for the best estimate of the amount that will be required to settle the claim.

Contract loss provisions are reviewed on a regular basis to determine whether the provision is still adequate or excessive. Contract loss provisions and subsequent adjustments to them are charged as cost of sales in the income statement.

Where such an obligation relates to a discontinued operation then the charge will be disclosed as an exceptional item.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Group's own development activity is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software, product and new processes) and is technically and commercially feasible;
- it is probable that the asset created will generate future economic benefits and the Group has available to itself sufficient resources to complete the development and to subsequently sell and/or use the asset created; and
- the development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Revenue and profit recognition

The Group applies IFRS 15 'Revenue from Contracts with Customers'.

Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Group to customers in exchange for consideration in the ordinary course of the Group's activities.

Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

The Group provides warranties to its customers to give them assurance that its products and services will function in line with agreed-upon specifications. Warranties are not provided separately and, therefore, do not represent separate performance obligations.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by the parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative standalone selling prices. Given the bespoke nature of many of the Group's products and services, which are designed and/or manufactured under contract to the customer's individual specifications, there are typically no observable standalone selling prices. Instead, standalone selling prices are typically estimated based on expected costs plus contract margin.

Whilst payment terms vary from contract to contract, on some of the Group's contracts, an element of the transaction price is received in advance of delivery. The Group therefore has contract liabilities (note 14). The Group's contracts are not considered to include significant financing components on the basis that there is no difference between the consideration and the cash selling price. UK Ministry of Defence contracting rules prohibit the inclusion of financing in the sales price.

Own shares

Own shares represent the shares of Cohort plc that are held by the Employee Benefit Trust. Own shares are measured at cost and deducted from equity in both the Group and the parent company financial statements.

ACCOUNTING POLICIES CONTINUED

Revenue and profit recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the Group determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

The Group has determined that most of its contracts satisfy the over time criteria, either because the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs (typically services or support contracts) or the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date (typically development or production contracts).

For each performance obligation to be recognised over time, the Group recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to estimates of transaction price and total expected costs to complete the contract, after making suitable allowances for technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. The Group has determined that this method appropriately depicts the Group's performance in transferring control of the goods and services to the customer.

If the over time criteria for revenue recognition are not met, revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example on delivery.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

Internally, the Group categorises revenue recognition according to three types. One or more of each type can apply to a single customer contract.

Type	Point in time or over time	Reason for type applied
One	Point in time	Revenue is recognised when the product or service is delivered to the customer per the contract and the customer is obliged to pay at this point. This usually applies to all the Group's standard products, support, spares and repairs.
Two	Over time service	Revenue is recognised for a service provision over time. Typically, these services are long term (greater than one year) but the contract with the customer fixes the annual revenue where the costs incurred per annum are variable. Revenue is typically recognised on a monthly basis based on either timesheets or a fixed receivable from the customer.
Three	Over time	Revenue is recognised over the contract based on the input costs to deliver the contract to that stage, taking account of appropriate risk contingencies in the remaining costs to complete the contract. Revenue is recognised (typically monthly) on input costs including internal labour (timesheets) and bought in goods and services (invoices or delivery notes).

The Group's businesses determine the revenue category/categories at the contract outset and apply this recognition method consistently until the contract is completed.

Software licences

The Group sells software licences either separately or together with other goods and services, including computer hardware and implementation, hosting and support. Revenue recognition in respect of software licences sold as part of a bundle of goods and services is considered separately when the licence is determined to be a separate performance obligation. Software licences either represent a right to access the Group's intellectual property as it exists throughout the licence period or a right to use the Group's intellectual property as it exists at the point in time at which the licence is granted. Revenue in respect of right to access licences is recognised over the licence term or, in relation to perpetual licences, over the related customer relationship and revenue in respect of right to use licences is recognised upfront on delivery to the customer.

A software licence is considered to be a right to access the Group's intellectual property as it exists throughout the licence period if all of the following criteria are satisfied:

- the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property;
- the licence directly exposes the customer to the effects of those activities; and
- those activities do not result in the transfer of a good or service to the customer.

ACCOUNTING POLICIES CONTINUED

Contract modifications

The Group's contracts are often amended for changes in customers' requirements and specifications. A contract modification exists when the parties to the contract approve a modification that either changes existing or creates new enforceable rights and obligations. The effect of a contract modification on the transaction price and the Group's measure of progress towards the satisfaction of the performance obligation to which it relates is recognised in one of the following ways:

1. prospectively, as an additional, separate contract;
2. prospectively, as a termination of the existing contract and creation of a new contract; or
3. as part of the original contract using a cumulative catch-up.

The majority of the Group's contract modifications are treated under either 1 (for example, the requirement for additional distinct goods or services) or 3 (for example, a change in the specification of the distinct goods or services for a partially completed contract), although the facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes.

Costs to obtain a contract

The Group expenses pre-contract bidding costs which are incurred regardless of whether a contract is awarded. The Group does not typically incur costs to obtain contracts that it would not have incurred had the contracts not been awarded, such as sales commission.

Costs to fulfil a contract

Contract fulfilment costs in respect of over time contracts are expensed as incurred. Contract fulfilment costs in respect of point in time contracts are accounted for under IAS 2 'Inventories'.

Sales of goods are recognised when goods are delivered, and title has passed.

Share-based payments

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest and adjusted for the non-market-based vesting conditions.

Fair value is measured by use of the Quoted Companies Alliance Black-Scholes model. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The value of cash-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of payments that will eventually be made adjusted for the non-market-based vesting conditions.

The cost of share-based payments is charged to the income statement with a corresponding credit applied to the share option reserve. The appropriate element of the reserve is transferred to the retained profit of the Group when the share options to which the reserve relates vest.

Taxation

The tax expense represents the sum of the tax currently payable and the deferred tax expense or credit.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Trade and other receivables

Trade receivables are initially measured at fair value.

With the exception of derivative financial instruments (see above) all other trade and other receivables are reported at amortised cost.

The Group recognises provisions for doubtful debts on an expected credit loss basis taking into account the future anticipated credit losses based upon the creditworthiness of the end customer. The allowance recognised is measured as the difference between the trade receivables and contract asset's carrying amount and the estimated recoverable amount.

Where revenue recognised over time on a contract exceeds the value that has been invoiced, the excess is recognised as a contract asset and is included within trade and other receivables.

Accrued income is recognised on revenue recognised at a point in time where a delivery or service has been made and revenue can be recognised, but no invoice has been raised.

ACCOUNTING POLICIES CONTINUED

Trade and other payables

Trade and other payables are initially measured at fair value.

With the exception of derivative financial instruments (see above) all other trade and other payables are reported at amortised cost.

Subsequent measurement is based on changes in the fair value and any changes recognised in the Consolidated income statement. To the extent that receipts from customers exceed relevant revenue, whether invoiced or a contract asset, then this is included as an advance receipt within trade and other payables.

Deferred income will arise on point in time contracts where customers have been invoiced, usually as a result of supplier costs incurred by the Group but where the service/delivery has not been made.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Directors have identified the following critical judgements and estimates in applying the Group's accounting policies that have the most significant impact on the amounts recognised in the financial statements.

NOTES TO THE ACCOUNTING POLICIES

1. Critical accounting judgements

Revenue recognition

Judgement is applied in whether to recognise revenue over time or at a point in time with respect to contracts and other sales agreements in place. This will make reference to the contractual arrangements on each contract and which revenue recognition method is most appropriate for that contract or sales agreement.

Recoverability of trade and other receivables

Judgement is applied in determining whether any of the Group's trade and other receivables require a bad debt, our historical experience, and the commercial terms we have in place to protect the recoverability of our receivables.

Provisions

The Group makes estimates of provisions for existing commitments arising from past events. In estimating these provisions, the Group makes judgements as to the quantity and likelihood of the liability arising. Certain provisions require more judgement than others. In particular, warranty provisions and contract loss provisions have to take account of future outcomes arising from past deliveries of products and services. In estimating these provisions, the Group makes use of management experience, precedents and specific contract and customer issues.

Research and development

The recognition of research and development expenditure as an internally generated intangible asset requires the Directors to make judgements, especially with respect to whether the asset created will generate future economic benefit. This is a key judgement in this respect as the time between development and any income can be considerable (over five years) and often the income-generating asset may have considerably evolved from the asset originally created. As a result of this, the Group almost always expenses research and development in the period it is incurred.

Acquisition of other intangible assets

Intangible assets other than goodwill that are obtained through acquisition are capitalised on the balance sheet. These other intangible assets are valued on acquisition using a discounted cash flow methodology which depends on future assumptions about the revenue from contracts, prices and costs and on the Group's cost of capital. At the time of an acquisition, the Directors use the business's projected gross margin from contracts acquired or future prospects. These gross margin figures will depend upon each contract's cost to complete estimate at that point in time and the Directors will apply judgement in whether those costs to complete are appropriate or not. The Directors will also take into account the expected timing of the recognition of revenue (and gross margin) on each contract or future prospect.

Taxation

In accordance with IFRIC 23 'Uncertainty over Income Tax Treatments' the Group currently takes a cautious approach to the recognition of R&D tax credits for periods that are still open. As at 30 April 2025, a provision of £1,900,000 (2024: £1,250,000) was recognised against R&D tax credit claims made in the final and early build computations for 2023/24 and 2024/25. The Group considers this level of provision as not material.

2. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Revenue and profit recognition

The judgement applied in recognising revenue on a contract over time as performance obligations are completed is in respect of the input costs incurred and the attributable margin. The latter is particularly a judgement in respect of estimating the cost to complete on a particular contract and the remaining risk and associated contingency. The Directors make use of monthly project (contract) control processes in each business within the Group to monitor and review cost to complete estimates and the utilisation or release of risk contingencies within each contract. This cost contingency takes account of the stage that the contract has reached and any judgement and uncertainty remaining to deliver the remainder of the contract. It is usual for these cost contingencies to reduce as the contract progresses and risk and uncertainty reduces.

Provisions

Judgement is applied on recognising contract provisions for uncertainties inherent in the type of projects undertaken throughout the Group. Management takes a prudent approach to recognising provisions against risks in projects especially on initial acquisition of subsidiaries where less historical information is available to inform management's decisions (see note 16).

Impairment

Judgement is applied in determining the discount rate used to value goodwill. Management takes a prudent approach to the selection of appropriate discount rates used, using rates provided by the Group's NOMAD (Investec) and providing additional risk premiums on top of this. See note 9 for further discussion of sensitivity surrounding goodwill impairment testing.

Other

Where a reasonably possible change in a key assumption could give rise to a change in the amount reported, this is disclosed within the relevant note to the accounts.

FIVE-YEAR RECORD

	2025	2024	2023	2022	2021
Headline results (£'000)					
Revenue	270,043	202,533	182,713	137,765	143,308
– Communications and Intelligence	124,891	82,929	86,195	68,369	78,559
– Sensors and Effectors	145,152	119,604	96,518	69,396	64,749
Adjusted operating profit	27,475	21,141	19,064	15,525	18,609
– Communications and Intelligence	21,095	12,842	14,911	12,253	15,647
– Sensors and Effectors	12,654	12,787	9,320	7,469	6,544
– Corporate	(6,274)	(4,488)	(5,167)	(4,197)	(3,582)
Operating profit	26,102	21,187	15,251	11,090	7,808
– Communications and Intelligence	17,908	13,507	14,815	12,310	15,978
– Sensors and Effectors	14,395	12,236	5,765	2,395	(4,519)
– Corporate	(6,201)	(4,556)	(5,329)	(3,615)	(3,651)
Adjusted earnings per share (pence)					
Basic	54.44	42.89	36.48	31.08	33.63
Diluted	53.46	42.72	36.40	30.91	33.29
Statutory earnings per share (pence)					
Basic	45.07	37.87	27.92	22.55	13.38
Diluted	44.25	37.72	27.86	22.42	13.24
Dividend per share (pence)	16.30	14.80	13.40	12.20	11.10
Net operating cash flow (£'000)	51,184	23,017	16,288	19,525	16,216
Net funds (£'000)	5,250	23,137	15,608	10,997	2,464
Order intake (£m)	284.7	392.1	220.9	186.4	180.3
Order book (£m) ¹	616.4	518.7	329.1	291.0	242.4

1. The order book at 30 April 2025 is after including the acquired order book of ITS (£1.4m) on 31 May 2024 and EM Solutions (£81.6m) on 31 January 2025.

GLOSSARY OF TERMS

ANZAC	Australia New Zealand Army Corps
C3	Command, Control and Communications
C4IS	Command, Control, Communications, Computers and Information Systems
C4ISTAR	Command, Control, Communications, Computers, Intelligence, Surveillance, Target Acquisition and Reconnaissance
CEMA	Cyber electromagnetic activity
C-UAS	Counter-Uncrewed Aerial System
C-UAV	Counter-Uncrewed Air Vehicle
DARPA	Defence Advanced Research Projects Agency
DSEI	Defence and Security Equipment International
DSTL	Defence Science and Technology Laboratory
ECS	External Communications System
EPS	Earnings Per Share
EW	Electronic Warfare
EWOS	Electronic Warfare Operational Support
GBAD	Ground-Based Air Defence
GHG	Greenhouse Gas
GPS	Global Positioning System
IEA	International Energy Agency
IPCC	Intergovernmental Panel for Climate Change
ISO	International Standards Organisation
ISTAR	Intelligence, Surveillance, Target Acquisition and Reconnaissance
MEWP	Maritime Electronic Warfare Programme
MOD	Ministry of Defence
NATO	North Atlantic Treaty Organisation
NGFS	Network for Greening the Financial System
RCP	Representative Concentration Pathway
SAYE	Save As You Earn scheme
SECR	Streamlined Energy and Carbon Reporting
SIGINT	Signals Intelligence
SIP	Share Incentive Plan

SSAFA	Soldiers, Sailors, Airmen and Families Association
SSP	Shared Socioeconomic Pathway
STEM	Science, Technology, Engineering and Maths
s-UAV	Small Unmanned Air Vehicle
TLS	Torpedo Launcher System
UAV	Uncrewed Air Vehicle
UGS	Uncrewed Ground Systems
UGV	Uncrewed Ground Vehicle
VAS	Vertical Aperture Sonar

Please visit our subsidiary websites for more information on the products and services mentioned in this report:

Communications and Intelligence

EID – eid.pt

EM Solutions – emsolutions.com.au

MASS – mass.co.uk

MCL – marlboroughcomms.com

Sensors and Effectors

Chess – chess-dynamics.com

ELAC SONAR – elac-sonar.de

SEA – sea.co.uk

SHAREHOLDER INFORMATION, FINANCIAL CALENDAR AND ADVISERS

Advisers

Nominated adviser and broker

Investec

30 Gresham Street,
London EC2V 7QP

Auditor

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25 Farringdon St,
London EC4A 4AB

Tax advisers

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Reading RG1 3BD

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London EC2V 7AE

NatWest Bank

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Reading RG1 3BA

Commerzbank AG

30 Gresham Street,
London EC2V 7PG

Shareholders' enquiries

If you have an enquiry about the Company's business, or about something affecting you as a shareholder (other than queries which are dealt with by the registrars), you should contact the Company Secretary by letter to the Company's registered office or by email to info@cohortplc.com.

Share register

Equiniti maintains the register of members of the Company.

If you have any questions about your personal holding of the Company's shares or notification of a change of name or address please visit shareview.co.uk. Alternatively, please contact Equiniti using the details below:

Equiniti

Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: 0371 384 2030 (Calls are charged at the standard geographic rate and will vary by provider.) From outside the UK: +44 371 384 2030 (calls are charged at the applicable international rate). Lines are open from 8.30am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales. Please quote your eleven digit shareholder reference number when calling us; this can be found on your share certificate, share statement, recent dividend information or correspondence.

For more information visit: shareview.co.uk

Daily share price listings

The Financial Times – AIM, Aerospace and Defence

The Times – Engineering

The Daily Telegraph – AIM section

Financial calendar

Annual General Meeting

25 September 2025

Final dividend payable

3 October 2025

Expected announcements of results for the year ending 30 April 2026

Preliminary half year announcement

December 2025

Preliminary full year announcement

July 2026

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Registered company number of Cohort plc

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Cohort plc is a company registered in England and Wales



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