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Equipmake Holdings PLC
27 November 2025

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR").

27 November 2025

Equipmake Holdings plc

("Equipmake", the "Company" or together with its subsidiaries the "Group")

Final Results for the year ended 31 May 2025

Equipmake, a market leader in engineering-driven differentiated electrification technologies, products and solutions across the automotive, truck, bus and speciality vehicle industries, announce its final audited results for the year ended 31 May 2025 ("FY25").

The FY25 annual report will be made available on the Company's website shortly and posted to shareholders in the coming days.

Period Highlights

- A challenging, yet transformative year for Equipmake:
  - Formal strategic review process with decisive restructuring and refocusing activities, including finishing certain legacy loss-making contracts and a significant reduction in the Group's cost base.
  - Against the backdrop of the challenges the Group faced, revenue reduced to £3.5 million (FY24: £7.3 million as restated).
  - The Group previously included grant revenues within the headline revenue number, but the approach has been revised to reflect the Group's business of selling electrification systems to customers at a profit. Revenue as previously reported reduced to £4.4 million (FY24: £8.1 million) with grant income now being included in Other operating income.
  - Total administrative expenses in the year amounted to £8.6 million (FY24 £8.4 million), with the Group's underlying cash costs reducing to £4.5 million (FY24: £5.5 million). Cost reduction measures undertaken in the year will see a further reduction in FY26.
  - Loss before taxation of £10.9 million (FY24: loss of £9.1 million).
  - Cash as at 31 May 2025 of £3.9 million (31 May 2024: £2.5 million).

- £5 million strategic investment by Caterpillar on 31 March 2025, together with a development agreement to develop electric drivetrain products and solutions across Caterpillar's applications.

- Initial zero emission drivetrain order from Agrale S.A., a leading South American bus manufacturer.

- A manufacturing and supply agreement with Textron, a leading global manufacturer of airport ground support vehicles.
- Development agreement with JCB, the British multinational manufacturer renowned for its construction, agriculture, waste handling, and demolition equipment.
- Initial development agreement worth £0.65 million with CorPower Ocean, a wave energy device developer to mainly benefit FY26.
- Further order worth £0.4 million from Gilmour Space Technologies.
- Appointment of Ian Selby as the Company's new CFO on 4 April 2025.

Post-period Highlights

- Further £5.45 million order from Agrale for drivetrain kits.
- Purchase order worth £0.55 million from Seahorse Amphibious Vehicles Limited, the designer, manufacturer and supplier of amphibious passenger vehicles.
- Appointment of Tim Metcalfe as the Company's new Non-Executive Chairman on 2 July 2025.

For further information, please contact:

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About Equipmake

Equipmake is a UK-based industrial technology company specialising in the engineering, development and production of electrification products to meet the needs of the automotive and other sectors in support of the transition from fossil-fuelled to zero-emission drivetrains.

Equipmake is a leader in high performance technologically advanced electric motors, inverters and complete zero-emission electric drivetrains and power electronic systems. Equipmake has developed a vertically integrated solution providing fully bespoke solutions to its customers. The Company is focussed on accelerating traction with OEM and Tier 1 suppliers in relation to higher margin component and drivetrain supply under long-term growth contracts.

Key differentiators of the Company offerings are its advanced technology and performance, reliability and adherence to ASIL-D[1] functional safety. Equipmake's advanced motor and inverter technology, featuring ASIL-D

compliance, are designed to customers' highest functional safety standards. With decades of experience in electric drivetrain integration and a dedicated prototype vehicle testing facility, Equipmake can significantly accelerate product development for customers.

[1] Automotive Safety Integrity Level ("ASIL") is a risk classification scheme defined by the ISO 26262 - Functional Safety for Road Vehicles standard and is a critical requirement for road vehicles. Of the four ASILs identified by the standard, ASIL-D dictates the highest integrity requirements on the product, which require exceptional rigour in their development.

EQUIPMAKE HOLDINGS PLC
NON-EXECUTIVE CHAIRMANS STATEMENT

I am pleased to present my first Chairman's statement following my appointment as the Company's Chairman, post year end, on 2 July 2025.

The year ended 31 May 2025 was undoubtably a challenging one for Equipmake, with business performance falling short and severe financial difficulties faced. This culminated in a formal strategic review commencing in December 2024. The strategic review forced the Company to confront the challenges it was facing and to commence a rapid period of change, together with seeking further capital.

Cost reduction initiatives, including a reduction in headcount of approximately 50 per cent. over the year, manufacturing improvement programmes, a wholesale review of the Group's supplier base, coupled with new business processes and information systems has led to a renewed Equipmake. Alongside this the businesses looked to ensure the future focus was on its undoubted strengths, but importantly in areas where an appropriate margin could be achieved. Certain loss-making contracts concluded, and improved processes put in place, including new ERP (Enterprise Resource Planning) systems. This has enabled better visibility on project costings, ensuring that new commercial arrangements work for the Company. Additionally, tighter controls on inventory purchasing are reducing the Company's working capital requirements.

At the conclusion of the strategic review process the Company was delighted to welcome the £5 million strategic investment by Caterpillar Venture Capital Inc, a wholly owned subsidiary of Caterpillar Inc ("Caterpillar"), the world's leading manufacturer of construction and mining equipment, off-highway diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also entered into a development agreement with the Company to develop electric drivetrain products and solutions across Caterpillar's applications. The relationship with Caterpillar is progressing well and the Company is working with Caterpillar on various business development activities, across a variety of sectors.

The changes made and the strategic investment from Caterpillar means Equipmake is now on much sounder footings.

General Meetings

The Annual General Meeting of the Company will be held at 11 a.m. on 27 November 2025 at the Company's registered office, Unit 7, Snetterton Business Park, Snetterton, Norfolk, NR16 2JU. A further General Meeting of the Company will be convened in due course to put further resolutions to shareholders, including to receive and adopt these accounts and an advisory resolution on the Company's remuneration report.

Board and People

There were a number of significant changes in management and the Board during the year, and post year-end. Tony Ratcliffe stepped down as CFO on 30 November 2024 and was succeeded by Ian Selby, an experienced public company CFO, who joined on 4 April 2025 with Nick Molders (COO) leaving on that day. On 2 July 2025 Clive Scrivener stepped down as Chairman, and I joined the Board as the Company's new Chairman. The Company's operational management has also been strengthened, with further hires to be made in due course.

I would like to take this opportunity to thank those Directors and employees who left during the year for their contribution to Equipmake and to wish them well for the future. The key to Equipmake's future success is the hard work and dedication of its people, and I would like to place on record my thanks to the whole Equipmake team for their resilience and commitment during the difficult times faced during the year.

Outlook

Equipmake is a leader in the manufacture and supply of high performance, technologically advanced, electric motors, inverters and complete zero-emission electric drivetrains and power electronic systems, all crucial to support the transition from fossil-fuelled to zero-emission drivetrains.

The material revenues Equipmake has already delivered from Bus Repowering, where the Group both supplies the full electric drivetrain solution and installs it in the recipient vehicle, has enabled the Company to showcase the quality, reliability and practical usability of its products and solutions. This has proved invaluable in accelerating the interest in the Company's components and drivetrain supply business lines with targeted OEM and tier 1 suppliers in other sectors.

The Company's strategic focus is now on accelerating traction with OEM and Tier 1 suppliers, both those the Company already has relationships with and those being targeted, in relation to higher margin component and drivetrain supply under long-term growth contracts and on technology licencing across a variety of niche sectors including aerospace, defence, off-highway, and transportation in all its forms. The partnerships the Company already has with Caterpillar, Agrale, JCB, CorePower Ocean, Gilmour Space Technologies, H55, Seahorse and Textron, amongst others, positions the Company well for the future and demonstrates the wide ranging applications for the Company's technology.

The decisive restructuring and refocusing undertaken following the strategic review have positioned the Company well to take advantage of the opportunities being presented. I believe that Equipmake has the right offering and strategy in place to deliver profitability and strong future growth.

In closing, I would like to thank Equipmake's Board, employees, shareholders and all stakeholders for their continued support.

Tim Metcalfe
Non-Executive Chairman
27 November 2025

EQUIPMAKE HOLDINGS PLC
CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

The year was one of the most challenging, yet transformative, in Equipmake's history. Following the strong top-line growth achieved in FY24, it became clear that elements of the Company's business model, particularly the original Bus Repowering operations, were not financially sustainable. The year was therefore dominated by decisive restructuring and refocusing activities, coupled with the strategic investment from Caterpillar, designed to secure the long-term success of the Company and position it for higher-margin, product-led growth.

A Year of Challenge and Change

The first half of FY25 was difficult. Revenues were constrained by limited working capital and challenges with bus-repowering contracts. A thorough review of the cost base, led by Tony Ratcliffe (who joined as CFO in April 2024), revealed key cost, working capital, and financial reporting issues in the business, with many arising from certain legacy bus repowering contracts which were significantly loss making, as well as a poorly implemented ERP system. This resulted in much greater cash outflows than expected and this was compounded by both expected follow-on orders from major customers not happening, as well as slippage in deliveries caused by working capital constraints.

In response, the Board took urgent action to stabilise the business through a major programme of restructuring and cost cutting, ensuring the business focused on its strengths and areas where an appropriate margin could be achieved, as well as seeking additional and essential capital.

Certain loss-making contracts in the Bus Repowering business were concluded, and the commercial approach was reworked to make sure ongoing contracts were profitable. This has ensured Equipmake remains one of the few companies that can successfully repower buses to zero-emission operation and the Company has a valuable technical offering, coupled with significant operational experience to support the delivery of electric powertrain product solutions across multiple sectors.

As part of the necessary cost cutting and restructuring programme headcount was reduced by approximately 50% in the year, including a major redundancy programme in December 2024, the expensive Scottow facility was closed and the remaining repowering operations were moved to a more appropriate and local site at East Harling, a few miles from the Snetterton headquarters. Furthermore, the supply chain was reworked, allowing Equipmake to supply cost effective solutions, whilst still generating an attractive margin, and a number of key products were redesigned to reduce costs and improve reliability, especially for key components such as batteries.

Financing and Strategic Review

In parallel with the operational restructuring, immediate action was taken to strengthen the Company's cash resources and to look for strategic options for the Group. In October 2024, the Company successfully completed a £3 million fundraising, providing essential short-term liquidity to maintain key operations, while we pursued a formal strategic review of the Group to ensure it remained a long-term going concern.

In December 2024, the Board launched a Strategic Review and Formal Sale Process to assess the best path forward for Equipmake, including partnerships or investment opportunities that could accelerate the Company's transition from a services-led model to a scalable product business. This process was demanding and disruptive, but ultimately it led to a positive outcome: the £5 million strategic investment by Caterpillar, announced on 31 March 2025, together with a development agreement for electric drivetrain technologies for Caterpillar's off-highway and industrial markets.

The Caterpillar Venture Capital Inc investment provided both funding stability and access to new markets where the Group's electrification expertise has strong relevance. I view this collaboration as a cornerstone of our future

growth strategy. In addition, the Company is in discussions with them for a further investment of £3 million in 2025 by way of expansion of the existing CLN to provide further working capital for the Group.

Customer Progress

Despite the Group's financial pressures and them being in the public arena, the business continued to win strategically important contracts and strengthen relationships with key partners. New and repeat business was secured with Agrale, CorPower Ocean, Seahorse Power, together with continued collaborations with Gilmour Space, H55, Textron, and JCB. Several previously announced programmes remain on hold, but there is potential for these to recommence in 2026. Significant customer engagement continues, both with existing and new potential partners, that the Group expects to translate into revenue generating contracts, including in sectors such as defence and aerospace electrification, where Equipmake's compact high-performance motor and inverter platforms have compelling advantages.

Additionally, the Caterpillar relationship has opened exciting possibilities for long-term collaboration in industrial, construction and off-highway markets. Equipmake's technology and agile engineering capability are directly relevant to these applications.

Leadership and Governance

There were several key changes in management and the Board during the year. Tony Ratcliffe stepped as CFO down on 30 November 2024. He was succeeded by Ian Selby, an experienced public company CFO, who joined on 2 April 2025 with Nick Molders (COO) leaving on that day. Operational management was strengthened with Jason Abbot joining as Operations Director (non-board) in September 2024 to focus on stabilising procurement, inventory, manufacturing and improving delivery performance. At a Board level, John Beasley (non-executive director) resigned in January 2025.

Post year-end, on 2 July 2025 Clive Scrivener stepped down as the Company's Chairman, to be replaced by Tim Metcalfe, a highly experienced corporate financier, company adviser and public company director.

I would like to thank Clive, Tony, Nick and John for their contributions and wish them well for the future.

The Difficulties and Lessons of FY25

There is no doubt that FY25 tested the resilience of everyone at Equipmake. The Company faced severe liquidity constraints, disrupted operations, and a prolonged strategic review process that consumed management time and created uncertainty across the business. Yet through this period, our people demonstrated professionalism, adaptability and belief in Equipmake's mission.

The lessons from this year have informed every aspect of our FY26 and future plans. We have learned the importance of focusing on scalable, repeatable product lines, supplied at an appropriate margin, whilst maintaining tight control of working capital, and ensuring our systems and processes match the pace of our ambition.

Outlook for FY26 and Beyond

I expect our world-class product offering together with the operational changes, strengthened management team and streamlined operations to benefit FY26 and beyond. Having the backing of Caterpillar has helped position Equipmake as a credible partner to both customers and suppliers, as well as providing a natural route to market for our solutions.

Our priorities are clear:

- Scale drivetrain and inverter product sales to OEM and Tier 1 partners.
- Continue margin improvement through design optimisation and supplier collaboration.
- Work with Caterpillar to explore opportunities in industrial and off-highway applications.
- Progress increasing interest from the aerospace defence sectors for our sector accredited electric motor designs.
- Conduct bus repowering projects under improved, appropriate terms.
- Develop AI-based data and service offerings to build recurring revenue.
- Maintain strict financial discipline while targeting revenue growth.

Summary

FY25 was undeniably difficult, but it has left Equipmake fundamentally stronger. We have faced the realities of our cost base and our business model, made the tough decisions, and emerged with a clearer, leaner structure, a world-class strategic partner, and a refocused product-led strategy.

With our technology proven, our balance sheet stabilised, and our team energised, Equipmake is determined to turn this transformation into sustainable profitable growth.

Ian Foley
Chief Executive Officer
27 November 2025

EQUIPMAKE HOLDINGS PLC
CHIEF FINANCIAL OFFICER'S REVIEW

Background

The finance team was strengthened in the year and post the refinancing in March 2025. New external consultants were engaged to carry out major remedial works on the Group's Infor Syteline ERP system. This is a large, expensive, and complex application which had been originally purchased in 2021, but its initial implementation was incomplete and unreliable. Significant progress has been made in the last few months, but this will inevitably require ongoing effort to maximise its value.

Revenue

Revenue for the year was £3.5 million (FY2024: £7.3 million), a decrease of 54%. This was caused by a combination of order delays and cancellations, a lack of working capital to deliver sales, and the inevitable loss of some customer confidence surrounding the Company's financial difficulties.

The Company had previously included grant revenues within the headline revenue number, but the approach has been revised to reflect the Company's business as being that of selling electrification technology solutions and not claiming governmental grants, which are ,by definition, only partial cost recoveries. Grant income has therefore

been reflected within Other operating income, and their associated costs have been included in administrative expenses. The prior year has been restated accordingly.

Revenue is summarised across the business lines as below:

	For the year ended 31 May 2025 £'000	For the year ended 31 May 2024 £'000
Drivetrain Supply	**700**	2,181
EV Components	**294**	846
Technology	**442**	399
Bus Repowering	**2,049**	3,854
Revenue	**3,485**	7,280
Grant income (Previously reported in Revenue, now in Other operating income)	**947**	788
Total Revenue (as previously reported)	**4,432**	8,068

Gross profit

The overall gross loss in the year was £3.7 million (FY24: gross loss (restated) of £1.9 million). This reflected the fall in revenues, losses on deliveries of certain legacy bus repowering contracts in the first half of the year, low utilisation of a head count which had been increased on the expectation of major growth, and an increase of £1.6m of stock provisions to cover obsolescent stock which was not expected to produce positive cash flows. A stronger orderbook, tighter controlled costing process and more highly utilised workforce is expected to benefit future gross margins. In addition, £0.3m of provision against potential warranty liabilities was recorded for the first time.

Administrative expenses

Total administrative expenses in the year amounted to £8.6 million (FY24: £8.4million) and is analysed below. The Group restructured in the year and reduced underlying cash costs by 19%.

£'000	31 May 2025	31 May 2024
Administrative expenses	8,583	8,446
Other operating income (RDEC and grant income)	(1,539)	(1,297)
Depreciation and amortisation	(661)	(501)
Share based payments	(47)	(45)
Non-recurring costs	(1,847)	(1,134)
Underlying cash costs	4,489	5,469

Included within this is £2.6 million of R&D spend (FY24: £1.8 million).

Adjusted EBITDA (Alternative Performance Measure)

The Board's key measure of underlying business profitability and assessing trends across periods is adjusted earnings before interest, tax, depreciation and amortisation, share based payments and non-recurring costs (Adjusted EBITDA). In the year, the Group recorded an adjusted EBITDA loss of £8.2 million (FY24: adjusted EBITDA loss of £7.4 million).

Non-recurring and share based payment costs

The non-recurring costs in the year of £1.8 million (FY24: £1.1 million) comprised £0.4 million related to corporate advisory work around refinancing, potential Group sale and corporate restructuring, £0.5 million around the operational restructuring programme including redundancies and premises closures, and the balance of £0.9 million from impairment of previously capitalised intangible assets as a result of technology changes and the move away from bus repowering work. The prior year amount was largely comprised of costs associated with legacy bus repowering contracts. Share based payments were approximately £0.05 million (FY24: £0.04 million)

Interest Income and Expenses

The Group drew down the loan note from Caterpillar Ventures Inc on 31 March 2025. It carries a coupon of 10% and therefore an annual simple interest charge (payable at maturity) of £0.5million. As the Group is obligated under FRS102 to report this on an amortised cost basis, the reported interest charge was £0.1 million with the remainder arising from leases and HP schemes. Interest receivable arose from amounts held on deposit.

Tax

The tax charge in the year of £0.1 million (FY2024: £0.1 million) related to the tax due on the Research & Development Expenditure Credit ("RDEC") receipt. Most taxable losses were generated in the UK, where the Group has UK trading tax losses (subject to HMRC agreement) carried forward at the year-end date amounting to approximately £31.3 million (FY24: £21.9 million). No deferred tax asset has been recognised (FY24: £nil).

Earnings per share

The basic and diluted loss per share amounted to 1.02 pence per share (FY24: loss 0.95 pence per share).

Intangible assets

The Group had intangible assets totalling £0.8 million (FY24: £1.2 million). During the year £0.9m of intangible assets relating to legacy bus designs, customer projects and battery related technologies which were replaced by external solutions, were fully impaired and this is reported in non-recurring costs.

Tangible assets

The Group had tangible assets totalling £0.9 million (FY24: £1.6 million). The decrease was caused primarily by the exit of Scottow including losses on disposal of assets. The combination of investment in previous years and the operational restructuring reduced capital spend to £0.1 million (FY24: £1.2 million).

Stock and WIP

The Group had historically suffered from poor controls around inventory purchasing and stock management. A revised provisioning policy was introduced whereby any inventory which represented more than three years' worth of usage, based on expected customer demand, was fully provided for. Consequently, provisions against slow moving inventory increased to £2.1 million (FY24: £0.5 million) with the corresponding loss being reflected in cost of sales. Given the financial difficulties the Group faced during most of the year, it was unable to purchase sufficient stock for items necessary for customer deliveries.

Trade and other receivables

The Group had total debtors totalling £2.2 million as at 31 May 2025 (FY24: £4.2million), with the bulk of the reduction being attributed to trade debtors which fell from £2.5 million to £0.8 million due to a high level of billings at the end of the previous financial year. Other items were broadly similar to the previous year.

Trade and other payables

The Group had total creditors totalling £2.8 million as at 31 May 2025 (FY24: £3.8 million) with the fall arising from a reduction in trade creditors in line with lower business volumes and project timings.

Creditors due more than one year

On 31 March 2025 Caterpillar Ventures Inc invested £5.0 million to support the Group's growth and working capital requirements by way of a secured Convertible Loan Note ("CLN"). The investment provides an opportunity for commercial engagement between Equipmake and Caterpillar, supporting co-development of electric drivetrain solutions for heavy-duty applications, and reinforcing Equipmake's reputation as a leading UK innovator in vehicle electrification technology. This investment was approved by shareholders at a general meeting on 12 May 2025. The CLN has a10% payment-in-kind (PIK) coupon and is repayable on 31 March 2029. Its conversion price is the lower of:

- 80% of the price per share in any qualifying (> £1 million) future fundraising;
- 80% of the 30-day VWAP preceding conversion; or
- a fixed price of 3.125p per share (representing approximately 12.5% of the Company's issued share capital at the time of issue).

The CLN is recognised as a compound financial instrument under FRS 102 and consequently it was recorded with a host debt of £3.7 million.

Provisions

The Group had established in the prior year a provision totalling £0.4 million in respect of expected future losses on two onerous bus repowering legacy contracts which were underway at the 31 May 2024. This provision was utilised during the year, and the Group had no contracts at the year ended 31 May 2025 which it expected to be loss making and therefore none are provided for. The Group recorded a warranty provision of £0.3m for the first time as disclosed in notes 2 and 3.

Cash and working capital

The Group suffered from significant operating cash outflows in the year which mainly arose from trading losses. A total of £7.4m was raised from the issue of equity and CLNs. Cash balances at 31 May 2025 were £3.9 million (31 May 2024: £2.5 million).

Net assets

Net assets at the year-end date amounted to £0.3 million (FY24: £8.6 million), with the reduction arising from trading losses, debt financing (as opposed to equity) impairment and restructuring.

Ian Selby
Chief Financial Officer

27 November 2025

EQUIPMAKE HOLDINGS PLC
STRATEGIC REPORT

Introduction

The Directors present their strategic report for the year ended 31 May 2025. The Company acts as a holding company for Equipmake Limited and Equipmake Inc, the three companies collectively referred to as Equipmake or the Group.

Principal Activities

Equipmake is a UK-based industrial technology business specialising in the engineering, development and production of electrification products to meet the needs of the automotive and other sectors in support of the transition from fossil-fuelled to zero-emission drivetrains.

Equipmake is a leader in the manufacture and supply of high performance, technologically advanced, electric motors, inverters and complete zero-emission electric drivetrains and power electronic systems. The Group has delivered material revenues from Bus Repowering, where the Group both supplies the full electric drivetrain solution and installs it in the recipient vehicle. This has showcased the quality, reliability and practical usability of the Group's products and solutions, invaluable in accelerating the interest in the components and drivetrain supply business lines with targeted OEM and Tier 1 suppliers. The Group's strategic focus is now on accelerating traction with OEM and Tier 1 suppliers in relation to higher margin component and drivetrain supply under long-term growth contracts and on technology licencing across a variety of niche sectors including aerospace, defence, off-highway, and transportation in all its forms.

Review of the business

A review of the business, which includes the future prospects and position of the Group, is contained in the Chief Executive's Review on pages 8 to 10 and in the Chief Financial Officer's Review on pages 11 to 24

Strategy and business model

The Group's strategy is to aggressively grow its core components, drivetrain supply and technology business lines. It has rationalised the Bus Repowering offering towards a limited number of platforms, with a view to improving gross margins. This product area is not a key growth driver in the Group's future plans, as it anticipates material demand growth for the supply of its higher margin components and drivetrain solutions, which will be a key focus for the Group going forward.

The Group has developed a vertically integrated solution providing fully bespoke solutions to its customers and is focussed on accelerating traction with OEM and Tier 1 suppliers in relation to higher margin component and drivetrain supply under long-term growth contracts. Through its vertically integrated business model, Equipmake designs and manufactures a significant number of the core technologies that constitute an EV drivetrain (motors, inverters, battery packs, control systems) and integrates these components (together with third party components) into a working system. The individual components or the full drivetrain can be sold to customers. Where it does

not plan to address certain markets segments or geographies directly, Equipmake also plans to licence its technology to select partners.

Key differentiators of the Group's offerings are its advanced technology and performance, reliability and adherence to ASIL-D functional safety. ASIL function safety is a risk classification scheme defined by ISO 26262, with "ASIL-D" being the most stringent of the four levels. Equipmake has achieved ASIL-D compliance for its inverter hardware and software in the most demanding traction applications.

Equipmake is developing one of the first electric motors to achieve full EASA (European Union Safety Agency) approval for inclusion into fully electric commercial aircraft. This will be manufactured by Equipmake under CAA POA (Production Organisation Approval). This has led to significant interest from the defence industry, a sector which has shown significant interest in Equipmake in 2025.

Innovation and new product development is integral to Equipmake's strategy, ensuring its offerings stay current and best in class. Historically, a significant amount of development has been completed with support from Innovate UK or Advance Propulsion Centre ("APC") grant funded projects. In addition to receiving funding towards development, the Group also benefits from the wider collaboration with future customers that these projects provide.

The following areas are some of the key areas of potential growth:

EV Components and Drivetrain supply

These two business lines are the highest priority and focus of the Group. The Board believes that the greatest driver of shareholder value will be high value, high margin multiple year contracts in relation to the manufacture and sale of motors, inverters, and other electric vehicle components as well as full drivetrains, with large global OEMs and Tier 1 suppliers. These contracts typically have a longer sales cycle lead but more attractive longer-term margins than, for example, Bus Repowering contracts.

Technology

The Group has a portfolio of attractive products and solutions which it believes are relevant to medium and heavy-duty commercial vehicles and other specialist applications. It expects to capitalise on its substantial intellectual property, held through formal patents and many years of know-how, directly and through technology transactions. These transactions are expected to comprise both sales and licencing of technology, either in geographies or market segments that the Group or its partners do not plan to address directly, or in relation to non-core areas.

Bus Repowering

Given the challenges in delivering highly attractive margins, the Group is not looking to significantly expand the business of physical retrofitting of complete electric drivetrains into used diesel vehicles. However, the Group has a schedule of backorders and a solid order pipeline into which the Group plans, where possible, to sell its drivetrain solutions, but allow the customers to arrange for the manual fitting thereof, whether themselves or via partners.

Acquisition model

In the near-term, the Group is focussed on accelerating the commercial expansion of the existing business. However, in due course, it may consider suitable attractive acquisition opportunities when they are clearly

earnings enhancing, straightforward integration, with clearly identifiable synergies, and cash generative. In any event, a robust filtering process will be deployed to screen and analyse potential prospects.

Corporate social responsibility

The Board has responsibility for all matters relating to corporate social responsibility. The Directors recognise the importance of corporate social responsibility and aim to consider the interests of all stakeholders, including its shareholders, customers, suppliers and employees. The Board believes that encouraging an environment where employees act in an ethical and socially responsible way is critical to the Group's long-term success. The Group complies with the laws of all the countries in which it operates.

People

The Group believes that attracting, motivating and rewarding employees is key to its long-term success. Policies established by the Group are in line with best practice and define that there should be no discrimination, but equal opportunities for all. The Group employs staff purely on the basis of their abilities and qualifications with no regard to their age, disability, gender, marriage or civil partnership, pregnancy or maternity, or their race, religion or sexual orientation. Promotion is based on merit only. Applications for employment by disabled persons are always fully considered, bearing in mind the specific aptitudes of the applicant involved.

At the year-end date the Group employed:

	2025	**2024**
Headcount at 31 May 2025	61	124
Average Length of Service (years)	3.8	2.5
Employee Churn (involuntary leavers, FY 25 increase due to the Group's difficulties and restructuring program in the year)	31%	9%
Days lost to sickness as a % of overall days available	0.9%	1.1%

Values

The Group's values comprise:

- Integrity - to act with honesty and fairness;
- Innovation- to drive value for customers and shareholders by developing innovative technology solutions;
- Energy, hard work and commitment;
- Recognition - to recognise individual and team efforts in achieving the Group's goals; and
- Quality - to delivery high quality results.

Involvement

The Group places great value on the involvement of its employees and they are regularly briefed on the Group's activities. The Group closely monitors staff attrition rates which it seeks to keep at low levels and aims to structure staff compensation levels, as far as possible, at competitive rates in order to attract and retain high calibre staff. Employees are regularly provided with information and progress updates about the Group, through line management briefings or all staff email distributions.

Health and safety

The Group is permitted to protecting the health and safety of its employees and work hard to build and maintain an effective and safe working environment and culture. Health and safety is a dedicated and high priority agenda item at all routine scheduled Board meetings (as well as at management meetings), where initiatives and specific statistics are reviewed and discussed. The Group continually monitors its health and safety policies and procedures to ensure that they are adequate and reflect latest best practice.

Ethical, community and social policies

The Board recognises that the Group has a duty to be a good corporate citizen and to respect the laws, customs and culture of the territories in which it operates. It has an anti-bribery policy and Modern Slavery Act statement.

Environment

The Group's very existence and purpose is to play a significant part in the journey from fossil-fuelled to zero emissions by offering electric vehicle products and solutions across the commercial vehicle, truck, bus and speciality vehicle industries.

The Group's drivetrain solutions include telemetry technology that allows customers to track real-time reductions in CO2 emissions.

The Directors consider that the nature of the Group's activities is not inherently detrimental to the environment. The Group is committed to minimising any effect on the environment caused by its operations and it actively seeks to make energy savings which are environmentally responsible and cost effective and to comply with applicable environmental legislation.

Directors' statement of compliance with duty to promote the success of the Group (Section 172 Statement)

Section 172 of the Companies Act 2006 requires that Directors of a company must act in ways that they consider, 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 regard (amongst other matters) to:

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

The Board considers its major stakeholders to be its employees, its customers, its suppliers, grant bodies and its shareholders. When making decisions, the interests of these stakeholders is considered informally as part of the Board's discussions.

Employees

All employees are critical to the long-term success of Equipmake.

- The Board has a good relationship with the Group's employees. The Board maintains constructive dialogue with employees through the Executive Directors;

- The Group reviews on an ongoing basis its overall benefits package in order to maximise its value to employees. Historically, share options have been issued as part of remuneration schemes that help to align employees' objectives with those of the Group and shareholders;
- The Group addresses development needs through both in-house and external training; and
- The Group runs an apprenticeship scheme.

Customers

- The Group engages with customers at all stages of a project's life cycle - from concept design through to the production phase, delivery and after-sales service and support. The Directors believe that this is mutually beneficial and ensures that relationships with customers are not purely transactional and are instead focused on building and nurturing long-term relationships; and
- The Executive Directors and senior management meet key prospects, customers and partners regularly and encourage a dialogue with them and commercial teams as appropriate. The Board receives regular reports on progress with significant customer relationships to ensure that their decision making takes into account the needs of the customer base.

Suppliers

- The Board ensures that the Group endeavours to maintain good relationships with its suppliers by contracting on their standard business terms where it is commercially reasonable to do so and, as far as possible, paying them promptly on reasonable terms; and
- The Group discusses arrangements and any issues with key suppliers regularly and, if deemed necessary, audits their activities to ensure that materials are delivered effectively and in a timely and cost-efficient manner, ensuring that the Group's and key suppliers' interests are aligned.

Grant bodies

- Equipmake has benefited from several Innovate UK Research and Development grants in recent years and maintains a good relationship with the grant issuing bodies. The Advanced Propulsion Centre has supported multiple projects and participated in several joint press events after completion of the grant projects.

Shareholders

- The Board endeavours to maintain good relationships with its shareholders and to treat them equitably. This is described in more detail in the Corporate Governance Statement on pages 27 to 31;
- The Company engages with investors through its annual and interim reports, AGM and other general meetings, regular communication of news flow, its analyst meetings and presentations with larger investors; and
- The Group has adopted the Corporate Governance Code for small and mid-size quoted companies from the QCA Code. The QCA Code is an appropriate code of conduct for the Group's size and stage of development.

Environment and social

The Board does not believe that the Group has significant impact on the communities and environments within the areas it operates. The Board recognises that the Group has a duty to minimise harm to the environment and to contribute as far as is practicable to local communities in which it operates.

The Board recognises the importance of maintaining high standards of business conduct with its customers, suppliers and with all other business partners. The Group operates appropriate policies on business ethics and provides mechanisms for whistleblowing and complaints and operates in accordance with Section 172.

Risk management

The Board recognises that effective risk management is essential to the successful delivery of the Group's strategy. As the business grows quickly, the Board believes that it is important to further develop and enhance the risk management processes and control environment on an ongoing basis and to ensure it remains appropriate.

Overview of risk management approach

Risks are identified and assessed by all business areas on a regular basis and are measured against a defined set of criteria, considering likelihood of occurrence and potential impact.

The Executive Board members have also identified risks that could impact the business model, future performance, solvency or liquidity. The Board has the overall accountability for ensuring that risk is effectively managed across the Group and therefore ensuring that it is comfortable with the nature and extent of the principal risks faced in achieving its strategic objectives. The Board is committed to continuing to identify and manage risks across the Group in a consistent and robust manner and regularly monitors the risk register and potential mitigations of risks through the Audit Committee.

Principal risks and uncertainties

Set out below are the principal risks which the Board believes could materially affect the Group's ability to achieve its financial and operating objectives and control or mitigating activities adopted to manage them. The risks are not listed in order of significant and this is not an exhaustive list.

Risk	**Consequence**	**Mitigation**
Health and Safety, which is inherent when operating in a manufacturing environment with high power tools and moving vehicles.	Injury or death to staff or third parties from operations.	· Comprehensive H&S training across the Group. · New third party consultants appointed to review and H&S policies, practices and procedures. · This is a priority item for every board and management meeting agenda.
Thermal event (fire) on a vehicle	Risk to people and assets from fire. Reputational and legal damage.	· Following regulations for design (reg100). · Live monitoring of pack temperatures and voltages via telemetry. · Maintain comprehensive insurance cover. · Usage limits made clear to the operator (temperature etc)
Financial Performance and liquidity	Inability to operate the business effectively due to cash constraint.	· Regular cash forecasting to identify risks and

	Group has a history of lossmaking and a weak net asset position due to high gearing. Could affect perception by prospective customers, suppliers and shareholders.	sensitivities, reviewed by executive directors each week · Close cost control and working capital, inventory management top maximise efficiency of spend. · Use of appropriate commercial terms to protect the business including use of trade finance to reduce risk of bad debt in certain territories such as Argentina. · Close monitoring of projects during bid and delivery stages to identify cash and profit risks. · Working closely with our supply chain and their insurers. · Raise additional capital from existing or new investors, both debt and equity, to provide additional cash resources.
Cyber Security	The Group has developed valuable IP which could be of use to third parties by theft. Like many organisations it is exposed to the wider and increasing risks from criminals by ransomware attacks and similar.	· Increased cyber security measures including additional security licences and multi factor authentication introduced, · New external DPO appointed who is delivering cyber security training sessions to the workforce. · Ongoing patent program to protect IP.
China	Ability to leverage its trade and manufacturing capability alongside domestic IP innovation & replication to gain market share at the expense of Western OEMs by producing competitive goods at much lower prices.	· Developed a robust and high quality Chinese supply chain for major items such as batteries to provide the Group with a significant price advantage. · Carrying out external DD on supplier organisations. · Regular feedback from customers for competitor pricing information.
Sales performance and customer delivery	The Company has volatile revenues and dependence on new orders being received to generate margin and cash flow. The revenue model is dependent on repeat orders from existing customers and winning new accounts. The Group currently	· Retention of IP when developing customer solutions is an opportunity for recurring revenues (support fee, monitoring fee). · Difficult to 'design out' our components which creates a barrier to replacement and

	has negligible monthly recurring revenues. The electrification sector is by definition always exposed to macroeconomics and regulatory changes. Exposure to key suppliers to deliver customer solutions Dependence on key staff to deliver customer projects and to drive innovation.	therefore a pricing opportunity. · Move to larger partnerships with major customers and partners with a regular flow of orders for powertrains. · Diversification of pipeline and customer base. · Hiring of sales resources with industry experience and good track records. · Target alternative markets (Aerospace and defence) and use of partners. · Developing additional services which can generate monthly recurring fees from predictive maintenance and monitoring . · Invest in R&D for ongoing product and technology innovation to keep the product set relevant and desirable by users. · Recruitment motivation and retention of key staff via incentive schemes · Rationalising and refining supply chains to provide resilience

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

Ian Selby
Chief Financial Officer
27 November 2025

EQUIPMAKE HOLDINGS PLC
THE BOARD OF DIRECTORS

The Board comprises two Executive and two Independent Non-Executive Directors:

Executive Directors:

IAN FOLEY
CHIEF EXECUTIVE OFFICER, AGED 62

Ian founded Equipmake initially as a vehicle from his own engineering consultancy. In 2007, Ian identified the importance of the move to electrification, and upon the introduction of hybrid systems in Formula 1, he began the development of an electric hybrid system based around a novel electrically driven carbon fibre flywheel. Spinning

at up to 45,000 RPM the flywheel was effectively a very high-speed and high-performance electric motor. The base technology had been developed by the nuclear centrifuge company Urenco Group. As it became clear that this technology would have applications in the mainstream, as well as Formula One, Ian spun the project out and formed a new company Automotive Hybrid Power ("AHP"), together with two ex-Urenco Group employees. This company acquired the patents and know-how for the technology. AHP contracted Williams Grand Prix Engineering Ltd ("WF1") initially as a customer, then WF1 became an investor and the company was renamed Williams Hybrid Power ("WHP"), with Ian as its Chief Executive Officer. WHP successfully developed the technology, winning the Le Mans 24 Hour race three times with the Works Audi racing team and the technology was commercialised as an energy storage system for buses. Following successful bus trials, significant orders were placed for the technology and as a result of this success, Williams F1 who were by now the majority shareholder, decided to exit, selling the business to the largest engineering company in the UK, GKN Automotive. Ian then focused on the development of EV technology at Equipmake.

Previously Ian, an engineer by profession, worked for the leading automotive engineering consultancy Lotus Engineering then the Lotus Formula 1 Team as Head of Research & Development.

IAN SELBY
CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY, AGED 59

Ian is a highly experienced CFO and Non-Executive Director with a strong track record in AIM-listed and VC/PE-backed companies. He brings expertise in turnaround, high-growth strategies, M&A, fundraising, and international expansion, alongside extensive commercial and operational leadership.

With a background in technology and business services, Ian has held CFO roles at listed companies including Falanx (now Cloudified), Westminster Group, Zenith Hygiene, and Corero. He has led major acquisitions, disposals, and refinancing projects, and improved financial governance. Ian is currently a Non-Executive Director of Cloudified Holdings, an AIM-listed cash shell pursuing a reverse takeover and is also the (non-board) finance director for Kelso Group plc, an investment company listed on the main market of the LSE. His appointment strengthens Equipmake's leadership as it advances its growth strategy following the recent partnership with Caterpillar Ventures.

Non-Executive Directors:

TIM METCALFE
INDEPENDENT NON-EXECUTIVE CHAIRMAN, AGED 53

Tim is a highly experienced corporate financier and company adviser, having spent over 30 years in a variety of roles following an initial career in motorsport. He has held senior positions at Robert Fleming, Rothschild, Westhouse Securities, Northland Capital Partners and he was Joint CEO of Zeus Capital, prior to being the co-founder, in 2015, of IFC Advisory, an investor relations and financial PR adviser to small and mid-cap companies. During his City career Tim has had a particular focus on the automotive and engineering sectors, advising companies on IPOs, fund raisings, M&A, strategy and regulatory matters.

In addition to his role as Managing Director of IFC Advisory, Tim is senior independent Non-Executive Director of The Investment Company plc, an investment trust listed on the Main Market of the London Stock Exchange focused on investing in high quality quoted UK small and mid-cap companies, and a Non-Executive Director of Spiritus Mundi plc, listed on the Main Market of the London Stock Exchange. He is also Chairman of specialist sports car manufacturer, Nichols Cars Limited.

DENA BELLAMY
INDEPENDENT NON-EXECUTIVE DIRECTOR, AGED 53

Dena has over 20 years' experience as a corporate finance adviser at distinguished investment banks including Rothschild, Merrill Lynch and Commerzbank. She has advised both corporate clients and public sector entities on a broad range of transactions from multi-billion-pound public transactions to private financing for growth companies. Her experience, spanning M&A, privatisations, debt and equity capital markets and private fundraising has covered, inter alia, transport & logistics, aerospace & defence, infrastructure and real estate.

EQUIPMAKE HOLDINGS PLC
CORPORATE GOVERNANCE STATEMENT

Compliance

The Board as a whole is collectively accountable to the Company's shareholders for good corporate governance and recognises the importance of sound corporate governance commensurate with the size and nature of the Group and the interests of all its shareholders. The quoted Companies Alliance has published the QCA Code, a set of corporate governance guidelines, which include a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. The Board has adopted the QCA Code with effect from the date of Admission. Details of the Code can be obtained from the quoted Companies Alliance's website (www.theqca.com) and the text in relation to the Company's compliance can be found on the Company's website (www.equipmake.co.uk).

The Company is fully compliant with the QCA Code. Set out below describes how the Group, as at 31 May 2025 sought to address the principles underlying the Code.

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

As described in the Strategic Report, the Board is responsible to shareholders for setting the Group's strategy by maintaining the policy and decision making process around which the strategy is implemented, ensuring the necessary financial and human resource requirements are in place to meet strategic aims, monitoring performance against key financial and non-financial indicators; providing leadership whilst maintaining the controls for managing risk; overseeing the system of risk management; and setting values and standards in corporate governance matters.

The Group's strategy is to grow in particular its components and drivetrain supply business lines by providing highly engineered E-drivetrain products and solutions for commercial vehicles and high-performance applications, by harvesting increasing customer demand from Original Equipment Manufacturers ("OEMs") and Tier 1 suppliers (suppliers to OEMs). Through its vertically integrated model, Equipmake aims to provide market- leading electrification solutions for a range of applications, across multiple markets.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board endeavours to engage in clear and consistent dialogue with both existing and potential shareholders to understand their needs and expectations and ensure that the Group's strategy, business model and progress are

clearly understood. The Board also maintains regular contact with its advisers to ensure that the Board develops an understanding of the views of the investment community. The Board communicates with shareholders through a number of means. Unpublished price sensitive information is disclosed in as timely a manner as possible and within regulatory requirements. The Board views the Company's Annual General Meeting as an important forum for communication between the Company and its shareholders and encourages shareholders to express their views on the Company's business activities and performance. Regular meetings are held between the Chief Executive Officer, Chief Financial Officer and institutional shareholders and analysts to ensure that the Group's strategy, financials and business developments are communicated effectively. The Company's independent Non-Executive Chairman and other independent Non-Executive Directors have made themselves available to shareholders as may be required.

The Company recognises the significant shareholding of Its founder and Chief Executive Officer, but works in the interests of all shareholders, major and minor.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises the importance of corporate social responsibility and seeks to take account of the interests and feedback from all the Group's stakeholders, including its investors, customers, suppliers, partners and employees when operating the Group's business. The Board believes that fostering an environment in which employees act in an ethical and socially responsible fashion is critical to its long-term success. The Group seeks to ensure continued engagement with its employees, customers, suppliers, shareholders and the wider public via regular discussions, having processes in place designed to ensure regular dialogue between employees and senior management, whilst gaining insights and feedback from its customers, suppliers, partners and the public. In addition to workshop meetings, project and operational team meetings, the Group holds organisation-wide, "town hall" meetings on a quarterly basis to facilitate engagement with the wider team. It also shares key progress updates via email to all staff.

The Company recognises the need to formally publish various environmental statistics in due course, including emissions reporting.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Group recognises that risk is inherent in all its business activities and is an important part of the Board's formulation of strategy. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Board is assisted in this matter by the Audit Committee, whose mandate includes risk. The Board routinely monitors risks that could materially and adversely affect the Group's ability to achieve its strategic goals, financial condition and results of operations. The effectiveness and adequacy of mitigating controls are assessed and if additional controls are required, these will be identified and responsibilities assigned. The risk registers are living documents which are kept under ongoing review and reviewed periodically by the Audit Committee. The Board is supported by senior management who collectively play a key role in risk management. Each year the Company's Annual Report and Accounts will contain a section setting out what the Board considers to be the most significant risks faced by the Group.

The Group maintains commercial insurance at a level that it believes is appropriate against certain risks commonly insured in the industry in which it operates. The Company's independent Auditor performs certain work in relation to the Company's internal control environment, which is reported on via the Audit Report within the Annual Report.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chairman

The Board comprises two Executive Directors and two Non-Executive Directors, one of which is a Non- Executive Chairman. The Board considers both Non-Executive Directors to be independent. Each member of the Group is committed to spending sufficient time to enable them to carry out their duties, being a minimum of two days per month. The Board is responsible for the management of the Group's business (including formulating, reviewing and approving the Group's strategy, financial objectives and operating performance), for which purpose the Directors may exercise all the powers of the Group. The Directors may delegate such powers to any person or Committee as they think fit and those powers may be sub-delegated with the authority of the Directors. The Board may revoke any delegation of powers.

The Board has established Audit and Remuneration Committees with formally delegated duties and responsibilities. Each Committee is comprised solely of Non-Executive Directors, although Executive Directors attend most meetings, by invitation. The Company will consider the formation of a Nomination Committee in due course. Under the Company's Articles of Association, shareholders are able to vote on the reappointment of Directors.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills, and capabilities

The Directors come from a range of backgrounds and have a wide variety of experience and traits which mean that the Board as a whole is well balanced and has the skills and other attributes necessary to deliver the Company's strategy. Brief details of the Directors' backgrounds and experiences are available on pages 25 and 26. Pending the potential formation of a Nominations Committee, the Non-Executive Directors are responsible for continuing to evaluate the balance of skills, knowledge and experience and the size, structure and composition of the Board and its committees, retirements and appointments of additional and replacement Directors and committee members and making appropriate recommendations to the Board on such matters. The Company Secretary provides Directors with updates non key developments relating to the Company, the sectors in which the Group operates, and legal and governance matters (including advice from the Company's broker, lawyers and advisors).

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

In advance of establishing a Nominations Committee, the Company's process for evaluating the performance of the Board, its committees and individual Directors will be primarily undertaken by the Chairman. Under his leadership, the Board will regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations and review the results of any Board evaluation process that relate to the composition of the Board. The Non-Executive Directors are also charged with making recommendations to the Board concerning succession planning for both Executive and Non- Executive Directors.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Company is committed to ensuring that the Group operates according to the highest ethical standards and the Board has primary responsibility for achieving this. The Directors believe that the main determinant of whether a business behaves ethically and with integrity is the quality of its people. The Board, together with the Group's HR team, takes great care to ensure that all individuals employed by the Group demonstrate the required high levels of integrity. The Group has also adopted formal policies addressing, inter alia, bribery and corruption, the use of social media and dealing in the Company's shares.

The Group strives to be a good corporate citizen and respects the laws if the countries in which it operates. Each year the Company's Annual Report and Accounts will contain a Corporate and Social Responsibility section which

will address its people, values, diversity, employee welfare and involvement and training, career development and promotion of disabled persons, health and safety, ethical and social policies, human rights, product development, impact on the environment, slavery and human trafficking.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision- making by the Board

The Board is collectively responsible for the long-term success of the Company and provides leadership to the Company within a framework of effective controls, checks and balances. The executive management team, led by the Chief Executive Officer, is responsible for the day-to-day running of the business, with key decisions (including those considered to directly relate to implementation of the Group's strategy) being reserved for the Board. In conjunction with the senior management, the Chief Executive Officer is responsible for the execution of the strategy approved by the Board and the implementation of Board decisions. The Board has established Audit and Remuneration Committees. Relevant matters are considered by each Committee, and recommendations are taken to the full Board. Reports of each of the Committees are included within the Annual Report.

The Board is committed to seek external help and advice where necessary.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board recognises that it is accountable to shareholders for the performance and activities of the Group and to this end is committed to maintaining good communication and having constructive dialogue with its shareholders. The Board communicates with shareholders in a number of ways, including via the Company's Annual Report and Accounts, its interim and full-year results announcements, trading updates, the Company's Annual General Meetings and the investor relations section of the Company's website.

Board attendance

The number of full scheduled Board and Board Committee meetings and the attendance records of each Director attending meetings in the year in indicated below:

	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings
Number of full scheduled meetings in the year:			
Attendance by Director:			
Ian Foley	26/26	1/1	-
Nick Moelders (left 4/4/25)	21/25	-	-
Tony Ratcliffe (left 30/11/24)	20/20	-	-
Clive Scrivener	26/26	0/1	0/1
Jonathan Beasley (left 15/1/25)	20/24	1/1	1/1
Dena Bellamy	26/26	1/1	1/1
Ian Selby (joined 4/4/25)	1/1	-	-

Committees of the Board

Full details of the Board Committees are described below.

Audit Committee

The work of the Audit Committee is addressed in more detail on pages 32 to 36 by its Chair, Dena Bellamy.

Remuneration Committee

The work of the Remuneration Committee is addressed in more detail on pages 37 to 41 by its Chair, Tim Metcalfe, and was previously chaired by Clive Scrivener who took over from Jon Beasley in January 2025.

Dialogue with shareholders

The Chief Executive Officer is responsible for the day-to-day management of the Group and for implementing the strategy as reviewed and approved by the Board. The Chairman is responsible for ensuring effective communication with shareholders, brokers and analysts.

The Directors seek to build on a mutual understanding of objectives between the Group and its shareholders, in particular by communicating regularly throughout the year and encouraging them to participate in the Annual General Meeting, which all the Directors would normally attend. The Chairman and other Non-Executive Directors are available to meet with shareholders, should this be desired.

The Chief Executive Officer ensures that the views of shareholders are communicated to the Board as a whole. All meetings with shareholders are held in a manner which ensures that price sensitive information which has not been made available to shareholders generally, is protected from disclosure.

The Chairman, Chief Executive Officer and Chief Financial Officer give annual and bi-annual presentations to institutional investors and analysts. These presentations will be made available on the Company's website. Annual and interim reports as well as regulatory and press releases are also published on the website as are the terms of reference of the two Board Committees.

By order of the Board

Ian Selby
Company Secretary
27 November 2025

EQUIPMAKE HOLDINGS PLC
REPORT OF THE AUDIT COMMITTEE

This report is intended to give an overview of the role and activities of the Audit Committee in assisting the Board to fulfil its oversight responsibilities relating to systems of internal control and risk management, the independence and effectiveness of the external auditor and the integrity of the Group's financial statements. It details the activities, discussions and decisions that enabled the Audit Committee to fulfil its responsibilities effectively during the financial year ended 31 May 2025.

Composition and meetings

The Audit Committee is comprised of two independent Non-Executive Directors of the Company - Dena Bellamy (Chair) and Tim Metcalfe. The Company considers that the Audit Committee members' qualifications, expertise and experience enable it to comply with the Audit Committee composition requirements and all have the skills and experience required to fully discharge their duties. The Company's Chief Executive Officer, and Chief Financial Officer have standing invitations to all Audit Committee meetings.

The Audit Committee meets not less than twice a year at appropriate times in the reporting and audit cycle, and otherwise as required. In the year ended 31 May 2025 the committee met once formally due to the essential focus on the critical situations which the Group faced, and consequently the relevant issues were discussed at the much increased number of full board meetings held in the year, In the new financial year it has met twice and expects to meet at least four times formally.

During the year, time has been allocated for discussions between the Company's auditor and members of the Committee only, without any Executive Directors of the Company present.

Role and Responsibilities

The Audit Committee was created following the Company's admission to the Aquis Stock Exchange in July 2022 and the terms of reference of the Audit Committee comply with the AQSE admission requirements. The principal roles and responsibilities of the Audit Committee are:

- Reviewing and monitoring the integrity of the Group's financial statements and any formal announcements relating to its financial performance;
- Reviewing the effectiveness of the external audit process and making recommendations to the Board on the appointment, re-appointment and removal of the external auditor;
- Reviewing the policy of the engagement of the external auditor to supply non-audit services where applicable (none in the year).
- Assessing the independence and performance of the external auditor;
- Advising the Board on whether the Committee believes that the Annual Report and Accounts, taken as a whole, is fair, balances and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy;
- Making recommendations to the Board on the audit fee;
- Monitoring and reviewing the effectiveness of the Company's internal financial controls and risk assessment, management, monitoring and mitigation processes, including overseeing a business wide approach to risk identification, risk management and risk mitigation;
- Ensuring that the Group has arrangements in place for the investigation and follow-ups of any concerns raised confidentially by staff in relation to the propriety of financial reporting or other matters; and
- Reviewing the adequacy and effectiveness of the Group's procedures, systems and controls for detecting and preventing fraud, bribery, and money laundering and the processes for whistleblowing.

In performing its duties, the Committee maintains effective working relationships with the Board of Directors, management team, the external auditor and (if relevant) any specialist adviser that is engaged to support the Committee in its work.

The Chair of the Audit Committee reports to the Board on its proceedings after each meeting and makes whatever recommendations to the Board it deems appropriate on any area within its remit and on other issues on which the Board has requested the Committee's opinion.

The Committee reviews its terms of reference and its effectiveness annually and recommends to the Board any changes required as a result of the review. Its terms of reference are available on request from the Company Secretary.

The Audit Committee is entitled to obtain, at the reasonable expense of the Company, such external advice as it sees fit on any matters falling within its terms of reference.

Activities during or in relation to the year ended 31 May 2025

The Audit Committee received reports, written and verbal, from the Chief Financial Officer and external auditor on the key accounting issues and areas of significant judgement within the proposed financial statements. They have worked closely with both the former and current CFOs with the latter commencing on a fractional basis from 4 April 2025 onwards.

The meetings of the Audit Committee are scheduled to coincide with key dates in the financial reporting and audit cycle. The Audit Committee discharged its responsibilities by:

- Reviewing the Group's draft financial statements and draft Annual Report and Accounts prior to Board approval and reviewing the external auditor's detailed reports thereon and also reporting to the Board the significant issues that the Committee considered in relation to the financial statements and how those issues were addressed, having regard to matters communicated to it by the auditor;
- In particular reviewing the final Annual Report and Accounts with reference to its knowledge of the activities of the Group during the year, concluding that, taken as a whole it is fair, balanced and understandable;
- Reviewing the appropriateness of the Group's accounting policies;
- Reviewing and approving the audit fee and reviewing non-audit fees payable to the Group's external
- auditor in accordance with the policy it has adopted;
- Reviewing the external auditor's plan for the audit of the Group's accounts, which included key areas
- of focus on the accounts' confirmations of auditor independence and proposed audit fee;
- Reviewing the Group's internal financial controls in relation to the business and assessing the
- effectiveness of those controls in minimising the impact of key risks;
- Assisting the Board with overseeing a business wide approach to risk identification, management and mitigation; and
- Reviewing the arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting, or other matters.

Reviewing financial reporting and significant areas of judgement

The Audit Committee reviewed a wide range of financial reporting and related matters in respect of the Company's annual results statements and the Annual Report and Accounts prior to their consideration by the Board.

The following key areas of risk and judgement have been identified and considered by the Audit Committee with management and the external auditor in relation to the business activities and financial statements of the Group:

- Management override of controls;
- Revenue recognition;
- Going concern;
- Investment and inter-company balances held within Equipmake Holdings PLC;
- Capitalisation and valuation of development costs;

- Accounting for the costs of stock and appropriate levels of provision;
- Share based payment arrangements;
- Accounting for the Convertible Loan Note issued to Caterpillar Ventures Inc on 31 March 2025.

Reports highlighting the key accounting matters and significant judgements were received from the external auditor in respect of the year-end financial statements and discussed by the Committee. These were all areas of audit focus.

Analysis to support the Going Concern Statement on page 46 was also reviewed by the Committee after receiving reports from management on this matter.

The Group's management and auditor confirmed to the Audit Committee that they were not aware of any material misstatements in the financial statements. Having reviewed the reports received from management and the auditor and discussed the same with them, the Committee is satisfied that the key areas of risk and judgement have been appropriately addressed in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised, are sufficiently robust and that the financial reporting disclosures made were appropriate. The Committee therefore believes that the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

External Auditor

Following a formal audit tender process in 2021 and the decision to re-appoint HaysMac LLP as the Group's Auditor for the financial year ended 31 May 2022, the Audit Committee has concentrated on building an effective working relationship with the external auditor. Their performance is reviewed by the Audit Committee which considers their effectiveness, independence and, in due course, partner rotation. This is the fourth year of Christopher Cork's tenure as audit engagement partner.

Estimated audit fees in relation to the year total £162,000 (FY24: £97,000). The fee for FY25 includes a £50,000 overrun related to FY24 which was agreed post the date report and accounts for that year. Tax advisory and tax compliance services are provided by other firms, notably RSM, Price Bailey and Yestax.

Internal controls and risk management systems

In applying the QCA Code, the Board recognises the need to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Directors have overall responsibility for ensuring that the Group maintains a system of internal control and risk management to provide them with reasonable assurance regarding effective and efficient operations, internal control and compliance with laws and regulations. The system of internal control and risk management is designed to manage rather than eliminate the risk of failure to observe business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The finance team was strengthened in the year and post the refinancing in March 2025. New external consultants were engaged to carry out major remedial works on the Company's Infor Syteline ERP system. This is a large, expensive, and complex application which had been originally purchased in 2021, but its initial implementation was incomplete and unreliable. Significant progress has been made in the last few months, but this will inevitably require ongoing effort to maximise its value.

The Group views the careful management of risk as a key management activity. Managing business risk to deliver results from opportunities is a key part of all activities.

The Directors have continued to review the effectiveness of the Group's system of internal controls, including strategic, commercial, operational, compliance and financial controls and risk management systems. In addition, as part of its reporting to the Audit Committee and Board, the external auditor's report following its audit work included matters identified in the course of its statutory audit work which were reviewed by the Audit Committee. Procedures are in place to take appropriate action if any significant failings or weaknesses are identified in the Board's review of internal controls or are otherwise brought to the Board's attention.

There is a clearly defined organisational structure. The Group operates a comprehensive annual planning and budgeting process, which is updated by regular forecast revisions. Corporate objectives are defined at the start of the year and cascaded to the executive management and then through the organisation. The performance of each business line and the business as a whole is reviewed by executive management and the Board. Any corrective actions are taken when required.

As would be expected of a Group of this size, scale or complexity, the Group does not have an independent internal audit function. Other areas of risk review and management are covered by the Board and its Committees.

Priorities for the Year Ended 31 May 2026

Priorities for the year ended 31 May 2026 financial year will include:

- Monitoring the ongoing liquidity risk and cash requirements;
- Monitoring the progress of the management actions recommended by the auditor;
- Monitoring the progress in rollout and improvements in the Group's core ERP system and the quality, timeliness and relevance of the key financial and operational information it provides, as well as the wider control environment;
- Relationship with Caterpillar Ventures Inc as the senior debt holder;
- Monitoring the effectiveness and composition of the finance function following staff changes;
- Review of the proposed enhanced management reporting packs;
- Continued monitoring of the effectiveness of internal control systems, risk assessment, management and mitigation; and
- Continued monitoring of any relevant of developments in accounting standards and the related implementation.

Dena Bellamy
Chair of Audit Committee
27 November 2025

EQUIPMAKE HOLDINGS PLC
REPORT OF THE REMUNERATION COMMITTEE

This report sets out details of the remuneration policy for Executive and Non-Executive Directors, describes how the current remuneration policy has been implemented and discloses the amounts paid relating to the year ended 31

May 2025.

Remuneration Committee and Its Responsibilities

The Remuneration Committee is comprised of the two non-Executive Directors. It is chaired by Tim Metcalfe (appointed 2 July 2025) with Dena Bellamy also a member of the Committee. In the year to 31 May 2025 the committee met once formally due to the essential focus on the critical situations which the Group faced, and consequently the relevant issues were discussed at the much increased number of full board meetings held in the year,

The following is unaudited unless otherwise stated.

Remuneration policy

The remit of the Remuneration Committee is to oversee the development and implementation of the remuneration policy as agreed by the Board and as ultimately approved by shareholders. The overall aim of the remuneration policy for employees of the Group as a whole is to ensure that the Executive Directors, management team, senior managers and all employees are fairly treated and competitively rewarded for the short-term and long-term performance of the Group.

The current remuneration policy is detailed below:

Guiding principles

The guiding principles of the remuneration policy centre on:

- Aligning the interests of Executive Directors and management with those of shareholders;
- Providing competitive remuneration that will motivate and retain key employees and attract high quality individuals to the Group at a level commensurate to the size (revenue and market capitalisation) of the Group;
- Encouraging and supporting a high performing culture throughout the Group;
- Rewarding the delivery of ambitious business targets which align to strategic goals and add substantial value to the Group;
- Promoting good, effective remuneration practice; and
- Being flexible to maximise opportunity in a rapidly changing business environment.

Levels of remuneration

The levels of remuneration are based on:

- Competitive, but not excessive, base salary levels which reflect the levels of responsibility and are comparable to peer companies of equivalent size and complexity;
- Performance-related pay comprising annual cash bonuses and share options. Payments under these schemes will be dependent on meeting aggressive targets, based on growth of the Company's share price, financial and operational performance, and on delivering the overall strategic goals of the Group; and

- An appropriate balance between short and longer-term performance targets based on the opportunities available, the expectations of the Board and of the shareholders.

Implementation

The Remuneration Committee oversees the implementation of the remuneration policy and will seek to ensure that the Executive Directors, management and indeed all employees are fairly rewarded based on the short and long-term performance of the Group.

The remuneration framework

The remuneration framework intended to deliver this remuneration policy for the Executive Directors and senior management is a combination of base salary, cash bonus and share options.

Base salaries

Base salaries will be reviewed annually as will the levels of remuneration generally. Consideration will be given to the performance of the Group, the performance of the individuals, any changes in responsibilities or role, as well as practices in comparative companies of a broadly similar size and complexity with due account take of market capitalisation and scale of revenues.

Pension contributions and benefits

The Executive Directors are eligible for pension contributions of between 5% and 6.5% of annual salary typically restricted to within statutory HMRC earnings limit bands. Staff and directors may sacrifice salary and bonuses for pension contributions which will be enhanced (subject to HMRC limits) to the then prevailing rate of Employers NI. The Executive Directors are entitled to receive benefits which may include private healthcare, life assurance and a vehicle allowance. Non-executives can be eligible to participate in certain all staff benefits provided the cost to the Company is small.

Cash bonuses

The Executive Directors and selected senior managers are eligible to participate in an annual bonus scheme. Targets of this scheme are based on the achievement of a number of performance objectives, will be set annually and will be self-financing. For the year ended 31 May 2025, the maximum percentage was capped at 35% of base salary and no bonuses were paid or were payable. For the year ended 31 May 2026, this is under review.

Share option plan

The overall pool for share options is 15% of diluted share capital. Dilution is relevant as the Caterpillar Ventures Inc loan note is a major part of the Company's overall capital structure. In determining the quantum of potential shares the maximum conversion price within the loan note is used to determine the enlarged pool. The Company announced on 31 July 2025 its intention to issue share options to directors and staff at a future date with a grant price of 1.4 pence each and it is the Company's intention to issue these shortly after the date of this report and once HMRC has approved the scheme. These options which will be under EMI where applicable (and unapproved if not) will vest against challenging price criteria, and will have a minimum hold period of 24 months before exercise, both subject to the usual acceleration in a change of control or fundamental change in business Certain current employees have legacy options with a strike price of 9 pence as the share price has been far below the

strike price they have been excluded from any pool determinations, as have options granted to original investors pre IPO

External Board appointments

Tim Metcalfe is the senior independent Non-Executive Director of The Investment Company plc, an investment trust listed on the Main Market of the London Stock Exchange focused on investing in high quality quoted UK small and mid-cap companies and is also a Non-Executive Director of Spiritus Mundi plc, a cash shell listed on the Main Market of the London Stock Exchange.

Ian Selby is a non-executive director of Cloudified Holdings Limited, a cash shell listed on the AIM market of the London Stock Exchange. He also acts for Kelso Group Holdings PLC, an investment company listed on the Main Market of the London Stock Exchange as (non-board) Finance Director.

Recruitment remuneration policy

Any new Executive Director and selected senior management hires, including those promoted internally, will be offered remuneration packages in line with the remuneration policy in force at the time.

Non-Executive Director letters of appointment

Non-Executive Director fees have been set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and Board Committees and to attract and retain Non-Executive Directors of the highest calibre and with relevant experience. Fee levels are set by reference to non-executive fees at companies of similar size and complexity and are determined by the Board as a whole. All Non-Executive Directors' letters of appointment have a three-month notice period (six months in the event of a change of control such as a company sale or a fundamental change in business). These letters of appointment are available for inspection at the Company's registered office. Non-Executive Directors are not typically eligible to participate in any of the incentive arrangements of the Group and do not receive any pension contributions but may be eligible some standard all employee benefits (at very low cost). They are to be granted share options in the Group with the same terms as the rest of the staff, as this will align their interest with shareholders and helps the Company attract and retain the necessary non-executive skills it needs. Non-executive directors are all paid by payroll.

Pay reviews

The Remuneration Committee considers pay and employment conditions across the Group when reviewing the remuneration of the Executive Directors and the wider senior management team.

Review of remuneration policy

The Remuneration Committee intends to review the policy annually and any changes will be presented for approval (by way of an advisory resolution per the Aquis rules) by the Board and by shareholders at the Annual General Meeting.

Directors' remuneration - audited

The remuneration of the Directors in the year ended 31 May 2025 is as follows:

	Salary and	Benefits-in-	Pension	2025	2024

	fees	kind	contributions	Total	Total
Executive	£'000	£'000	£'000	£'000	£,000
Ian Foley	187	4	60	251	224
Nick Moelders (left 2/4/25)	249	18	17	284	152
Tony Ratclife (left 30/11/24)	67	-	27	94	19
Steve McGillivray (left 22/4/24)	-	-	-	-	89
James Bishop (left 15/1/24)	-	-	-	-	151
Ian Selby (joined 2/4/25)	13	-	-	13	-
	516	22	104	642	635
Non-Executive					
Clive Scrivener	53	-	-	53	50
Jon Beasley (left 15/1/25)	23	-	-	23	35
Dena Bellamy	37	-	-	37	35
	113	-	-	113	120
Total	629	22	104	755	755

Executive Directors

Each Executive Director has entered into a service agreement with the Group. The agreement with Ian Foley is subject to termination by the Group or the individual serving twelve months' notice, the agreement with Ian Selby is subject to termination by the Group or the individual serving six months' notice or twelve months in the event of a change of control such as a company sale or material change in business. Nick Molders remuneration included a payment in lieu of notice of £67,000.

Directors' Interests

Directors' interests in the share capital of the Company are shown on page 44.

No share options have been issued to current Directors.

Priorities for the Year Ended 31 May 2026

The Remuneration Committee has recognised that the year just completed has been a year of turbulence and significant change. The changes have included the recruitment of a new Chief Financial Officer as well as a number of other senior and critical hires. The Board also expects significant further pace and change as the Group accelerates its ambitious growth plans. The Remuneration Committee has therefore set a number of priorities to be addressed as soon as possible in the current financial year. These include the establishment and approval of a revised share option scheme that will retain existing and attract new senior level talent to support the growth plans of the Group and supporting the rollout of a performance driven appraisal methodology throughout the Group.

General Meeting

The Company will table an advisory resolution for approval of this Remuneration Report as a whole.

Tim Metcalfe
Chair of Remuneration Committee
27 November 2025

EQUIPMAKE HOLDINGS PLC
STATEMENT OF DIRECTORS' RESPONSIBILITY

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

EQUIPMAKE HOLDINGS PLC
DIRECTORS' REPORT

In accordance with the Companies Act 2006, the Directors are pleased to present their Annual Report together with the audited consolidated financial statements of Equipmake Holdings PLC for the year ended 31 May 2025.

Corporate details

Equipmake Holdings PLC is incorporated and registered in England and Wales with registration number 04303233. The registered office address is Unit 7 Snetterton Business Park, Snetterton, Norfolk, NR16 2JU.

Principal activity

Equipmake is a market leader in engineering-driven differentiated electrification technologies, products and solutions across the automotive, truck, bus and speciality vehicle industries. The principal business lines are:

- EV Components;
- Drivetrain Supply;
- Technology; and
- Bus Repowering

As well as these commercial business lines, the Group separately identifies and manages grant projects.

Included in other reports

The Company has chosen, in accordance with the Companies Act 2006 s414c(11) to set out in the Strategic Report and Corporate Governance Statement, certain information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Sch.7 to be contained in the Directors' Report. The Company's Strategic Report on pages 15 to 24 and other reports include information on likely future developments of the business and employee involvement that would otherwise be required to be disclosed in this Directors' Report. The Company endeavours to maintain good relationships with customers, suppliers and grant bodies and is in regular communication with all.

Corporate Governance Statement

The Corporate Governance Statement can be found on pages 27 to 31.

Results and dividends

Revenue for the year was £3.5 million (FY24: £7.4 million as restated), the adjusted EBITDA (being earnings before interest, taxation, depreciation and amortisation and before any non-recurring costs or share based payments charges, if applicable) loss for the year was £8.2 million (FY24: loss of £7.4 million). The loss for the year after taxation was £11.0 million (FY24: loss of £9.2 million). No dividend was declared and or paid in the year (FY24 £nil).

Directors

The Directors who served during the year were:

Executive Directors

Ian Foley (Chief Executive Officer)
Nick Moelders (Chief Operating Officer, Executive Director) - resigned 4 April 2025
Tony Ratcliffe (Chief Financial Officer, Executive Director and Company Secretary) - resigned 30 November 2024
Ian Selby (Chief Financial Officer, Executive Director and Company Secretary) - appointed 4 April 2025

Non-Executive Directors

Clive Scrivener (Non-Executive Chairman, resigned 2 July 2025)
Jonathan Beasley (resigned 15 January 2025)
Dena Bellamy

The biographical details of the current Directors are shown in the Board of Directors section on pages 25 and 26.

As permitted by section 232 to 235 of the Companies Act 2006, and consistent with the Company's Articles of Association, the Company has maintained insurance cover for its Directors and Officers under a Directors' and Officers' Liability Policy. The Directors may exercise their powers pursuant to the Articles of Association, the Companies Act 2006 and related legislation, as well as any resolutions of the shareholders. The Articles of Association are available to review at the Company's registered office.

The Board is committed to evaluation of each Director annually.

The Company Secretary is Ian Selby.

Directors' interests

The interest of the Directors who held office at the end of the year in the £0.0001 Ordinary Shares of the Company at 31 May 2025 and 31 May 2024 were:

Beneficial interest:	**At 31 May 2025**	**At 31 May 2024**
Ian Foley	381,666,666	375,000,000
Clive Scrivener[1]	470,588	470,588

[1] On Admission, Clive Scrivener purchased 470,588 shares at the issue price. Clive left the board on 2 July 2025.

Information regarding Directors' interests in share options is detailed in the Report of the Remuneration Committee.

Share capital

The Company had 1,020,074,569 ordinary shares of 1p nominal value each in issue on 1 June 2024.

On 25 October 2024 the company issued 99,999,996 new ordinary shares of 1 pence nominal value each at a price of 3 pence each raising gross proceeds of approximately £3.0 million, and therefore the Company had 1,120,074,565 ordinary shares of 1 pence nominal value in issue on 31 May 2025.

Each share carries the right to one vote at general meetings of the Company. There are no restrictions on voting rights or on holding or transfer of these securities.

Share price

During the year the share price ranged from a high of 5.75 pence to a low of 0.85 pence. The mid-market price of ordinary shares was 1.55 pence on 31 May 2025.

Stakeholder engagement

The Company's approach to shareholder engagement is shown in the Corporate Governance Statement on pages 27 to 31.

Substantial shareholdings

At 31 October 2025, the Company had been notified of the following interests of 3% or more in the Company's ordinary share capital:

Beneficial interest:	Number of ordinary shares	% of issued share capital
Ian Foley	381,666,666	34.1%
A.R.C. Co Ltd	124,999,999	11.1%
Schroder Investment Management	115,031,666	10.3%
Canaccord Genuity Wealth Management	93,150,068	9.3%
Octopus Investments	80,850,000	7.2%
Rathbone Investment Management	39,686,274	4.9%
Unicorn AIM VCT plc	58,333,333	5.2%

Annual General Meeting ("AGM")

Details of the AGM of the Company to be held on 27 November 2025 were announced on 4 November 2025. All ordinary and special resolutions to be proposed at that meeting are detailed in the Notice of Annual General Meeting which has been sent or made available to all shareholders. A second general meeting will be held in January 2026 to include resolutions to approve of this report and accounts and the advisory resolution for the approval of the report of the Remuneration Committee. This has been done to ensure the Company complies with the Companies Act 2006. The Directors believe that all the proposals to be considered at both meetings are in the best interests of the Company and its shareholders. They recommend that you vote in favour of the proposed resolutions. The Directors will be voting in favour of the proposed resolutions in respect of their own shareholdings in the Company.

Going concern statement

The Directors have considered the Group's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. In forming this view, the board has reviewed detailed cash flow forecasts prepared by the management team. These include both base and stress case scenarios, together with supporting assumptions, sensitivities and potential mitigation plans.

Management has prepared a monthly detailed, integrated P&L, balance sheet, and cash flow forecast covering the period to 31 May 2027. The Company is in discussions with its strategic investor, Caterpillar Ventures Inc for a further investment of £3 million in 2025 by way of expansion of the existing CLN, and this has been reflected in forecasts. Furthermore, the Group has also been approached by an investor in the sector potentially offering a significant investment, should the Group require further funding.

The base case scenario assumes continued delivery of key customer programmes, realistic achievement of forecast sales based on qualified sales opportunities, as well as prudent control of operating costs and gross margin based on detailed bills of materials. Under the base scenario cash balances are expected to be significantly more than £1 million at the end of May 2027. The Board also recognises that a stronger reported cash position will improve Group's standing when being reviewed by customers, prospective customers and suppliers as a credit worthy partner, but no adjustment in this respect has been reflected in these forecasts.

A reverse stress test scenario has also been prepared as part of this assessment. The stress test scenario reflects a reduction of revenues by 7% (all of which flows through to gross profit to add further rigor) as well as delays of two months each in signing of contracts and deliveries made under them which drive revenue and significant receipts. This scenario includes both existing contracts being adversely impacted as well as new business. No cost reductions have been reflected in this scenario to increase its stringency, although management would clearly enact the relevant mitigations. This scenario shows that the Group expects to have positive cash balances on 30 November 2026.

Having considered all these factors, the Directors therefore have a reasonable expectation that, provided the Group finalises its refinancing of the CLN (or similar) within the next few months, it has adequate resources to continue trading for at least twelve months from the date of approval of these financial statements, even in the stress test scenario detailed above. Consequently, the financial statements continue to be prepared on a going concern basis.

Whilst the discussions regarding the provision of the additional £3 million are progressing well, there can never be (as in any commercial situation) any absolute guarantee of completion until formal documentation is entered into and monies are received. Should this £3 million CLN refinancing not complete, subsequent cost reductions not be sufficient and the Company is unable to raise additional funds from both existing and new shareholders, there is a material uncertainty that may cast significant doubt on the Group's ability to remain a going concern.

Employment and equal opportunities

The Group places considerable importance on involving its employees in the evolution of the Group's policies and procedures and matters affecting them as employees. The Board strives to keep employees informed on such matters to the extent regulations allow and good practice indicates. Participation of employees in contributing to the growth of the Group is encouraged through meetings between management and staff, who have an opportunity to discuss progress, plans, performance and issues affecting them or the Group.

The Group has an equal opportunities policy under which it is committed to ensuring that everyone should have the same opportunities for employment and promotion based on their ability, qualifications and suitability for the work in question; seeking excellence in employees through the implementation of recruitment, incentivisation, performance review, development and promotion processes that are fair to all; and capitalising on the added value that diversity brings. Discrimination in the workforce on the basis of age, gender, disability, ethnic origin, nationality, sexual orientation, gender reassignment, religion or belief, marital status or pregnancy and maternity is unacceptable and will not be tolerated.

Bribery and Modern Anti-Slavery Acts

In response to the Bribery Act 2010, the Board continues to risk assess all the relevant procedures and processes, implementing and reinforcing the Group's Anti Bribery and Corruption Policy with employees, suppliers and customers.

The Board is committed to conducting business ethically, responsibly, and in full compliance with the UK Modern Slavery Act 2015. We recognise our responsibility to prevent modern slavery and human trafficking within our operations and supply chains.

We maintain a zero-tolerance approach to any form of modern slavery. Our policies, supplier code of conduct, and due diligence processes are designed to ensure that all those involved in our business - whether employees, contractors, or suppliers - uphold the same high standards of integrity and respect for human rights.

During the year, Equipmake:

- Continued to assess and monitor suppliers based on ethical, environmental, and social performance criteria.
- Provided guidance to staff and key suppliers to raise awareness of modern slavery risks.
- Embedded contractual requirements ensuring compliance with applicable labour and human rights laws.

We remain committed to continuous improvement in identifying and addressing potential risks of modern slavery across all areas of our business.

Research and Development

The Group engages in research and development to ensure its offering remains current. It incurred £2.6 million (FY2024: £4.2 million) of qualifying research and development expenditure for the purposes of R&D tax relief and is included in cost of sales, administration costs and intangible asset capitalisation.

Post balance sheet events

Post the year end the Group has won a further £5.45 million order from Agrale for the provision of powertrains for electric busses, and a further order of £0.55 million from Seahorse Amphibious Vehicles Limited, the designer, manufacturer and supplier of amphibious passenger vehicles.

Independent auditors

HaysMac LLP have been appointed as auditors to the Group and in accordance with section 489 of the Companies Act 2006, a resolution to approve their re-appointment will be put to the members at the forthcoming Annual General Meeting.

The Directors who held office at the date of approval of this Report time confirm that so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware and each Director has taken all steps that ought to be taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's Auditor is aware of that information.

By order of the Board.

Ian Selby
Chief Financial Officer
27 November 2025

EQUIPMAKE HOLDINGS PLC
INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Equipmake Holdings Plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 May 2025 which comprise the Consolidated Statement of Profit and Loss and Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards,

including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 31 May 2025 and of the Group's loss for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• 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 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.

Material uncertainty relating to going concern

We draw attention to Note 2 of the financial statements, which indicates the critical factors that impact the Group's ability to continue as a going concern. As stated in Note 2, these events and conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter

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 ability to continue to adopt the going concern basis of accounting included the following procedures covering a period of not less than twelve months from the date of approval of the financial statements:

- Reviewing and evaluating management's assessment of the Group's ability to remain a going concern;
- Reviewing and understanding the cash flow forecasts which are the central elements to management's going concern assessment;
- Assessing and challenging the inputs in, and judgements made, in the preparation of the cash flow forecasts;
- Reviewing stress tests including sensitivity analysis to consider the effect of changing the assumptions made, or amending key data used in management's cash flow forecasts and considering the impact on the Group's ability to adopt the going concern basis;
- Obtaining an understanding of the financial performance of the Group up to the date of approval of the financial statements, including cash flow and management's latest assessments as to sales orders and pipeline;
- Considering management's assessment of the timing and quantum of access to further financing including whether this financing represents a realistic alternative to ceasing to trade;
- Evaluating management's plans for future actions in relation to its going concern assessment, including determining whether the outcome of these plans is likely to improve the situation and whether management's plans are feasible in the circumstances;

- Enquiring with management as to the status of negotiations around the funding referred to in Note 2 of the financial statements and obtaining evidence that such negotiations were ongoing as at the date of approval of the financial statements; and
- Consideration of management's intentions with respect to the future strategic direction of the Group's activities and the interaction of these intentions with the going concern basis of preparation of the financial statements.

Based on the work we have performed, we concur with the identification of material uncertainties relating to events and conditions that, individually or collectively, may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue..

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

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. A full scope audit approach was applied on the non-dormant UK component of the Group, based on its relative materiality to the Group and our assessment of the audit risks. We evaluated controls by performing walkthroughs over the financial reporting systems identified as part of our risk assessment, reviewed the financial reporting process and addressed critical accounting matters. Specific scope audit procedures were undertaken with reference to component materiality levels.

We undertook substantive testing on significant transactions and material account balances, with all audit work undertaken by the HaysMac LLP group engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	**How our scope addressed this matter**
Fraud in revenue recognition Revenue is a significant item in the statement of comprehensive income and impacts a number of management's key judgements, performance indicators and key strategic indicators. There is a risk of a material misstatement of revenue due to fraud or error arising from: · Recognition of revenue in the incorrect period.	Our audit work included, but was not restricted to: · Evaluating the Group's revenue recognition accounting policies with reference to the requirements of FRS 102. · Performing substantive testing on a sample of revenue transactions throughout the year to evaluate whether it is recognised in accordance with FRS

· Revenue not being recognised in accordance with FRS 102. · Manipulation of recognition of revenue around the year-end through management override of internal controls.	102. Testing procedures included agreeing revenue transactions to supporting evidence including sales invoice, delivery notes, and the associated terms and conditions to ensure performance obligation had been discharged. · Reviewing credit notes issued after the year-end, invoices and receipts around the year-end date to ensure revenue was recorded in the correct accounting period. · Performing sales cut-off tests to ensure revenue had been recognised in the correct period, which included the agreement of revenue transactions to despatch date confirmations. · Assessing the appropriateness of the recognition of accrued income and deferred income for all income streams. Our testing involved verification of terms and conditions of sale, invoices, purchase orders, contracts and delivery notes. Post year end billing and recoverability was also tested for a sample of accrued income. We also considered the completeness and valuation of deferred income at the reporting date. · Testing the existence of trade debtors to supporting evidence for the goods and services sold and cash receipts. · Evaluating the appropriateness of management's assessment of contracts requiring provision for onerous obligations. We obtained a list of all contracts entered into, including those signed but not yet commenced by year-end. · Reviewing the adequacy of disclosures in the financial statements in accordance with FRS 102.

Key Audit Matter	**How our scope addressed this matter**
Capitalisation and valuation of development costs The Group capitalised development expenditure of £674,000 during the year ended 31 May 2025. There is a significant degree of judgement and subjectivity involved in assessing whether the internally generated intangible assets qualify for capitalisation in accordance with FRS 102. In addition, the Group recognised an impairment loss of £948,000 in relation to previously capitalised development costs during the year ended 31 May 2025 as a result of management's annual impairment review. The carrying value of intangible assets as at 31 May 2025 was £762,000 which is a material balance and its recognition is subject to assumptions around future financial	Our audit work included, but was not restricted to: · Testing a sample of additions to underlying timesheet data to ensure the development costs had been accounted for correctly. · Reviewing and discussing management's assessment in line with the criteria for capitalisation of development costs as per FRS 102. · Considering the application of amortisation charges against capitalised development costs and the appropriateness of assessed useful economic lives. · Reviewing disclosures within the financial statements to ensure they were adequate and in accordance with the accounting standards.

performance of the relevant development projects. Therefore given the consequent risk of a material overstatement of assets and understatement of expenditure, we identified the capitalisation and valuation of development costs as a key audit matter.	· Considering current and projected cash flows generated by the Group's intangible assets and the existence of indications of impairment. · Reviewing impairment assessments made by management in respect of intangible assets. This included challenging assumptions made around future revenues and profit margins.

Key Audit Matter	How our scope addressed this matter
Investment in subsidiary and Intercompany Receivable The investment and intercompany receivable balance held within the parent Company are both material and the process for assessing whether impairment exists is complex and as a result, this is considered a significant risk. There is a risk that the investment in subsidiary and intercompany receivable balance valuations are overstated on the basis the subsidiary undertaking, Equipmake Limited, continues to record significant losses and cash outflows.	Our audit work included, but was not restricted to: · Obtaining and reviewing the impairment assessment performed by management, ensuring that the assumptions made are appropriate and considered to be reasonable estimates. · Critically assessing the significant accounting estimates and judgements used in the impairment review and corroborate to supporting evidence where possible, including the most recent share subscription. · Evaluating the accounting policy and disclosures in the financial statements to ensure that the information is compliance with the accounting standards and consistent with the results of the impairment reviews.

Key Audit Matter	How our scope addressed this matter
Stock The risk of incorrect treatment of stock resulting in the overstatement of end of year stock balance. Stock is a material component of the balance sheet and by its nature, susceptible to misstatement. There is a significant risk of slow moving or obsolete stock being overvalued by way of insufficient provision being made in comparing to net realisable value (NRV).	Our audit work included, but was not restricted to: · Attending the year-end stock count and reviewing the reconciliation of all stock lines counted at the stock count attendance to the year-end stock listing, which was agreed to the financial statements. · Completing substantive valuation testing on a sample of stock items to ensure they are valued at the lower of its cost and NRV by obtaining the related purchase invoice, bill of materials and sales invoice/contract. · Reviewing labour overhead absorption rates (where used), including any estimation techniques used. · Identifying the cut off point for stock and performing stock cut-off testing for sales and purchases. · Critically reviewing management's stock provision calculation for arithmetic accuracy and integrity to the Group's underlying stock listing and costings. We also consider assumptions underpinning expected utilisation levels of a sample of stock lines for reasonableness.

Our application of materiality

The scope and focus of our audit was influenced by our assessment application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Due to the nature of the Group, we considered loss before tax to be the main focus for the readers of the financial statements, accordingly this consideration influenced our judgement of materiality. The Group's function was previously more focused on research and development however is has now transitioned more into production with revenue and profit or loss being a key metric. With the business continuing in its growth phase, expenditure is still in excess of turnover and therefore a loss before tax benchmark is deemed more appropriate. Based on our professional judgement, we determined materiality for the Group to be £430,000, being 4% of the loss before tax.

Due to the nature of the parent Company, we considered gross assets to be the main consideration for users of the financial statements, accordingly this consideration influenced by our judgement of materiality. Based on our professional judgement, we determined overall materiality for the parent Company to be £271,000 being 1.8% of gross assets.

On the basis of our risk assessment, together with our assessment of the overall control environment, our judgement was that performance materiality (i.e., our tolerance for misstatement in an individual account or balance) for the Group and Parent Company 65% of materiality, namely £279,000 and £176,000 respectively.

We agreed to report to the Audit Committee all audit differences in excess of £21,500 for the Group and £13,500 for the parent Company, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that were identified when assessing the overall presentation of the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report 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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements in respect of employment law, including but not limited to health and safety regulation and Aquis Apex Market rules. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate manual journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

§ Obtained an understanding of the legal and regulatory requirements applicable to the Group and considered that the most significant are the Companies Act 2006, Financial Reporting Standing 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the rules of Aquis Apex Market and UK tax legislation. We obtained an understanding of how the Group comply with these requirements by discussions with management and those charged with governance;

§ Inspecting correspondence with regulators and tax authorities;

§ Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

§ Evaluating management's controls designed to prevent and detect irregularities;

§ Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and

§ Challenging assumptions and judgements made by management in their critical accounting estimates;

§ Evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and

§ Performing procedures including substantive testing procedures to conclude on the appropriateness of revenue recognition throughout the year and around the year end.

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

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

Use of 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.

Christopher Cork

(Senior Statutory Auditor)
For and on behalf of HaysMac LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 27 November 2025

EQUIPMAKE HOLDINGS PLC

CONSOLIDATED INCOME STATEMENT

		Year ended 31 May 2025	Year Ended 31 May 2024
		£,000	£,000
Turnover	**4**	3,485	7,280
Cost of sales		(7,182)	(9,224)
Gross profit		(3,697)	(1,944)
Administrative expenses		(8,583)	(8,446)
Other operating income	5	1,539	1,298
Adjusted EBITDA	**2**	(8,185)	(7,412)
Depreciation		(454)	(343)
Amortisation		(208)	(158)
Share based payments	28	(47)	(45)
Non-recurring costs	12	(1,847)	(1,134)
Operating loss	6	(10,741)	(9,091)
Interest receivable and similar income	10	23	54
Interest payable and similar expenses	11	(180)	(49)
Loss before taxation		(10,898)	(9,087)
Taxation	13	(124)	(113)
Loss for the financial year		(11,022)	(9,200)
Total other comprehensive income		-	-
Total comprehensive loss for the year attributable to owners of the Company		(11,022)	(9,200)
Loss per share			
Basic and diluted loss per share, in pence	26	(1.02**)**	(0.95)

Date: 27 November 2025

The Group's activities all derive from continuing operations.

The notes on pages 66 to 90 form an integral part of these Financial Statements.

EQUIPMAKE HOLDINGS PLC

CONSOLIDATED BALANCE SHEET

			As at 31 May 2025	As at 31 May 20**24**
Assets		**Note**	**£'000**	**£'000**
Fixed assets				
Intangible assets		14	762	**1,243**
Tangible assets		15	904	**1,647**
			1,666	**2,890**
Current assets				

Stocks	17	1,229	**3,555**
Debtors: amounts falling due within one year	18	2,123	**4,163**
Cash at bank and in hand	19	3,858	**2,480**
Total current assets		7,210	**10,198**
Liabilities			
Creditors: amounts falling due within one year	20	(3,227)	**(3,797)**
Net current assets		3,983	**6,401**
Total assets less current liabilities		5,649	**9,291**
Creditors: amounts falling due after more than one year	21	(5,121)	**(308)**
Provision for liabilities			
Other provisions	24	(254)	**(358)**
Net assets		274	**8,625**
Capital and reserves			
Share capital	25	112	**102**
Share premium	27	25,699	**23,098**
Other reserves	27	5,748	**5,748**
Profit and loss account	27	(32,426)	**(21,417)**
Share-based payment reserve	27	1,141	**1,094**
Total capital and reserves		274	**8,625**

The notes on pages 66 to 90 form an integral part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 27 November 2025 and were signed on its behalf by:

Ian Selby

Chief Financial Officer

Company number: 04303233

EQUIPMAKE HOLDINGS PLC
COMPANY BALANCE SHEET

Assets	**Note**	**As at 31 May 2025 £'000**	As at 31 May 2024 **£'000**
Fixed assets			
Investments	16	10,384	7,286
		10,384	7,286
Current assets			
Debtors: amounts falling due within one year	18	1,237	86
Cash at bank and in hand	19	3,697	1,526
Total current assets		4,934	1,612
Liabilities			
Creditors: amounts falling due within one year	20	(709)	(324)
Net current assets		4,225	1,288
Total assets less current liabilities		14,609	8,574

Creditors: amounts falling due more than one year	21	(4,818)	-
Net assets		9,791	8,574
Capital and reserves			
Share capital	25	112	102
Share premium	27	25,699	23,098
Other reserves	27	4,963	4,963
Merger relief reserve	27	850	850
Profit and loss account	27	(22,974)	(21,533)
Share-based payment reserve	27	1,141	1,094
Total capital and reserves		9,791	8,574

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's loss for the year was £1,442,000 (2024: £19,529,000).

The notes on pages 66 to 90 form an integral part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 27 November 2025 and were signed on its behalf by:

Ian Selby

Chief Financial Officer

Company number: 04303233

EQUIPMAKE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Other reserves	Profit and loss account	Share based payment reserve	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000
Balance at 01 June 2023		95	19,128	5,748	(12,217)	1,049	13,803
Comprehensive loss for the year							
Loss for the year		-	-	-	(9,200)	-	(9,200)
		-	-	-	(9,200)	-	(9,200)
Transactions with owners							
Issue of shares	25	7	4,137	-	-	-	4,144
Share issue costs		-	(167)	-	-	-	(167)
Share-based payments charge	27	-	-	-	-	45	45

Total transactions with owners	7	3,970	-	-	45	4,022
Balance at 31 May 2024	102	23,098	5,748	(21,417)	1,094	8,625

The notes on pages 66 to 90 form an integral part of these Financial Statements.

EQUIPMAKE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Other reserves	Profit and loss account	Share based payment reserve	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000
Balance at 01 June 2024		102	23,098	5,748	(21,417)	1,094	8,625
Comprehensive loss for the year							
Loss for the year		-	-	-	(11,022)	-	(11,022)
		-	-	-	(11,022)	-	(11,022)
Retranslation of subsidiary		-	-	-	13	-	13
Transactions with owners							
Issue of shares	25	10	2,990	-	-	-	3,000
Share issue costs		-	(389)	-	-	-	(389)
Share-based payments charge	28	-	-			47	47
Total transactions with owners		10	2,601	-	-	47	2,658
Balance at 31 May 2025		112	25,699	5,748	(32,426)	1,141	274

The notes on pages 66 to 90 form an integral part of these Financial Statements.

EQUIPMAKE HOLDINGS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Other reserves	Merger relief reserve	lo
		£'000	£'000	£'000	£'000	
Balance at 01 June 2023		95	19,128	4,963	850	
Comprehensive income for the year						
Loss for the year		-	-	-	-	
		-	-	-	-	
Transactions with owners						
Issue of shares	24	7	4,137	-	-	

Share issue costs	24	-	(167)	-	-	
Share based payments charge		-	-	-	-	
Total transactions with owners		7	3,970	-	-	
Balance at 31 May 2024		102	23,098	4,963	850	
Comprehensive income for the year						
Loss for the year		-	-	-	-	
Transactions with owners						
Issue of shares	25	10	2,990	-	-	
Share issue costs		-	(390)	-	-	
Share based payments charge	28	-	-	-	-	
Total transactions with owners		10	2,600	-	-	
Balance at 31 May 2025		**112**	**25,699**	**4,963**	**850**	

The notes on pages 66 to 90 form an integral part of these Financial Statements.

EQUIPMAKE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 May 2025 £'000	For the year ended 31 May 2024 £'000
Cash flows from operating activities		
Loss for the year	(11,022)	(9,200)
Adjustments for:		
Amortisation of intangible assets	208	158
Depreciation of tangible assets	454	343
Loss / (profit) on disposal of tangible fixed assets	218	51
Impairment of capitalised development costs	948	408
Interest payable	180	49
Interest receivable	(23)	(54)
RDEC and SME R&D tax credit (less tax charge)	(393)	(476)
Decrease / (increase)in stocks	2,322	(597)
Decrease / (increase) in debtors	1,995	38
(Decrease) / increase in creditors	(546)	1,813
Increase / (decrease) in provisions	(104)	358
Share-based payments expense	47	45
Cash used in operations	(5,716)	(7,064)
RDEC and SME R&D tax credits received	419	777
Net cash outflows used in operating activities	(5,297)	(6,287)
Cash flows from investing activities		
Purchase of tangible fixed assets	(20)	(1,241)
Proceeds from sale of tangible fixed assets	235	-
Intangible assets - capitalisation of internal development cost	(674)	(1,053)
Net cash used in investing activities	(459)	(2,294)
Cash flows from financing activities		
Issue of ordinary shares	3,000	4,144
Share issue costs	(389)	(167)

New finance leases and hire purchase loans	-	255
Repayment of obligations under finance leases and hire purchase	(138)	(176)
Proceeds from issue of CLN	5,000	-
Issue costs of CLN	(298)	-
Interest paid	(64)	(49)
Interest received	23	54
Net cash from financing activities	7,134	4,061
Net (decrease) / increase in cash and cash equivalents	1,378	**(4,520)**
Cash and cash equivalents at the beginning of the year	2,480	**7,000**
Cash and cash equivalents at the end of the year	3,858	**2,480**

The notes on pages 66 to 90 form an integral part of these Financial Statements.

EQUIPMAKE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MAY 2025

	At 1 June 2024	**Cash flows**	**New Leases**	**Interest Expense**	**At 31 May 2025**
	£'000	**£'000**	**£'000**	**£,000**	**£'000**
Cash at bank and in hand	2,480	1,378	-	-	3,858
Finance leases	(486)	130	(165)	65	(456)
Convertible Loan Note (including embedded derivative)	-	4,702		116	(4,818)
Net cash / (debt)	1,994				(1,406)

The notes on pages 66 to 90 form an integral part of these Financial Statements.

EQUIPMAKE HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Equipmake Holdings Plc is a public company limited by shares incorporated in England and Wales. The Company registration number is 04303233. The registered office is Unit 7, Snetterton Business Park, Snetterton, Norfolk, NR16 2JU.

The Group consists of the parent Equipmake Holdings PLC and subsidiaries Equipmake Limited and Equipmake Inc. All Group entities are included within the consolidation.

Equipmake is a UK-based market leader in engineering-driven differentiated electrification technologies, products and solutions across the automotive, truck, bus and speciality vehicle industries.

These financial statements are presented in sterling which is the functional and presentational currency of the Group and are rounded to the nearest £1,000.

2. Summary of significant accounting policies

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

Basis of preparation of financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.
The consolidated financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company is a qualifying entity for the purposes of FRS 102, being a member of a Group where parent of that group prepares publicly available consolidated financial statements, including the Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures; and
- Section 33 'Related Party Disclosures' - Compensation for key management personnel. The following principal accounting policies have been applied:

Basis of consolidation

The Group's consolidated financial statements include the results of the Company and all its subsidiaries ("the Group") Subsidiaries are entities over which the Group has control. The Group controls an entity where the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are discontinued from the date control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with policies adopted by the Group.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to respectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 June 2016.

Going concern

The Directors have considered the Group's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. In forming this view, the board has reviewed detailed cash flow forecasts

prepared by the management team. These include both base and stress case scenarios, together with supporting assumptions, sensitivities and potential mitigation plans.

Management has prepared a monthly detailed, integrated P&L, balance sheet, and cash flow forecast covering the period to 31 May 2027. The Company is in advanced discussions with its strategic investor, Caterpillar Ventures Inc for a further investment of £3 million in 2025 by way of expansion of the existing CLN, and this has been reflected in forecasts. Furthermore, the Group has also been approached by an investor in the sector potentially offering a significant investment, should the Group require further funding.

The base case scenario assumes continued delivery of key customer programmes, realistic achievement of forecast sales based on qualified sales opportunities, as well as prudent control of operating costs and gross margin based on detailed bills of materials. Under the base scenario cash balances are expected to be significantly more than £1 million at the end of May 2027. The Board also recognises that a stronger reported cash position will improve Group's standing when being reviewed by customers, prospective customers and suppliers, but no adjustment has been reflected in these forecasts.

A reverse stress test scenario has also been prepared as part of this assessment. The scenario reflects a reduction of revenues by 7% (all of which flows through to gross profit as an additional test measure) as well as delays of two months each in signing of contracts and deliveries made under them which drive revenue and significant receipts. This scenario includes both existing contracts being adversely impacted as well as new business. No cost reductions have been reflected in this scenario to increase its stringency, although management would clearly enact the relevant mitigations. This scenario shows that the Company expects to have positive cash balances on 30 November 2026.

Having considered all these factors, the Directors therefore have a reasonable expectation that, provided the Group finalises its refinancing of the CLN (or similar) within the next few months, it has adequate resources to continue trading for at least twelve months from the date of approval of these financial statements, even in the stress test scenario detailed above. Consequently, the financial statements continue to be prepared on a going concern basis.

However, whilst discussions with Caterpillar regarding the provision of an additional £3 million are well advanced and they are supportive; there can never be (as in any commercial situation) any absolute guarantee of completion until formal documentation is entered into and monies are received. Should this £3 million CLN refinancing not complete, subsequent cost reductions not be sufficient, and the Company is unable to raise additional funds from both existing and new shareholders, there is a material uncertainty that may cast significant doubt on the Group's ability to remain a going concern.

2.4. Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is British Pounds.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non- monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding trade discounts, and net of VAT

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (under "ex works" incoterms, this is typically when the goods are made available for transport or collection but the transfer of rights depends on the contractual terms agreed), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. For repowering contracts, services are treated consistently with the sale of goods and therefore the installation of components is recognised at the same time as the sale of the goods themselves.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Revenue from licencing agreements is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. Revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement, including consideration of ongoing obligations, guaranteed minimum payments and payments contingent upon future events.

2.6. Leases

Operating leases: the Group as a lessee

Rentals paid under operating leases are charged to profit and loss on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis
over the lease term unless another systematic basis is representative of the time pattern of the lessee's benefit
from the use of the leased asset.

Finance leases: The Group as a lessee

An asset and corresponding liability are recognised for leasing agreements that transfer to the Group substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to statement of comprehensive income, so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

2.7. Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss as other income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income within turnover in the same period as the related expenditure, which is recognised in cost of sales. These grants relate to the primary function of the business and facilitate the delivery of the Group's primary purpose. Other grants are shown within other operating income.

2.8. Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9. Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10. Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition. The fair value of the award also takes into account non-vesting conditions.

These are either factors beyond the control of either party (such as a target based on an index), or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.12 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

2.13 Non-recurring costs

Non-recurring costs items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	20% on a straight-line basis
Plant and machinery	20-33% on a straight-line basis
Specialist assets	50% on a straight-line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Any grant income related to the purchase of an asset will be deferred and released against the deprecation charge for that asset.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under development are recognised at their cost. No depreciation is charged on these assets until the assets are complete and available for use.

2.15 Intangible items

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Intangible assets are reviewed for impairment each financial year.

<u>Research and development</u>

Internally generated intangible assets arising from development, or the development phase of internal projects, have been recognised in the year where the following can be demonstrated:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) Intention to complete the intangible asset and use or sell it;

c) Ability to use or sell the intangible asset;

d) How the intangible asset will generate probable future economic benefits (e.g., the existence of a market);

e) Availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f) Ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are recognised as an intangible asset if it can be demonstrated that all of the criteria for recognition have been met.

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Completed assets are typically amortised between 3 and 5 years on a straight-line basis.

2.16 Investments

Investments in subsidiaries are initially measured at cost at acquisition and reviewed for impairment at each reporting date, with any movement in the fair value recognised in the profit and loss. Where an investment is acquired in stages, it may be more appropriate to recognise the fair value during initial recognition and then assess the deemed cost for impairment at each reporting date.

The investments are assessed for impairment at each reporting date, and any impairment losses or reversals of impairment losses are required immediately in the profit and loss account.

2.17 Stocks and work-in-progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

Work-in-progress ("WIP") includes an allocation of direct labour costs and overhead appropriate to the stage of manufacture. At each balance sheet date, stocks and WIP are assessed for impairment. If impairment has occurred, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, Group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities

Financial instruments are classified as liabilities and equity instruments 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.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

2.23 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by shareholders at a General Meeting.

2.24 Adjusted EBITDA (Alternative Performance Measure)

The Board and Management team primarily use a measure of adjusted earnings before interest, tax, depreciation and amortisation, share based payments and non-recurring costs (EBITDA before share based payments and non-recurring costs, or adjusted EBITDA) to assess the performance of the overall business. This is an Alternative Performance Measure. The reconciliation of adjusted EBITDA to operating profit is shown on the face of the Consolidated Profit and Loss.

2.25 Convertible Loan Notes

The Company issued £5,000,000 Convertible Loan Notes ("CLNs") on 31 March 2025. In accordance with FRS 102 Section 22 - Liabilities and Equity, the CLN is classified as a compound financial instrument comprising:

- a host debt component, measured at amortised cost using the effective interest rate (EIR) method, and
- an embedded derivative (conversion option), classified as a financial liability measured at fair value through profit or loss (FVTPL) under FRS 102 Section 12.

The host debt component represents the obligation to repay principal and accrued interest. The embedded derivative arises from the holder's conversion right into ordinary shares at variable prices and therefore does not meet the "fixed-for-fixed" equity classification test.

Initial Recognition

On initial recognition, the proceeds from the issue of the CLN are allocated between the host debt and derivative liability components. The fair value of the embedded derivative is determined using a valuation model, with the residual amount allocated to the host debt. Issue costs directly attributable to the transaction are allocated to the liability component.

Subsequent Measurement

The host debt is measured at amortised cost, with interest recognised using the EIR method. The embedded derivative is remeasured to fair value at each reporting date, with changes recognised in the income statement. Interest is non-cash (payment-in-kind) and accrues to the carrying amount of the host debt.

Derecognition

The CLN is derecognised upon conversion, redemption or maturity. On conversion, the carrying amounts of the host debt and derivative are extinguished, and equity is recognised for the fair value of the shares issued.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could materially differ from those estimates. The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date include:

Revenue recognition

The Company has established a clear decision matrix for each order/contract to ensure a consistent approach for determining the basis for recognising revenue. In some circumstances, judgements are made in respect of the amount of revenue to be recognised at each reporting date. For example, for services supplied over a period of months or years, the Company would recognise revenue (as per 2.5) based on the stage of completion with a corresponding margin recognised with reference to costs incurred and expected costs to complete the project, which are inherently a source of estimation uncertainty. For repowering contracts, installation work is considered as a part of the sale of goods (where the risk and reward is transferred) and therefore the installation of the components is recognised at the same time as the sale of the goods themselves

Development costs

Management have reviewed activity relating to both customer-related and internal product development projects during the period and capitalised costs where it is considered that the FRS102 criteria have been met. The judgements and estimates that management apply when identifying costs to be capitalised are summarised below:

- Estimated size and value of the market for the product being developed;
- Assessment of technical, financial and other resources required and available to complete development;
- When it is known the development work is technically feasible;
- When it is judged to be commercially viable;
- Completion status of the development work; and
- Expected useful life of the asset once completed.

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Impairment of development costs

In assessing the future economic benefit that can be realised from capitalised development costs, management will consider future expected revenues and margins that are forecast to arise from relevant projects. Such estimations, being forward looking, are inherently uncertain and may materially differ from actual outcomes. Capitalised development costs are assessed for indications of impairment (which is both a judgement and estimate applied by management). Where an impairment assessment is performed, the same estimations described above relating to future expected financial performance are applied to consider an appropriate recoverable value of the relevant intangible asset. Development costs have been reviewed against expected materials margins (as a prime indicator of incremental project cash flow) from both existing and new contracts

across FY26 and FY27 and were more than covered by these cash flows and therefore no further sensitivity analysis has been applied.

Certain intangible assets held at 31 May 2024 which related to the development of proprietary technologies around battery systems, and which have subsequently been replaced by 3rd party solutions were fully impaired in the year, as were certain balances related to specific bus repowering projects.

Impairment of investments and inter-company receivable

The Directors have assessed the valuation of the investment in Equipmake Limited (subsidiary) and the inter- company receivable held in Equipmake Holdings PLC, at the balance sheet date. This followed a formal impairment review, which was based on a five-year projection. Included in this model were several assumptions regarding the quantum and timing of securing and delivering new business, as well as the forecasted resources required by the Group to deliver its business objectives. The Board also considered valuation multiples for similar businesses. The Board used a discount rate / WACC of 15% when assessing the carrying value of the investment in Equipmake Limited as held in Equipmake Holdings PLC. This review has concluded that the valuation of the aggregate of intercompany balances, investment in subsidiaries and net assets of the subsidiaries is significantly less than the expected value of future cash flows and that therefore no impairment is required unless a discount rate of more than 35% is applied. The WACC represents the estimated cost of equity and the weighted impact of the EIR on the CAT debt of 21.6%. The intercompany debtor was written down by approximately £18.6m in the prior year.

Stock

Judgements and Estimates - Stock Provisions and Valuation

The Group holds inventories comprising raw materials, components, and work-in-progress for multiple electric vehicle (EV) and renewable energy projects. Stock is stated at the lower of cost and net realisable value (NRV), with provisions made where items are considered slow-moving, obsolete, or not expected to be utilised within a reasonable timeframe. Determining the appropriate level of provision requires significant management judgement and estimation.

Key Judgements Applied

1. Forecast Demand and Usage Periods

Management has applied a three-year expected usage horizon for commercial and R&D projects based on forecasted sales volumes, product lifecycle analysis and historical consumption patterns. This aligns with industry norms in EV and renewables engineering, where inventory is typically recoverable over a 2-4 year cycle. The three-year period balances prudence and operational reality, given strong market growth (15-20% CAGR for EV components) and the durable nature of materials. Stock used purely in grant related work is based on the expected life of the grant.

2. Forecast Demand Estimation

Forecasted yearly demand for each project is derived from signed customer contracts, confirmed production schedules, expected bills of materials, and internal sales forecasts reviewed by senior management. These demand assumptions are supported by ERP data (Syteline) and validated through cross-functional review across engineering, operations, procurement, and finance teams.

3. Assessment of NRV

NRV estimates are based on forecast margins and expected sales prices under existing or probable contracts. All active projects are currently budgeted for positive gross margins, supporting NRV values above cost. No impairment has been recognised for stock assessed as recoverable within the three-year horizon. The impact of changing this by one year is

approximately £40,000, and it is expected that the bulk of the inventory will be used within 12 months. For items not expected to be used in this period on customer projects management has provided in full. The primary sources of estimation uncertainty include changes in customer project timing or cancellations, technological advances leading to obsolescence, and fluctuations in demand linked to macroeconomic or sectoral shifts.

Certain inventory items are eligible for partial recovery under R&D grant schemes, and they are valued at the expected contribution by the grant provider as a % of purchase cost.

Warranty Costs

The Group recognises a provision for warranty costs associated with electric drivetrain kits supplied to bus OEMs and integrators. These warranties cover the traction battery and drivetrain assembly only. The provision is measured using a Monte Carlo expected value model incorporating hazard based failure probabilities based on industry averages of 2-3% per annum, a truncated normal labour uplift between 20-40%, and warranty terms of up to 8 years. Cashflows are discounted at the Group's WACC of 15%. No supplier reimbursement or back to back warranty is assumed in this modelling and assumes Equipmake bears 100% of the cost of any warranted failure. Using this methodology, the provision recognised at year end is approximately £254,000. Any change in failure rate is expected to have a broadly linear impact on the size of provision required.

Onerous Contracts

As at 31 May 2024 the Group had recognised a provision of £358,000 in relation to onerous contracts, which was utilised in full during the year ended 31 May 2025. No such provision has been recognised at the reporting date, as the Group has considered open contracts at this point in time, and does not consider there to be sufficient indication of unavoidable losses, there is estimation and judgement applied in this assessment.

Convertible Loan Notes

Classification of the Instrument

Fair Value Measurement of the Embedded Derivative
The fair value of the derivative component requires estimation of key market variables including:

- Volatility (estimated at 69% based on the previous year's data)
- Risk-free interest rate (5% based on UK gilt yields)
- Time to maturity (4 years)
- Conversion price triggers (lower of 80% of next fundraising price, 80% of 30-day VWAP, or fixed price yielding 12.5% shareholding)

The derivative was valued using a Monte Carlo simulation (100,000 paths) resulting in an estimated fair value of £1,153,105, with a standard error of £7,309. A 20% reduction in volatility decreases the derivative value by approximately £230,000; a 25% increase increases the value by approximately £288,000.

Effective Interest Rate (EIR)

The EIR applied to the host debt is 21.59%, derived from the initial allocation between the derivative and host debt and the redemption premium at maturity (£7,000,000). Small variations in EIR have a material effect on interest expense recognition.

4 Segmental reporting and turnover

Segmental information is presented in respect of the Group's operating segments based on the format that the Group reports to its chief operating decision maker, for the purpose of allocating resources and assessing performance. The Group considers that the chief operating decision maker ("CODM") comprises the Executive Directors of the business.
Revenues are presented for each product area but, due to the shared nature of many cost of sales and expenses items, they are not separately allocated across the business lines. Furthermore, the nature of the Group's revenue is considered sufficiently similar between categories such that there is considered to be one aggregate reportable segment as defined under the relevant standard, IFRS 8. As such the Group only reports different revenues by category.

The Group reports materials and direct labour costs (which are generally fixed in nature) and stock provision expenses (as detailed in note 17) within Cost of sales and as a result has reported a gross loss for both periods presented.

Due to the shared nature of many assets, assets and liabilities for both 2024 and 2023 are not able to be separately allocated across the business lines but are reported to the CODM on an aggregate basis.

For the year ended 31 May 2025:

	Bus Repowering	**Drivetrain Supply**	**EV Components**	**Technology Engineering Projects**	**Technology Licencing**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Year to 31 May 2025	2,049	700	294	418	24	3,485
Year to 31 May 2024	3,854	2,181	846	399	-	7,280

The Group manages its business lines on a global basis. The operations are based primarily in the UK. The turnover analysis in the table below is based on the location of the customer.

	For the year ended 31 May 2025	For the year ended 31 May 2024 (Restated)
	£'000	£'000
United Kingdom	2,166	5,377
Rest of Europe	823	1,772
Asia and the Far East	29	-
Rest of world	467	131
	3,485	7,280

All revenue reported is external to the Group.

The Group details below significant customers who have contributed to more than 10% of Group revenue:

	For the year ended 31 May 2025	For the year ended 31 May 2024
	£'000	£'000
Customer in Bus Repowering	1,401	2,100
Customer in Bus Repowering	420	1,455
Customer in Drivetrain Supply	462	1,238
Customer in Drivetrain Supply	-	784

5. Other operating income

	For the year ended 31 May 2025	For the year ended 31 May 2024 (Restated)
	£'000	£'000
Grant Income	947	789
RDEC claim	549	476
Other income	43	33
Total other operating income	1,539	1,298

The Company had previously included grant revenues within the headline revenue number, but the approach has been revised to reflect the Company's business as being that of selling electrification technology solutions and not claiming governmental grants, which are, only partial cost recoveries. Grant income have therefore been reflected within other operating income, and their associated costs have been included in administrative expenses. The prior year has been restated accordingly. This is detailed in note 33.

6. Operating loss

The operating loss is stated after charging:	**For the year ended 31 May 2025**	For the year ended 31 May 2024
	£'000	£'000
Operating lease payments - property	409	394
Operating lease payments - other	53	52
Depreciation of tangible fixed assets - (note 15)	454	343
Amortisation of intangible fixed assets (note 14)	208	158
Loss / (profit) on the sale of fixed assets	(83)	51
Foreign exchange loss	34	10
Share-based payments (note 28)	47	45
Research and development costs *	2,604	2,837
Non-recurring costs (note 12)	1,847	1,134

*Based on qualifying R&D expenditure. A further £674,000 was capitalised during the year (FY2024: £1,053,000).

7. Auditors' remuneration

Fees payable to the Group's auditor and its associates:	**For the year ended 31 May 2025**	For the year ended 31 May 2024
	£'000	£'000
Audit of the Group's annual financial statements	200,000	97,000

The audit fee for the year ended 31 May 2024 was originally reported as £97,000 but the above reflects a £50,000 overrun fee which was agreed post the date of the approval of the May 2024 financial statements and was therefore recognised as an expense in FY25. The auditor didn't provide any non-audit services in either period.

8. Employees

Staff costs, including Directors' remuneration, were as follows:

Wages and salaries	
Social security costs	
Cost of defined contribution scheme	
Share based payments	

The average monthly number of employees, including the Directors was 97 (2024: 111)

The Company has no employees other than the non-executive Directors, who's remuneration is set out in the Report of the Remuneration Committee. Remuneration of Directors is paid from Equipmake Limited and Equipmake Inc. and recharged to Equipmake Holdings PLC.

9. Directors

	For the year ended 31 May 2025 £'000	For the year ended 31 May 2024 £'000
Directors' emoluments, including benefits in-kind	651	676
Group contributions to defined contribution pension schemes	104	79
	755	755

During the year retirement benefits were accruing to Executive Directors, in respect of defined contribution pension schemes. Details by individual Director, including those of the highest paid Director, are shown within the Report of the Remuneration Committee, on 40.

10. Interest receivable

	For the year ended 31 May 2025 £'000	For the year ended 31 May 2024 £'000
Other interest receivable (accruing from bank deposits)	23	54
	23	54

11. Interest payable and similar expenses

	For the year ended 31 May 2025 £'000	For the year ended 31 May 2024 £'000
Finance lease and HP loan interest payable	65	49

CLN interest	115	-
	180	49

12. Non-recurring costs

	For the year ended 31 May 2025 £'000	For the year ended 31 May 2024 £'000
Bus Repowering - impairment of previously capitalised development costs	948	408
Bus Repowering - onerous contracts provision	-	358
Bus Repowering - irrecoverable development costs in the year	-	270
Professional fees relating to Group sale process	376	98
Costs of restructuring	523	-
	1,847	1,134

The Directors reviewed the Bus Repowering business line after the balance sheet date and made the following adjustments, all considered non-recurring:

In FY 24 the Company established an onerous contracts provision in relation to two Bus Repowering contracts underway as the year-end date as non-recurring as, following the successful sourcing of lower cost batteries and other components after the year-end date, these costs are considered a one-off event.

13. Taxation

	For the year ended 31 May 2025 £'000	**For the year Ended 31 May 2024 £'000**
Corporation tax		
Current tax on RDEC	113	**119**
Tax credit - R&D SME scheme	-	**(29)**
Withholding tax	11	**23**
Total current tax	124	**113**
Deferred tax	-	**-**
Taxation on loss on ordinary activities	**124**	**113**

The tax assessed for the year is higher than (FY2024: higher than) the standard rate of corporation tax in the UK of 25 %.

Reconciliation of effective rate and tax charge:	**For the year ended 31 May 2025 £'000**	For the year Ended 31 May 2024 £'000
Loss on ordinary activities before tax	(10,898)	(9,087)
Loss multiplied by the UK corporation tax rate of 25%	(2,724)	(2,272)
Effects of:		
Unrecognised deferred tax assets	2,844	2,352
Remeasurement of deferred tax for changes in tax rates	-	-
Enhanced super deduction	-	-
Expenses not deductible for tax purposes	4	42

Depreciation on ineligible assets		7
SME R&D tax credit	-	(29)
Adjustments in respect of prior years	-	13
Total tax charge for the year	124	113

Factors that may affect future tax charges

The Company will be taxed at a rate of 25% unless its profits are sufficiently low enough to qualify for a lower rate of tax, the lowest being 19%.

Where applicable, deferred taxes at the balance sheet date have been measured using tax rates between 19% and 25% to reflect the rate of the timing differences are likely to unwind and are reflected in the financial statements.

Deferred tax is not recognised in respect of losses (subject to HMRC agreement) of approximately £31.3 million (FY2024: £21.9 million) due to the uncertainty that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

14. Intangible assets

Group	**Development expenditure**	**Other Intangibles**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 1 June 2023	810	11	821
Additions - internally developed	993	60	1,053
Disposals	(27)	-	(27)
At 31 May 2024	1,776	71	1,847
Additions - internally developed	674		674
Disposals	-	-	-
At 31 May 2025	2,450	71	2,521
Amortisation			
At 1 June 2023	27	11	38
Charge	148	10	158
Impairment	408	-	408
At 31 May 2024	583	21	604
Charge	198	10	208
Impairment	948		948
At 31 May 2025	1,728	31	1,759
Net book value			
At 31 May 2024	1,193	50	1,243
At 31 May 2025	722	40	762

No intangible assets are held within the Company save for its investment in its trading subsidiaries which is eliminated on consolidation.

The average remaining useful life of intangible assets being amortised is 2.4 years (FY2023: 3.6 years).

The cost of assets not yet being amortised is £358,000 (FY2023: £569,000), with amortisation expected to commence for these assets in the year ending 31 May 2025 (FY2023: in the year ended 31 May 2024). Of this total, £338,000 (FY2023:

£462,000) is expected to be amortised over three years and £nil (FY2023: £107,000) is expected to be amortised over five years.

15. Tangible fixed assets

Group	Leasehold property £'000	Plant and machinery £'000	Specialist equipment £'000	Assets in development £'000	Total £'000
Cost or valuation					
At 1 June 2023	100	1,026	502	157	1,785
Additions	13	401	-	827	1,241
Transfers	-	549	-	(549)	-
Disposals	(32)	(39)	-	-	(71)
At 31 May 2024	81	1,937	502	435	2,955
Additions	47	114	-	24	185
Transfers	-	179	-	(179)	-
Disposals	-	(648)	-	-	(648)
At 31 May 2025	128	1,582	502	280	2,492
Depreciation					
At 1 June 2023	48	462	502	-	1,012
Charge for the year	17	326	-	-	343
Eliminated on disposal	(8)	(39)	-	-	(47)
At 31 May 2024	57	749	502	-	1,308
Charge for the year	15	439	-	-	454
Eliminated on disposal	-	(174)	-	-	(174)
At 31 May 2025	**72**	**1,014**	**502**	**-**	**1,588**
Net book value					
At 31 May 2024	24	1,188	-	435	1,647
At 31 May 2025	56	568	-	280	904

No tangible assets are held within the Company.

Specialist/technical plant and equipment relate to project specific equipment whose value is consumed over the life of the relevant project. Cost of such assets are therefore written off over the minimum project duration.

The net book value of fixed assets includes £335,000 (FY2023: £275,000) in respect of assets held under finance leases and hire purchase contracts.

16. Fixed asset investments (Company Only)

	Investments in subsidiary companies
Cost or valuation	£'000
At 1 June 2023	17,933
Impairment	(10,692)
Other movements - share-based payments	45
31 May 2024	7,286

Investment & intercompany funding	3,051
Other movements - share-based payments	47
At 31 May 2025	10,384

The directors have assessed the expected NPV of future cash flows from Equipmake Limited as being significantly greater than the carrying value of the investment when adjusted for intercompany debt and the net assets of the subsidiary.

Subsidiary undertakings

The following are the subsidiary undertakings of the Company, both of which are trading, as at 31 May 2025:

Name	**Registered office**	**Class of shares**	**Holding**
Equipmake Limited	Unit 7 Snetterton Business park, Snetterton, Norfolk, NR162JU, UK	Ordinary/ Deferred	100%
Equipmake Inc., incorporated on 8 December 2023	800 North State Street, Suite 304, Dover, Delaware, DE 19901, USA	Common stock	100%

17. Stocks

	Group 31 May 2025 £'000	Group 31 May 2024 **£'000**
Stock	2,943	3,254
Work in Progress	354	792
Provision	(2,068)	(491)
	1,229	3,555

No stock is held within the Company.

The cost of Group stocks recognised as an expense in the year ended 31 May 2025 amounted to £4,226,000 (FY2024: £6,501,000

For the year ended 31 May 2025 a further provision was made for slow moving or potentially obsolete stock which amounted to £1,577,000 increasing the provision to £2,068,000: £2024: £491,000). Details of the rationale for the increased level of provision is set out in note 3.

18. Debtors

	Group	Group	**Company**	Company
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Trade debtors	794	2,500	-	-
Amount owed from Group undertakings	-	-	1,169	-
Other debtors	168	238	27	29
Prepayments and accrued income	746	963	41	57
Tax recoverable	415	462	-	-
	2,123	4,163	1,237	86

19. Cash and cash equivalents

	Group	Group	**Company**	Company

	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Cash at bank and in hand	3,858	2,480	3,697	1,526
	3,858	2,480	3,697	1,526

20. Creditors: Amounts falling due within one year

	Group	Group	**Company**	Company
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Trade creditors	445	2,003	**95**	123
Other taxation and social security	91	168	**3**	4
Obligations under finance lease and hire - purchase contracts	154	178	**-**	-
Other creditors	484	167	**456**	197
Accruals and deferred income	2,053	1,281	**155**	-
	3,227	3,797	**709**	324

21 Creditors: Amounts falling due after more than one year

£'000	**Group 31 May 2025**	**Group 31 May 2025**	**Company 31 May 2025**	Company 31 May 2024
CLN Host Debt Liability	3,665	-	3,665	-
Fair value of embedded derivative on CLN	1,153	-	1,153	-
Net obligations under finance leases and hire purchase contracts (all in subsidiary)	303	308	-	-
	5,121	308	4,818	-

On 31 March 2025, the Company issued a £5,000,000 senior secured convertible loan note ("CLN") to Caterpillar Venture Capital Inc. The CLN matures on 31 March 2029 (four years from issuance) and bears a coupon of 10% per annum (payable in kind). If not converted earlier, the redemption amount at maturity is £7,000,000 (comprising the principal of £5,000,000 plus capitalised interest of £2,000,000).

The CLN is convertible at the holder's option into ordinary shares of the Company on the maturity date (or earlier upon a Qualified Financing (automatic when. £10 million), Non-Qualified Financing (at discretion of loan note holder if < £10 million), or Change of Control) at the lower of

- 80% of the price per share in a Qualified or Non-Qualified Financing;
- 80% of the 30-day volume-weighted average price (VWAP) immediately prior to conversion; or
- A fixed conversion price of 3.125 pence per share (equivalent to a conversion amount representing approximately 12.5% of the fully diluted share capital at issuance, subject to anti-dilution adjustments).

The CLN is classified as a compound financial instrument under FRS 102 Section 22. The conversion feature does not meet the fixed-for-fixed criterion and is therefore accounted for as an embedded derivative liability ("non basic financial instrument") measured at fair value through profit or loss. The host debt contract is measured at amortised cost using the effective interest method.

Initial recognition (31 March 2025)

	£
Gross proceeds	5,000,000
Less: Transaction costs	(297,000)
Net proceeds	4,703,000
Fair value of embedded derivative (Monte Carlo simulation)	(1,153,105)
Initial carrying amount of host debt liability	3,549,895

Transaction costs of £297,000 (comprising advisory fees of £250,000 and legal fees of £47,000) have been allocated in full to the host debt liability. The effective interest rate on the host debt is 21.59% per annum.

Carrying amounts at 31 May 2025

	Host debt £	Embedded derivative £	Total £
At initial recognition	3,549,895	1,153,105	4,703,000
Effective interest charge (2 months)	115,236	-	115,236
Fair value gain/(loss) on derivative	-	-	-
At 31 May 2025	3,665,131	1,153,105	4,818,236

Finance costs of £115,236 (year ended 31 May 2025) represent the unwinding of the discount on the host debt using the effective interest method and are recognised in profit or loss. No change in the fair value of the embedded derivative has been recognised between issuance and 31 May 2025, as the short period and stable market conditions did not give rise to a material remeasurement.

Fair value of the embedded derivative

The embedded derivative is categorised as Level 3 within the fair value hierarchy. Fair value is determined using a Monte Carlo simulation incorporating the following unobservable inputs:

Input	31 May 2025	31 March 2025 (issuance)	Source / Judgement
Share price	1.00p	1.00p	Market price
Annualised volatility	69%	69%	Historical daily returns over the prior 12 months, adjusted for small-cap sector peers
Risk-free rate (4-year)	5.0%	5.0%	UK gilt yield curve
Credit / discount rate	20%	20%	Estimated cost of debt reflecting company-specific risk
Time to maturity	3.83 years	4.00 years	Contractual term
Number of simulations	100,000	100,000	Model parameter

The estimated fair value as at 31 May 2025 is £1,153,105 (standard error £7,309).

Sensitivity analysis - embedded derivative

Volatility assumption	Change	Fair value of derivative £	Increase/(decrease) £
50% (decrease 19%)	-19%	922,484	(230,621)
Base case 69%	-	1,153,105	-
90% (increase 21%)	+21%	1,441,381	+288,276

A 10 pence increase/decrease in the share price would increase/decrease the fair value by approximately £180,000 / (£180,000) with other inputs held constant. The directors consider the carrying amount of the host debt to approximate its fair value given the short period since issuance and the nature of the instrument.

22. Hire purchase and finance leases

Minimum lease payments under hire purchase agreements fall due as follows:

	Group 2025	Group 2024
	£'000	£'000
Within one year	153	178
Between 1-5 years	303	308
	456	486

No assets under finance lease or hire purchase contracts were held within the Company.

23. Financial instruments

	Group 2025	Group 2024	**Company 2025**	Company 2024
	£'000	£'000	**£'000**	£'000
Embedded derivative on CLN held at fair value	1,153	-	1,153	-
Other (USD forward contracts) financial liabilities measured at fair value through profit or loss	-	(16)	-	(16)

24. Provisions and contingent liabilities

	Onerous contracts	**Warranty**	**Total**
	£'000	**£'000**	**£'000**
At 1 June 2023	-	-	-
Charge	358	-	358
At 31 May 2024	358	-	358
Utilisation of provision	(358)	-	(358)
Warranty provision expense	-	254	254
At 31 May 2025	**-**	**254**	**254**

The onerous contracts provision disclosed above comprises related to previously expected future losses on two Bus Repowering contracts where the associated direct costs over the contract period were expected to be in excess if the revenue, this provision was used in the year as the buses were delivered. A warranty reserve provision was recorded for the first time as detailed in note 3, with warranty costs having been previously accounted for on a contingent liability basis.

25. Share Capital

	As at 31 May 2025	As at 31 May 2024
Allotted, called up and fully paid	**£'000**	£'000
1,120,074,565 (FY2024: 1,020,074,569) Ordinary Shares of £0.0001 each	112	102
The following movements in Share Capital occurred:		
Issue of 99,999,996 Ordinary Shares of £0.0001 each	10	-
Issue of 69,070,028 Ordinary Shares of £0.0001 each	-	7
Total	10	7

The movements in relation to Share Capital during the year were as follows:

On 4 November 2024, the Company issued 99,999,996 £0.0001 Ordinary Shares for cash as part of a £3m fundraising announced that day, and gross proceeds of £3m were received.

26. Earnings per share

Basic loss per share of 0.98 pence (FY2024: 0.98 pence) is calculated based on the following data:

	2025	2024
	£'000	£'000
Earnings used in calculation of total earnings per share:		
Earnings on total losses attributable to equity holders of the parent	(11,022)	(9,200)
Weighted average number of ordinary £0.0001 shares in issue	1,080,348,539	969,972,685
Basic (loss) per share, in pence	(1.02) p/share	(0.95) p/share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group, being loss making in both this year and the comparative year would mean that any exercise would be anti-dilutive. The diluted earnings per share is therefore the same as the basic earnings per share.

27. Reserves

Share premium - Group and Company

The share premium account represents amounts subscribed for share capital in excess of nominal value, net of directly attributable issue costs.

Other reserves - Group

Brought forward other reserves comprise the amount attributable to the owners of the Company following the issue of shares in the subsidiary at a premium to non-controlling interests in previous financial years.

Other reserves - Company

Brought forward other reserves derived from a reduction in capital which resulted in the cancellation of 5,000,000 £1 B ordinary shares during the year ended 31 May 2022, when £5,000,000 was credited against the proceeds of this issue.

Share-based payments reserve - Group and Company

Used to reflect the assessed fair value of the equity settled options issued as share-based payments.

Merger relief reserve - Company only

The merger relief reserve accounts for the uncapitalised fair value adjustment in respect of the investment in the wholly owned subsidiary Equipmake Limited which is eliminated on consolidation and therefore not presented on a Group basis.

Profit and loss account - Group and Company

Profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

28. Share-based payments

Equipmake Holdings PLC operates an equity-settled share option scheme for the directors and employees of the Group, settled in ordinary shares of Equipmake Holdings PLC. The fair value of options is measured using the Black-Scholes valuation model and is recognised over the vesting period in accordance with FRS 102 Section 26.

Key Valuation Inputs

Parameter	Range / Input	Comment
Share price at grant	4.25p - 3.012p	From 2021-2022 grants
Exercise price	0.0001p - 10p	Varies by group
Expected volatility	50.79%	Based on comparable listed peers
Risk-free interest rate	0.612% - 1.94%	UK gilt yields at grant date
Expected life	1 - 10 years	Weighted by scheme
Valuation model	Black-Scholes	Market-based vesting excluded as improbable

Movements in Share Options

Details	No. of Options	WAEP (p)	2024 No.	2024 WAEP (p)
Outstanding at 1 June	33,403,714	4.65	56,412,861	3.92
Granted	-	-	-	-
Exercised	-	-	2,775,132	0.01
Lapsed	(4,650,000)	5.54	(20,234,015)	3.51
Outstanding at 31 May	28,753,714	3.95	33,403,714	4.65
Exercisable at 31 May	18,453,714	0.84	10,578,431	1.71
Weighted average remaining life	5.7 years	-	6.3 years	-

Vesting Conditions and Price-Based Criteria

Option Group	Outstanding 31 May 2025	Exercisable 31 May 2025	WAEP (p)	Vesting Schedule	Performance / Price-Based Conditions	Comments
Non-Employee	7,875,283	7,875,283	0.01	100% vested 29 Jul 2024	None	Fully vested FY25
Band A	2,000,000	2,000,000	9.00	100% vested 29 Sep 2023	None	Retained by S. McGillivray post-employment
Band B	8,000,000	-	9.00	50% vest 29 Jul 2025; 10% p.a. thereafter to 29 Jul 2030	None	1,000,000 lapsed FY25
Band C	1,000,000	-	9.00	75% vest 29 Jul 2025; 25% vest 29 Jul 2026	None	1,000,000 lapsed FY25
Band D	750,000	-	10.00	100% vest 29 Jul 2025	None	525,000 lapsed FY25
Band E	150,000	-	10.00	100% vest 29 Jul 2025	None	250,000 lapsed FY25
EMI - (pre-IPO staff since leavers)	5,550,264	5,550,264	0.0001	100% vested at IPO (Jul 2022)	See below	Unmet - not probable at FY25
Non-EMI - (pre-IPO staff since leavers)	3,028,167	3,028,167	0.0001	100% vested at IPO (Jul 2022)	See below	Unmet - not probable at FY25
Total	28,303,714	18,453,714	3.95 (weighted)	-	-	-

The share-based payment charge for the year was £47,000 (2024: £45,000) and was credited to the share-based payment reserve. No share options were held by, granted to, exercised by, or lapsed for any directors during the year ended 31 May 2025 (2024: nil).

Equipmake Holdings PLC granted share options on the 26 November 2021 with 138,888 options granted in respect of A Ordinary shares of £0.0001 each. The vesting criteria of the options were based on the exit price (vesting of option on an exit event other than a listing) or the Company value on the exercise date (vesting of option on listing). Across all option holders, 1.5% of the fully diluted share capital vested when the Company completed the IPO in July 2022. A further 1% would vest when the Company's valuation exceeds £200 million. A further 1% would vest when the Company's valuation exceeds £400 million and a further 0.5% would vest when the Company's valuation exceeds £800 million. The share-based payments charge in relation to these share options was recognised in full in the year ended 31 May 2022.

Equipmake Holdings PLC granted non-EMI options over A Ordinary shares in the year to 31 May 2022, of which 2,308,744 were substantially modified on 1 June 2022. The revised non-EMI options updated the terms of the agreements to prevent dilution on a listing. Subject to the EMI options being capable of exercise in full, the recipient will be granted the option to acquire a number of A Ordinary shares which, when added to the A Ordinary shares issuable on exercise of the EMI options, equated to 4% of the fully diluted share capital. These options shall lapse on the same date as the EMI options. The initial fair value of the combined EMI and non-EMI share options were recognised 31 May 2022 and so only the revised fair value from modification has been recognised.

29. Capital commitments

Group and Company had capital commitments as follows:

	Group 2025 £'000	Group 2024 £'000
Contracted for but not provided in these financial statements	-	155
	-	155

30. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £88,000 (FY2024: £180,000). Contributions totalling £27,000 (FY2024: £55,000) were payable to the fund at the balance sheet date and are included in creditors. They were paid shortly after the balance sheet date in the routine course of business.

31. Commitments under operating lease

The Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following years:

	Group 2025 £'000	Group 2024 £'000
Not later than 1 year	270	428
Later than 1 year and not later than 5 years	960	96
	1,230	524

32. Related party transactions

As permitted by FRS102 paragraphs 1.12e and 33.1a, the Company has taken advantage of the exemption from disclosing the transactions entered into between two or more members of a group as all subsidiary undertakings are wholly owned by a member of the Group.

The Key Management Personnel of Equipmake Limited are the same as Equipmake Holdings PLC, being the Executive Directors. There is no additional remuneration required to be disclosed.

33. Post balance sheet events

Post the year end the Group has won a further £5.45 million order from Agrale for the provision of powertrains for electric busses, and a further order of £0.55 million from Seahorse Amphibious Vehicles Limited, the designer, manufacturer and supplier of amphibious passenger vehicles.

34. Restatement of prior year's results

£'000	Originally Reported	Reclassification of Grant income	Reclassification of Grant costs	Restated
Revenue	8,068	(788)	-	7,280
Cost of Sales	(10,697)	-	1,473	(9,224)
Gross Margin Loss	(2,629)	(788)	1,473	(1,944)
Other Operating Income	509	788	-	1,297
Administrative Expenses	(6,972)	-	(1,473)	(8,445)
Operating Loss	(9,092)	-	-	(9,092)

The Company had previously included grant revenues within the headline revenue number, but the approach has been revised to reflect the Company's primary business model as being that of selling electrification technology solutions and not claiming governmental grants, which are, by definition, only partial cost recoveries. Grant income has therefore been reflected within Other operating income, and their associated costs have been included in administrative expenses. The prior year has been restated accordingly.

35. Controlling Party

The Directors do not consider there to be one ultimate controlling party.

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