

science group plc

17 March 2026

SCIENCE GROUP PLC

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

Science Group plc, ('Company', 'Science Group' or the 'Group'), the international services and systems company delivering innovation through the application of science, technology and engineering, reports its audited results for the year ended 31 December 2025.

- Strong operating performance despite volatile market conditions
 - Record adjusted* operating profit of £23.1 million (2024: £21.5 million)
 - Record adjusted* basic earnings per share of 40.2 pence (2024: 36.2 pence)
 - Revenue of £111.7 million (2024: £110.7 million)
 - Operating Return on Capital Employed of 54.7% (2024: 37.6%)
- Operating results augmented by corporate activity
 - Pre-tax gain of £24.1 million from corporate investment
 - Record profit before tax of £41.5 million (2024: £14.7 million)
 - Record statutory basic EPS of 75.1 pence (2024: 26.5 pence)
- Robust balance sheet and cash flow
 - Cash of £72.6 million (2024: £38.6 million)
 - Net funds of £61.2 million (2024: £26.8 million)
 - Cash generated from operations of £31.8 million (2024: £21.8 million)
- Shareholder returns
 - Recommended dividend increase of 25% to 10.0 pence per share (2024: 8.0 pence)
 - Share buy-back increased to £10.7 million (2024: £5.0 million)
 - Buy-back anticipated to continue at a broadly similar level in 2026

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Alternative performance measures (*) are provided in order to reflect the underlying financial performance of the Group. Details and definitions are provided in the report.

An investor presentation and summary factsheet are available at www.sciencegroup.com.

Statement of Executive Chair

Science Group is an international services and systems company delivering innovation through the application of science, technology & engineering. In 2025, the Group again demonstrated the resilience of its business model reporting record operating profit and earnings per share despite volatile market conditions.

Science Group's strong balance sheet provides a solid foundation for the business operations and enables capital allocation options including cash returns to shareholders and investment in corporate opportunities where the Group's management and technical resources can be deployed to enhance shareholder returns. In 2025, both capital allocation strategies were successfully deployed, delivering increased capital returns and material incremental value to Science Group shareholders.

Group Financial Summary

For the year ended 31 December 2025, Science Group reported adjusted operating profit ('AOP') of £23.1 million (2024: £21.5 million) with adjusted (operational) basic earnings per share of 40.2 pence (2024: 36.2 pence). Revenue was broadly consistent at £111.7 million (2024: £110.7 million) with an increased operating margin of 20.7% (2024: 19.5%).

The Group's statutory operating profit was £40.9 million for the year (2024: £14.9 million) including the benefit of £24.1 million resulting from the corporate activity. Profit before tax was £41.5 million (2024: £14.7 million) and statutory basic earnings per share was 75.1 pence (2024: 26.5 pence).

Cash generated from operations was £31.8 million in the year (2024: £21.8 million), benefitting from the normalisation of a higher receivables balance at the end of 2024. The strong operating cash flow was further enhanced by the net gain from the corporate investment. As a result, at 31 December 2025, Group cash was £72.6 million (2024: £38.6 million) and net funds were £61.2 million (2024: £26.8 million), after returning £14.3 million to shareholders in the year, more than doubling the buy-back programme to £10.7 million (2024: £5.0 million) whilst maintaining the dividend payment. The estimated tax liability (£5.1 million) associated with the investment was also paid prior to the year end.

The Board's priority remains operating margin, profit and cash flow. Shareholder alignment is evidenced by the 9-fold increase in AOP over the past 15 years delivered from share capital dilution of less than 4% since December 2010. Combining the margin and profitability focus with disciplined working capital and balance sheet management, since 2020 Science Group has reported a Return on Capital Employed ('ROCE', defined as AOP/Net Equity less Net Funds) in excess of 30%, with 2025 reaching 54.7% (2024: 37.6%).

In view of the consistent operating performance, strong operating cash flow and significant cash resources, the Board is recommending the annual dividend be increased by 25% to 10.0 pence per share (2024: 8.0 pence). Subject to shareholder approval at the Annual General Meeting, scheduled for 20 May 2026, the dividend will be payable on 2 July 2026 to shareholders on the register at the close of business on 22 May 2026.

Operating Business Review

Science Group provides services and systems, characterised by deep technical expertise applied with detailed domain knowledge, across Medical, Defence, Industrial and Consumer market sectors. Shared services functions provide Finance, Legal, HR, Property Management and IT support across the Group, improving efficiency and operational governance. The costs of these central functions (along with allocated property costs) are charged into the operating businesses and the segmental reporting therefore reflects the financial performance of each business as a stand-alone entity. The only costs not charged to the operating businesses are the Corporate costs which account for less than 3% of Group revenue.

Sagentia Services Division

The Services Division, operating under the Sagentia brand, is an international business providing advisory, product development and regulatory services. The Division's high calibre science, engineering and technical resources are deployed across Medical, Defence, Consumer (including Food & Beverage) and Industrial/Chemical markets.

Sagentia is a trusted services partner to its clients, often providing leading edge innovation or technical insight in support of a customer's strategy. While the majority of the Division's projects are therefore confidential, the Division's reputation for providing high quality services is reflected in the levels of repeat business and long-term relationships. Recent projects have covered a diverse range of activities:

- from market-leading medical robotics to the application of generative AI in consumer-facing R&D;
- from developing new concepts in defence to environmentally-friendly pest control; and
- from formulating MAHA-compliant edible dyes to incorporating physical AI into domestic robotics.

Sagentia is positioned as a premium rate, high value-add services organisation. A significant proportion of consultants have Masters Degrees or PhD qualifications in science or engineering subjects and the Group benefits from impressive freehold properties providing office and laboratory facilities consistent with the high-end market positioning. It is the deployment of multi-disciplinary teams, combined with the Division's commercial and operational management, that translates into shareholder value.

The Defence practice, acquired as part of TP Group in 2023, was historically dependent on low margin, pass-through contractor revenue, which also carried material counterparty risk. This emphasis on revenue rather than margin was inconsistent with the Sagentia strategy of focusing on high value-add services. Therefore, a progressive exit of this low-end activity has been undertaken whilst developing the higher quality practice areas, enabling the Division's deep science and technology innovation services to access the UK defence market.

For the year ended 31 December 2025, the Services Division generated revenue of £71.5 million (2024: £72.2 million), the slight decline reflecting the Defence transition referenced above, partially offset by a strong performance in the Medical practice. The Industrial and Consumer sectors delivered a creditable performance in challenging market conditions during 2025. By geography, the UK accounts for 36% of the Division's revenue with North America accounting for 41% and Continental Europe for 13%. (The business has minimal direct exposure to the Middle East.) The execution of the Services strategy translated into an increased adjusted operating profit of £18.8 million (2024: £17.9 million) and a margin improvement to 26.3% (2024: 24.9%). Subject to external factors (e.g. geopolitical events), the Board does not anticipate the market to change materially in 2026 and the priorities will continue to be margin, profitability and cash conversion.

With regard to the potential influence of AI on the business, Sagentia continually evaluates new technologies. Accordingly AI tools are being utilised in several areas to augment the Division's service propositions, within a defined governance regime. Due to the strategic emphasis on higher end scientific, technical and engineering services, AI applications to date have been incremental although this is anticipated to progressively increase in the years ahead, enhancing Sagentia advisory services while potentially expanding the opportunities in Physical-AI where the Division's sensor and robotics expertise is highly relevant.

Systems Businesses

The Group has two systems businesses, CMS2 and Frontier, both of which have leading positions in their specialist markets. These businesses operate independently but are supported by the Group's corporate functions/infrastructure and, if required, can access the Sagentia Division's science, technology and engineering capabilities on an arm's length basis. In aggregate, for the year ended 31 December 2025, the Systems businesses reported increased revenue of £39.6 million (2024: £37.8 million) and an adjusted operating profit of £6.6 million (2024: £5.8 million).

CMS2 (Critical Maritime Systems & Support) designs, manufactures and supports atmosphere management systems for submarines, providing both oxygen generation and CO₂ extraction capabilities. The business has a market leading position outside the USA and services an international client base, although the UK (direct to MoD and via prime contractors) continues to account for the majority of the revenue.

For the year ended 31 December 2025, revenue was £26.4 million (2024: £25.9 million), including £5.2 million of low-margin pass-through materials related to support contracts (2024: £5.6 million). Adjusted operating profit was broadly consistent at £5.5 million (2024: £5.7 million), within the anticipated variability for the characteristics of the business.

The solid financial performance, delivering operating margin of 21.0% (2024: 22.2%) in a defence business, demonstrates the success of the financial and operational turnaround since the acquisition in 2023. This progress continued throughout 2025 with the ongoing roll-out of support contracts across the majority of the installed base enabling improvements in customer service.

The volatile geopolitical environment in recent years, combined with developments in the operational theatre, continue to reinforce the imperative of submarines and particularly the need for extended underwater deployments. CMS2 is well positioned as a supplier to the UK fleet and to international allies.

Frontier is a market leading supplier of DAB/DAB+ radio and connected audio chips and modules. Rarely visible to the end user, Frontier technology powers the majority of the DAB products (non-automotive) sold across the European market, with a reputation for quality and reliability. In recent years, Frontier has developed a new connected audio product, Auria, and following multiple design wins from a range of brands, the first products are expected to enter the retail channel in 2026.

While the consumer electronics market is unlikely to return to the levels experienced during the pandemic, volumes appear to have stabilised and Frontier's customers (collectively, brands in Europe and factories in China) have returned to more predictable ordering patterns. As a result, revenue increased to £13.2 million (2024: £12.0 million) producing an adjusted operating profit of £1.1 million (2024: £0.1 million). This result was achieved after expensing all costs associated with the investment in Auria, since Frontier does not capitalise R&D expenditure.

While the underlying outlook for the established product range is anticipated to be relatively stable in the year ahead, there are external factors potentially affecting the business, including industry-wide memory cost increases, US Dollar exchange rate volatility and uncertainty related to potential transport disruption resulting from the situation in the Middle East. More strategically, the medium-term opportunity represented by Auria is significantly larger than the core radio market, offering potential for material growth.

Corporate

The Corporate function is responsible for the strategy, corporate development and governance of the Group, ensuring alignment of business operations with shareholder priorities. The capital generated from the high margin, high cash flow operations is invested in corporate opportunities where the Group's management and technical resources can be deployed to enhance shareholder returns. The underlying costs of the corporate function were £3.1 million (2024: £2.9 million), which are the only costs not charged to the operating businesses.

The major activity of the Corporate function in 2025 was the successful investment in Ricardo plc ('Ricardo'). This followed detailed analysis undertaken in 2024 which concluded that Ricardo market forecasts appeared challenging, analysis that was subsequently confirmed by the Ricardo profit warning in January 2025. Science Group commenced building a stake, ultimately becoming the second largest shareholder in Ricardo. While the potential opportunities for collaboration were readily apparent, the Ricardo Board elected not to engage with Science Group, resulting in a progressive escalation. However, in June 2025, a third party made an attractive offer for Ricardo at a significant premium to the Science Group investment cost and the Board accepted the offer, realising a net gain of £24.1 million before tax, a return-on-investment in excess of 70% in less than 5 months.

In parallel with the corporate activity, the Group also renewed its financing facilities with an extended forward commitment to provide the Board with optionality in capital allocation. In summary:

- Two new Term Loans totalling £12.0 million for a 10-year period at the same margin as the previous (2016) Loan, with interest rate swaps to fully hedge the loan interest. These 10-year loans are secured solely on the Group's freehold properties and are not subject to covenants related to operating business performance.
- A new Revolving Credit Facility ('RCF') of £30.0 million on a 5-year term (with an additional £10.0 million accordion option, subject to approval) at 1.95% above SONIA, a significantly lower margin than the previous RCF. The RCF was undrawn at 31 December 2025 and remains undrawn.

Share Buy-Back Programme

In view of the Group's balance sheet strength, cash resources and consistent operational cash generation, the Board maintains an active share buy-back programme. Since 2024 the share buy-backs undertaken by the Group have included a delegated programme implemented via Panmure Liberum, supplemented with ad hoc activities at the Board's discretion. In 2025, the buy-back capital allocation was significantly increased to £10.7 million (2024: £5.0 million), as the Company repurchased 1,996,657 shares, at an average price of 538 pence per share. At 31 December 2025, shares in issue (excluding treasury shares held of 3.0 million) were 43.1 million (2024: 44.7 million excluding treasury shares held of 1.4 million).

Between 1 January and 13 March 2026 (being the latest practicable date prior to the results announcement), the Company has repurchased an additional 446,830 shares through the Panmure Liberum delegated authority. Therefore, since the last Annual General Meeting in May 2025 ('2025 AGM'), the Company has in total repurchased 2,236,377 shares, equivalent to 5.02% of the issued share capital at the time of the 2025 AGM. As a result, at market close on 13 March 2026, shares in issue (excluding treasury shares held of 3,489,062) were 42,696,812.

Subject to market dynamics and corporate activity, the Board anticipates the capital allocation to the share buy-back programme in 2026 being at a broadly similar level to 2025. The standard shareholder authority ('Standard Authority') to buy back up to 10% of issued share capital will be proposed to shareholders at the Annual General Meeting in May 2026 ('2026 AGM').

The Board acknowledges the substantial cash balances held by the Company, reinforced by the consistent operating cash flow from the business. While dialogue with major shareholders encourages the Board to seek to deploy the capital to accelerate the growth of the Group, the Board remains concerned that Science Group's relative valuation may act as an inhibitor. Indeed, it is the Board's opinion that, on a relative valuation basis, one of the most attractive buying opportunities is the repurchase of the Company's shares. Accordingly, if the Board considers it to be in the best interests of Science Group shareholders, additional capital allocation to the buy-back programme may be appropriate and this could potentially exceed the Standard Authority. To facilitate this option in a timely and cost-effective manner, should it be appropriate in the future, a second buy-back resolution will be put to shareholders at the 2026 AGM, such that in the event that the Standard Authority were to be fully utilised, the buy-back programme would be able to continue up to an additional 10% of the issued share capital ('Additional Buy-Back Resolution').

If fully utilised, the Standard Authority and the Additional Buy-Back Resolution (if approved by shareholders at the 2026 AGM) could result in a significant return of capital to shareholders and will therefore be subject to a buy-back limit of £50.0 million. For the avoidance of doubt, the Board is not at the present time intending to use the buy-back extension related to the second resolution and the Board would notify shareholders of the intent to utilise the facility as appropriate.

Summary and Outlook

Science Group has reported another robust operating performance in 2025, maintaining strong margins and extending the Group's track record of adjusted operating profit growth, despite economic, political and market volatility. The Group also benefited from the corporate investment activity in the first half of the year resulting in an exceptional profit before tax and record earnings per share.

Over the past 15 years, the Group has delivered substantial EPS growth and since 2020, a ROCE exceeding 30% every year. As a result, shareholder value accretion has exceeded relevant market indices, while more recently the Board has materially increased capital returns to shareholders through the share buy-back programme. In 2026, the Board is also recommending a 25% increase in the dividend and will continue to monitor the buy-back programme to reflect the best interests of shareholders.

The outlook for the Group's services and systems is influenced by external factors. As a result, in the current geopolitical environment, the Board continues to adopt a pragmatic and conservative perspective that underlying organic revenue growth may be constrained. The Board's focus on margin, profit and correlated cash conversion will remain the operating priority in order to continue to deliver value to shareholders whilst

positioning the business to have resilience to market instability. Accordingly the Board retains a positive outlook for the year ahead.

Finally, the Board's consistent, disciplined approach has enabled Science Group to build an exceptionally strong balance sheet with significant cash resources. This financial strength not only provides a solid foundation for the Group and the ability to sustain capital returns to shareholders, but also enables the Board to continue to seek opportunities to accelerate the growth of the existing operating businesses or to explore more material increases in the scale of the Group. In an unpredictable world, Science Group continues to provide shareholders with both resilience and opportunity.

Martyn Ratcliffe

Executive Chair

Finance Director's Report

In the year ended 31 December 2025, the Group generated revenue of £111.7 million (2024: £110.7 million). The Sagentia Services Division, generated revenue of £71.5 million (2024: £72.2 million), including materials charged on projects. Systems revenue totalled £39.6 million of which £26.4 million (2024: £25.9 million) was generated by the CMS2 business and £13.2 million (2024: £12.0 million) by the Frontier business. External revenue derived from freehold property was £0.6 million (2024: £0.6 million).

Adjusted operating profit for the Group increased to £23.1 million (2024: £21.5 million), reflecting another year of strong underlying performance, despite economic and political volatility. The Group's statutory operating profit was £40.9 million (2024: £14.9 million), a significant increase including a £24.1 million pre-tax net gain on disposal of a corporate investment in June 2025.

Adjusted operating profit is an alternative profit measure that is calculated as operating profit excluding amortisation of acquisition related intangible assets, share based payment charges, and other specified items that meet the criteria for adjustment. Further information is provided in the notes to the financial statements on this and other alternative performance measures. The amortisation charge on acquisition-related intangible assets was £4.1 million (2024: £4.4 million) and the share-based payment charge for the year was £2.1 million (2024: £2.3 million).

Statutory profit after tax was £33.3 million (2024: £12.0 million), including net finance income of £0.6 million (2024: net finance cost of £0.1 million) and a tax charge of £8.2 million (2024: £2.7 million). The tax charge increase is primarily linked to an additional £5.1 million payable following the gain on disposal of the corporate investment. Statutory basic earnings per share was 75.1 pence (2024: 26.5 pence per share).

Corporate Investment

During the first half of 2025, the Group initiated a significant investment in Ricardo. Between February and May 2025, Science Group acquired 13.5 million shares in Ricardo, equivalent to approximately 21.8% of the voting rights, at an average price of 239 pence per share (including brokerage fees), a total investment of £32.7 million funded entirely from the Group's existing cash resources.

On 11 June 2025, a third party made an offer for Ricardo at a price per share of 430 pence, a substantial premium to the share price following the Ricardo profit warning and to Science Group's average share purchase price. Accordingly, Science Group supported the offer and agreed to sell 12.4 million Ricardo shares, equivalent to 19.99% of the issued share capital, to the offeror at the offer price. Science Group shortly thereafter sold the remainder of its Ricardo shareholding on the open market and the aggregate cash proceeds of the sales, totalling approximately £58.0 million, were received in June 2025. In addition, during the period Science Group also received a dividend of £0.2 million, increasing total cash received to £58.2 million.

After directly attributable costs of £32.7 million, the gain on disposal of investment for Science Group was £25.5 million. After additional associated costs (linked to the gain on investment) of £1.4 million, the net pre-tax gain was £24.1 million (see Consolidated Income Statement), equivalent to a return on investment in excess of 70.0%. There is an estimated tax liability of £5.1 million on the gain, which was paid in 2025, bringing the estimated post tax gain to £19.0 million.

Finance System Upgrades

The Group successfully completed two accounting system upgrades in the year. These were the final stage in a rolling programme of migrations over recent years and the Group ended the year with all major businesses operating on the same Finance IT platform. The migrations were completed on time and with minimal disruption to business activities. As a result of the system upgrades, there is greater Finance operational efficiency and organisational resilience.

Foreign Exchange

In 2025, £30.6 million (equivalent to 27.4%) of the Group's operating business revenue was denominated in US Dollars (2024: £32.8 million), including all of Frontier's revenue. In addition, £2.1 million of the Group's operating business revenue was denominated in Euros (2024: £1.8 million). The average exchange rates during 2025 were 1.32 for US Dollars and 1.17 for Euros (2024: 1.28 and 1.18 respectively).

As in 2024, to provide greater forward visibility of foreign exchange movements, the Group acquired a currency exchange instrument to cap the Sterling:US Dollar rate in relation to certain Services Division cash flows through to the end of 2025. The option instrument applied to \$0.5 million per month at an exchange rate of \$1.25/£1 and a further \$0.5 million per month at an exchange rate of \$1.30/£1, whilst still allowing the business to benefit from lower spot exchange rates when appropriate. A similar instrument has been put in place until the end of 2026 for \$0.5 million per month at an exchange rate of \$1.30/£1 and the Board continue to monitor FX exposure to both US Dollar and the Euro.

Taxation

The tax charge for the year was £8.2 million (2024: £2.7 million). The marked increase was primarily as a result of £5.1 million of tax payable in respect of the gain on the corporate investment activity. The overall Group tax charge has been reduced through utilising brought forward tax losses, together with Research and Development ('R&D') tax credits.

Science Group recognises R&D tax credits as a credit against the Income Statement tax charge, not as a reversal of operating expenses which is a common practice. While the Science Group practice reduces reported adjusted operating profit and profit before tax, the Board considers this approach to be more appropriate and inherently more conservative.

At 31 December 2025, the Group had £11.6 million of tax losses (2024: £21.4 million), predominantly relating to Frontier (£11.3 million (2024: £16.8 million)). Of the Frontier losses, £3.5 million (2024: £7.0 million) have been recognised as a deferred tax asset which is anticipated to be used to offset future taxable profits. The balance has not been recognised as a deferred tax asset due to the uncertainty in the timing of utilisation of these losses. Aside from these amounts, the Group has other tax losses of £0.3 million (2024: £4.6 million) unrecognised as a deferred tax asset due to the low probability that these losses will be utilised, although during the year, the Group was able to utilise some of these other tax losses to offset against the corporate investment gain.

Financing and Cash

Cash generated from operations, which for Science Group typically correlates with profitability, was particularly strong at £31.8 million (2024: £21.8 million), benefitting from the normalisation of a high receivables balance at the end of 2024. Group cash was also significantly boosted by the realisation of the gain on the corporate investment (net of the associated costs and tax outflow). With such strong cash inflows, during the year, £14.3 million was returned to shareholders through share buybacks (£10.7 million) and dividends paid (£3.6 million).

The Group cash balance (excluding Client Registration Funds) at 31 December 2025 was £72.6 million (2024: £38.6 million) and net funds were £61.2 million (2024: £26.8 million). Client Registration Funds of £2.4 million (2024: £2.9 million) were held at the year end in relation to pass-through payments for US regulatory processing.

In addition, the Board took the opportunity to renew the Group's bank borrowing facilities which comprise a Term Loan and a Revolving Credit Facility ('RCF'):

- The 2016 Term Loan was replaced with two new Term Loans with a combined value of £12.0 million for a 10-year period, secured solely on each of the Group's freehold properties. The interest margin of 2.6% is the same as the 2016 Loan. Interest rate swaps will fully hedge the loan interest resulting in a 10-year fixed effective interest rate of approximately 7.3%, comprising the SONIA lending margin plus the swap rate. In connection with repaying the 2016 Loan early, and settling the interest rate hedging associated with that Loan, the Group realised a one-off benefit, with corresponding cash inflow, of approximately £0.6 million.
- The 2021 RCF was replaced with a new 5-year RCF of £30.0 million (with an additional £10.0 million accordion option, subject to approval). The new RCF is set at a rate of 1.95% plus SONIA. To date, the RCF remains undrawn but provides flexibility if required.

Working capital management continued to be a strong focus for the Group with debtor days sales outstanding ('DSO') of 33 at 31 December 2025 (2024: 36 days) reflecting the disciplined process, from initial sale to cash collection. Days sales in inventory ('DSI') was relatively flat at 73 days (2024: 76 days), following the normal cycle expected for the Frontier business to which this metric relates (there are minimal levels of inventory held in the CMS2 business or the Services division).

Property

Science Group owns two UK freehold properties, Harston Mill, near Cambridge (approx. 9,000 sq m on 6.5 hectares), and Great Burgh (approx. 4,000 sq m on 3.6 hectares), near Epsom. The primary function of these properties is to host the Group's operations.

The Group charges market rents to its operating businesses and lets out part of the Harston Mill site to third parties. For the year ended 31 December 2025, the rental and associated services income derived from this activity was £3.9 million (2024: £3.9 million), of which £0.6 million (2024: £0.6 million) was generated from third party tenants. Intra-Group rental charges are eliminated on Group consolidation.

The last independent valuation of the freehold properties (December 2023) indicated an aggregate value in the range of £16.9 million to £31.6 million, although for consistency the properties are held on the balance sheet on a cost basis of £20.6 million (2024: £20.8 million).

Share Capital

At 31 December 2025, the Company had 43,143,642 ordinary shares in issue (2024: 44,738,465) and the Company held an additional 3,042,232 shares in treasury (2024: 1,447,409). The voting rights in the Company at 31 December 2025 were 43,143,642 (2024: 44,738,465). In this report, all references to measures relative to the number of shares in issue exclude shares held in treasury unless explicitly stated to the contrary.

Jon Brett

Finance Director

Consolidated Income Statement
For the year ended 31 December 2025

	Note	2025 £000	2024 £000
Revenue		111,663	110,669
Direct operating expenses		(65,627)	(65,491)
Sales and marketing expenses		(7,952)	(8,918)
Administrative expenses		(21,203)	(21,379)
Net proceeds from disposal of corporate investment	1	24,051	-
Adjusted operating profit		23,065	21,541
Amortisation of acquisition related intangible assets	7	(4,084)	(4,388)
Net proceeds from disposal of corporate investment	1	24,051	-
Share-based payment charge		(2,100)	(2,272)
Operating profit		40,932	14,881
Finance income		2,034	828
Finance costs		(1,471)	(970)
Profit before tax		41,495	14,739
Tax charge (net of R&D tax credit of £731,000 (2024: £706,000))	3	(8,223)	(2,719)
Profit for the year		33,272	12,020
Earnings per share			
Earnings per share (basic)	5	75.1p	26.5p
Earnings per share (diluted)	5	73.6p	26.0p

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025

	Note	2025 £000	2024 £000
Profit for the year attributable to:			
Equity holders of the parent		33,272	12,020
Profit for the year		33,272	12,020
Other comprehensive income/(expenses) items that will or may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		(606)	10
Fair value loss on hedging instruments		(400)	(416)
Hedging instruments reclassified to profit or loss		(789)	-
Deferred tax credit on hedging instruments	4	322	104
Other comprehensive expense for the year		(1,473)	(302)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		31,799	11,718
Total comprehensive income for the year		31,799	11,718

Consolidated Statement of Changes in Shareholders' Equity
For the year ended 31 December 2025

	Share capital	Share premium	Treasury shares	Merger reserve	Translation reserve	Cashflow hedge reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 January 2025	462	26,834	(6,424)	10,343	776	553	51,461	84,005
Contributions and distributions:								
Purchase of own shares	-	-	(10,737)	-	-	-	-	(10,737)
Issue of shares out of treasury	-	-	1,610	-	-	-	(1,606)	4
Dividends paid (Note 6)	-	-	-	-	-	-	(3,564)	(3,564)
Share-based payment charge	-	-	-	-	-	-	2,100	2,100
Deferred tax credit on share-based payment transactions	-	-	-	-	-	-	(291)	(291)
Transactions with owners	-	-	(9,127)	-	-	-	(3,361)	(12,488)
Profit for the year	-	-	-	-	-	-	33,272	33,272
Other comprehensive income/(expenses) items that will or maybe reclassified to profit or loss:								
Exchange differences on translating foreign operations	-	-	-	-	(606)	-	-	(606)
Fair value loss on hedging instruments	-	-	-	-	-	(400)	-	(400)
Hedging instruments recycled to statement of comprehensive income	-	-	-	-	-	(789)	-	(789)
Deferred tax credit on hedging instruments	-	-	-	-	-	322	-	322
Total comprehensive income/(expenses) for the year	-	-	-	-	(606)	(867)	33,272	31,799
Balance at 31 December 2025	462	26,834	(15,551)	10,343	170	(314)	81,372	103,316

Consolidated Balance Sheet
At 31 December 2025

	Note	2025 £000	2024 £000
Assets			
Non-current assets			
Acquisition related intangible assets	7	17,302	21,496
Goodwill	7	18,544	18,942
Property, plant and equipment and right-of-use asset		23,600	25,002
Derivative financial instruments		-	627
Deferred tax assets	4	1,870	2,051
		61,316	68,118
Current assets			
Inventories	8	1,039	1,167
Trade and other receivables	9	24,247	27,786
Current tax assets		1,631	2,428
Derivative financial instruments		185	144
Cash and cash equivalents – Group cash	10	72,608	38,556
Cash and cash equivalents – Client registration funds	10	2,398	2,895
		102,108	72,976
Total assets		163,424	141,094
Liabilities			
Current liabilities			
Trade and other payables	11	38,071	35,530
Current tax liabilities		341	599
Provisions	12	3,095	1,049
Borrowings	14	600	1,200
Lease liabilities		731	809
		42,838	39,187
Non-current liabilities			
Provisions	12	931	1,211
Borrowings	14	10,832	10,572
Lease liabilities		2,055	2,914
Derivative financial instruments		603	-
Deferred tax liabilities	4	2,849	3,205
		17,270	17,902
Total liabilities		60,108	57,089
Net assets		103,316	84,005
Shareholders' equity			
Share capital	13	462	462
Share premium		26,834	26,834
Treasury shares		(15,551)	(6,424)
Merger reserve		10,343	10,343
Translation reserve		170	776
Cash flow hedge reserve		(314)	553
Retained earnings		81,372	51,461
Total equity		103,316	84,005

Consolidated Statement of Cash Flows
For the year ended 31 December 2025

	Note	2025 £000	2024 £000
Profit before income tax		41,495	14,739
Adjustments for:			
Gain on corporate investment disposal	1	(25,483)	-
Amortisation of acquisition related intangible assets	7	4,084	4,388
Depreciation of property, plant and equipment		542	528
Depreciation of right-of-use assets		846	865
Bank charges on derivative financial instruments		135	211
Net interest costs		(563)	142
Share-based payment charge		2,100	2,272
Decrease in inventories		68	165
Decrease/(increase) in receivables		3,756	(4,552)
(Decrease)/increase in payables representing client registration funds		(328)	1,014
Increase in payables excluding balances representing client registration funds		3,361	2,247
Increase/(decrease) in provisions		1,781	(183)
Cash generated from operations		31,794	21,836
Interest paid		(1,296)	(870)
Proceeds from interest rate swaps		612	-
UK corporation tax paid		(7,458)	(1,930)
Foreign corporation tax paid		(488)	(560)
Cash flows from operating activities		23,164	18,476
Interest received		1,422	723
Purchase of property, plant and equipment		(33)	-
Purchase of intangible assets		(166)	-
Proceeds from disposal of corporate investment	1	58,176	-
Purchase of corporate investment and associated costs	1	(32,693)	-
Cash flows used in investing activities		26,706	723
Issue of shares out of treasury		4	3
Repurchase of own shares		(10,737)	(4,959)
Dividends paid	6	(3,564)	(3,657)
Purchase of derivative financial instruments		(135)	(211)
Payment of bank loan arrangement fees		(415)	-
Repayment of term loan		(250)	(1,200)
Principal elements of lease payments		(888)	(693)
Cash flows from financing activities		(15,985)	(10,717)
Increase in cash and cash equivalents in the year		33,885	8,482
Cash and cash equivalents at the beginning of the year		41,451	32,830
Exchange (loss)/gain on cash		(330)	139
Cash and cash equivalents at the end of the year	10	75,006	41,451

Extracts from Notes to the financial statements

1. General information

Science Group plc (the 'Company') together with its subsidiaries ('Science Group' or the 'Group') is an international services and systems company delivering innovation through the application of science, technology and engineering.

The Consolidated and Company Financial Statements of Science Group have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments at fair value. The Group Financial Statements are prepared under IFRS as adopted by the UK in conformity with the requirements of the Companies Act 2006. The Company Financial Statements are prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ('FRS 101'), applying the recognition and measurement requirements of UK-adopted international accounting standards, with amendments where required to comply with the Companies Act 2006 and with exemptions permitted by FRS 101 and have been audited by Grant Thornton UK LLP. Accounts are available from the Company's registered office; Harston Mill, Harston, Cambridge, CB22 7GG.

The Company is incorporated and domiciled in England and Wales under the Companies Act 2006 and has its primary listing on the Alternative Investment Market of the London Stock Exchange (SAG.L). The value of Science Group plc shares, as quoted on the London Stock Exchange on 31 December 2025, was 547.5 pence per share (31 December 2024: 453.0 pence per share).

Alternative performance measures

The Group uses alternative non-Generally Accepted Accounting Principles performance measures of 'adjusted operating profit', 'adjusted earnings per share' and 'net funds' which are not defined within IFRS. These are explained as follows:

(a) Adjusted Operating Profit

The Group calculates this measure by adjusting to exclude certain items from operating profit namely: amortisation of acquisition related intangible assets, acquisition integration costs (i.e. those directly related to the restructuring, relocation and integration of acquired businesses), share-based payment charges and other specified items that meet the criteria to be adjusted.

The criteria for the adjusted items in the calculation of adjusted operating profit are operating income or expenses that are material and either arise from an irregular and significant event or the income/cost is recognised in a pattern that is unrelated to the resulting operational performance. Materiality is defined as an amount which would reasonably be expected to influence the economic decisions of the users of these financial statements.

Excluded from adjusted operating profit in 2025 is the net gain on corporate investment disposal arising from Ricardo plc ('Ricardo'), including costs associated with the gain on this corporate investment which are intrinsically linked.

During the first half of 2025, following a Ricardo profits warning in January, the Group initiated a significant investment in Ricardo. Between February and May 2025, Science Group acquired 13.5 million shares in Ricardo, equivalent to approximately 21.8% of the voting rights, at an average price of 239 pence per share (including brokerage fees), a total investment of £32.7 million funded entirely from the Group's existing cash resources.

On 11 June 2025, a third party made an offer for Ricardo at a price per share of 430 pence, a substantial premium to the average share price paid by Science Group. Accordingly, Science Group supported the offer and agreed to sell 12.4 million Ricardo shares, equivalent to 19.99% of the issued share capital, to the offeror at the offer price. Science Group shortly thereafter sold the remainder of its Ricardo shareholding on the open market and the aggregate cash proceeds of the sales, totalling approximately £58.0 million, were received in June 2025. In addition, during the period Science Group also received a dividend of £0.2 million, increasing total cash received to £58.2 million.

After directly attributable costs of £32.7 million, the gain on disposal of investment for Science Group was £25.5 million. After additional associated costs of £1.4 million (linked to the gain on investment), the net pre-tax gain was £24.1 million (see Consolidated Income Statement), equivalent to a return on investment in excess of 70.0%. There is an estimated tax liability of £5.1 million on the gain, which was paid in 2025, bringing the estimated post tax gain to £19.0 million.

(b) Adjusted Earnings Per Share

The Group calculates this measure by dividing adjusted profit after tax by the weighted average number of shares in issue and the calculation of this measure is disclosed in Note 5. The tax rate applied to calculate the tax charge in this measure is the tax at the blended corporation tax rate across the various jurisdictions for the year which is 24.6% (2024: 23.3%) which results in a comparable tax charge year on year.

(c) Net Funds

The Group calculates this measure as the net of cash and cash equivalents – Group cash and Borrowings. Client registration funds are excluded from this calculation because these monies are for the purpose of payment of registration fees to regulatory bodies. This cash is separately identified for reporting purposes and is unrestricted. This measure is calculated as follows:

	Note	2025 £000	2024 £000
Cash and cash equivalents – Group cash	10	72,608	38,556
Borrowings	14	(11,432)	(11,772)
Net Funds		61,176	26,784

Alternative performance measures

The Directors believe that disclosing these alternative performance measures enhances shareholders' ability to evaluate and analyse the underlying financial performance of the Group. Specifically, the adjusted operating profit measure is used internally in order to assess the underlying operational performance of the Group, aid financial, operational and commercial decisions and in determining employee compensation. The adjusted EPS measure allows the shareholder to understand the underlying value generated by the Group on a per share basis. Net funds represent the Group's cash available for day-to-day operations and investments. As such, the Board considers these measures to enhance shareholders' understanding of the Group results and should be considered alongside the IFRS measures. The cash from operations measure similarly excludes movements in Client registration funds.

Going concern

The Directors have undertaken a comprehensive going concern review. In adopting the going concern basis for preparing these Consolidated Financial Statements, the Directors have undertaken a review of the Group's cash flows forecasts and available liquidity, along with consideration of the principal risks and uncertainties over an 18-month period to June 2027. Recognising the challenges of reliably estimating and forecasting the impact of external factors on the Group, the Directors have considered two forecasts in the assessment of going concern, along with a likelihood assessment of these forecasts being:

- Base case, which reflects the Directors' current expectations of future trading; and
- Severe and implausible downside forecast which envisages a 'stress' or 'downside' situation.

For the severe and implausible downside forecast the assumptions include:

- A revenue reduction of at least 25% across all businesses
- A more limited reduction in the costs
- A reduction of discretionary bonuses across the Group

After reviewing the current liquidity position and the cash flow forecasts modelled under both the base case and stressed downside, the Directors consider that the Group has sufficient liquidity to continue in operational existence for a period of at least 18 months from the date of this report and are satisfied that it is appropriate to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

In reaching these conclusions the Directors noted that the Group had a cash balance at 31 December 2025 of £72.6 million (excluding client registration funds) and net funds of £61.2 million, together with the undrawn Revolving Credit Facility ('RCF') of £30.0 million.

On 19 March 2025 the Group announced it had agreed new banking facilities with Lloyds Bank plc. The existing Term Loan and RCF were scheduled to expire in September 2026 and December 2026 respectively. There are two new Term Loans, each for 10 years expiring in March 2035 (Balances owed at 31 December 2025 were £11.4 million). Each loan is secured solely and individually against the Group's freehold properties: one loan to the property in Harston, near Cambridge, and a second, independent loan to the property in Epsom, Surrey.

2. Segment information

The Services segment comprises five consultancy Practices under the Sagentia brand: Medical, Innovation, Regulatory, Defence and Aviation. The Systems segments comprise two businesses: (a) Critical Maritime Systems & Support ('CMS2'), which designs, manufactures and supports submarine atmosphere systems for the defence sector; and (b) Frontier Smart Technologies ('Frontier') which designs and supplies radio and audio semi-conductors/modules.

The Group's segmental reporting shows the performance of the operating businesses separately from the value generated by the Group's freehold properties and the corporate costs. The Services Segment consists of five Practices as set out above. Financial information is provided to the Chief Operating Decision Makers ('CODMs') in line with this structure: the Services segment; the two Systems businesses (CMS2 and Frontier); the Freehold Properties and Corporate costs.

The Services Practices are aggregated into one Services Segment because the Practices provide similar consultancy services and share economic characteristics, including the timing of revenue recognition, the nature of performance obligations, and the nature of costs incurred in the provision of said performance obligations. The CODMs review this Segment as a whole. This aggregation does not impact the user's ability to understand the entity's performance, its prospects for future cash flows or the user's decisions about the entity as a whole as it is a fair representation of the performance of each service line.

Services revenue includes all consultancy fees plus recharged materials and expenses relating directly to the performance of the services. CMS2 revenue includes the design, manufacture and support of specialist systems for submarine atmosphere management, used in the UK and international naval defence markets. Frontier revenue includes sales of chips and modules which are incorporated into digital radios and audio systems. The Freehold Properties Segment includes the results for the two freehold properties owned by the Group. Income is derived from third party tenants from the Harston Mill site and from internal businesses which have been charged fees at an arm's length market rental rate for their utilised property space and associated costs. Corporate costs include PLC/Group costs.

The segmental analysis is reviewed to operating profit. Other resources are shared across the Group.

Services	2025	2024
	£000	£000
Services revenue	71,487	72,209
Revenue	71,487	72,209
Direct operating expenses	(38,208)	(38,768)
Sales and marketing expenses	(6,638)	(7,209)
Administrative expenses	(10,557)	(11,342)
Adjusted operating profit	18,769	17,947
Amortisation of acquisition related intangible assets	(1,231)	(1,487)
Share-based payment charge	(1,454)	(1,570)
Operating profit	16,084	14,890

Systems – CMS2	2025	2024
	£000	£000
Systems revenue	26,396	25,857
Revenue	26,396	25,857
Direct operating expenses	(17,830)	(17,066)
Sales and marketing expenses	(30)	(338)
Administrative expenses	(3,987)	(3,769)
Adjusted operating profit	5,532	5,737
Amortisation of acquisition related intangible assets	(819)	(820)
Share-based payment charge	(164)	(233)
Operating profit	4,549	4,684

Systems – Frontier	2025	2024
	£000	£000
Systems revenue	13,193	11,970
Revenue	13,193	11,970
Direct operating expenses	(9,824)	(9,558)
Sales and marketing expenses	(1,139)	(1,293)
Administrative expenses	(3,350)	(3,356)
Adjusted operating profit	1,102	85
Amortisation of acquisition related intangible assets	(2,034)	(2,081)
Share-based payment charge	(188)	(241)
Operating loss	(1,120)	(2,237)

Freehold Properties	2025	2024
	£000	£000
Intra-Group property income	3,311	3,313
Third party property income	587	633
Revenue	3,898	3,946
Direct operating expenses	(2,212)	(2,330)
Administrative expenses	(992)	(966)
Adjusted operating profit	769	713
Share-based payment charge	(75)	(63)
Operating profit	694	650

Corporate	2025	2024
	£000	£000
Direct operating expenses	(863)	(1,082)
Sales and marketing expenses	(115)	(78)
Administrative expenses	(2,348)	(1,946)
Net proceeds from disposal of corporate investment	24,051	-
Adjusted operating loss	(3,107)	(2,941)
Net proceeds from disposal of corporate investment	24,051	-
Share-based payment charge	(219)	(165)
Operating profit/(loss)	20,725	(3,106)

Group	2025	2024
	£000	£000
Services revenue	71,487	72,209
Systems revenue - CMS2	26,396	25,857
Systems revenue - Frontier	13,193	11,970
Third party property income	587	633
Revenue	111,663	110,669
Direct operating expenses	(65,627)	(65,491)
Sales and marketing expenses	(7,952)	(8,918)
Administrative expenses	(21,203)	(21,379)
Net proceeds from disposal of corporate investment	24,051	-
Adjusted operating profit	23,065	21,541
Amortisation of acquisition related intangible assets	(4,084)	(4,388)
Net proceeds from disposal of corporate investment	24,051	-
Share-based payment charge	(2,100)	(2,272)
Operating profit	40,932	14,881
Net finance income/(costs)	563	(142)
Profit before income tax	41,495	14,739
Income tax charge	(8,223)	(2,719)
Profit for the period	33,272	12,020

Geographical and currency revenue analysis

Primary geographic markets	2025 £000	2024 £000
United Kingdom	47,606	51,067
Other European Countries	10,832	15,023
North America	29,305	24,368
Asia	22,638	19,489
Other	1,282	722
	111,663	110,669

Currency	2025 £000	2024 £000
US Dollar	30,622	32,762
Euro	2,080	1,788
Sterling	78,961	76,119
	111,663	110,669

3. Income tax

The tax charge comprises:

Year ended 31 December	Note	2025 £000	2024 £000
Current taxation		(9,252)	(3,435)
Current taxation – adjustment in respect of prior years		76	854
Deferred taxation	4	170	(72)
Deferred taxation – adjustment in respect of prior years	4	52	(772)
R&D tax credit		731	706
		(8,223)	(2,719)

The corporation tax on Science Group's profit before tax differs from the theoretical amount that would arise using the blended corporation tax rate across the various jurisdictions applicable to profits/(losses) of the consolidated companies of 24.6% (2024: 23.3%) as follows:

	2025	2024
	£000	£000
Profit before tax	41,495	14,739
Tax calculated at domestic tax rates applicable to profits/(losses) in the respective countries	(10,208)	(3,434)
Expenses not deductible for tax purposes	(762)	(280)
Adjustment in respect of prior years – current tax	76	854
Adjustment in respect of prior years – deferred tax	52	(772)
Share scheme movements	660	77
Utilisation of losses previously not recognised	-	11
Utilisation of previously unrecognised tax losses	1,228	119
Research & Development ('R&D') tax credit	731	706
Tax charge	(8,223)	(2,719)

During the year, the Group recognised a gain of £24.1 million on the disposal of shares in an investee company. The corporation tax on this gain was £6.0 million, which was reduced to £5.1 million after utilising available brought-forward losses.

The Group claims R&D tax credits under the R&D expenditure credit scheme. In the current year, the Group recognised a tax credit of £0.7 million (2024: £0.7 million). The Group performed a reasonable estimate of all amounts involved to determine the R&D tax credits to be recognised in the period to which it relates.

4. Deferred tax

The movement in deferred tax assets and liabilities during the year by each type of temporary difference is as follows:

	Accelerated capital allowances	Tax losses	Share- based payment	Acquisition related intangible assets	Other temporary differences	Total
	£000	£000	£000	£000	£000	£000
At 1 January 2024	66	3,642	1,297	(5,849)	142	(702)
(Charged)/credited to the Income Statement	(18)	(1,114)	288	864	(92)	(72)
(Charged)/credited to the income statement (adjustment in respect of prior year)	(74)	(798)	-	-	100	(772)
Credited to Equity	-	-	262	-	104	366
Effect of movements in exchange rates	4	28	-	(7)	1	26
At 31 December 2024	(22)	1,758	1,847	(4,992)	255	(1,154)
(Charged)/credited to the Income Statement	(8)	(772)	153	785	12	170
(Charged)/credited to the income statement (adjustment in respect of prior year)	(42)	-	-	-	94	52
(Charged)/credited to Equity	-	-	(291)	-	322	31
Effect of movements in exchange rates	(12)	(104)	-	49	(11)	(78)
At 31 December 2025	(84)	882	1,709	(4,158)	672	(979)
				2025		2024
				£000		£000
Tax losses				882		1,758
Share-based payment				1,709		1,847
<i>Other temporary differences:</i>						
Lease liabilities				141		178
Provision				629		320
Total deferred tax assets				3,361		4,103
Set-off deferred tax liabilities pursuant to set-off provisions				(1,491)		(2,052)
Net deferred tax assets				1,870		2,051

Deferred tax liabilities comprise temporary differences attributable to:

	2025 £000	2024 £000
Acquisition related intangible assets	4,158	4,992
Accelerated capital allowances	84	22
<i>Other temporary differences:</i>		
Right-of-use assets	98	243
Total deferred tax liabilities	4,340	5,257
Set-off deferred tax liabilities pursuant to set-off provisions	(1,491)	(2,052)
Net deferred tax liabilities	2,849	3,205

At 31 December 2025, Science Group had £11.6 million (2024: £21.4 million) of tax losses, the largest component of which related to Frontier (£11.3 million (2024: £16.8 million)). Of the Frontier losses balance, £3.5 million (2024: £7.0 million) is recognised as a deferred tax asset which is anticipated to be used to offset future taxable profits. The balance of £7.8 million (2024: £9.8 million) has not been recognised as a deferred tax asset due to the uncertainty in the timing of utilisation of these losses. Aside from these amounts, the Group has other tax losses of £0.3 million (2024: £4.6 million) unrecognised as a deferred tax asset due to the low probability that these losses will be utilised, although during the year the Group was able to utilise some of these other tax losses to offset against the corporate investment gain.

5. Earnings per share

The calculation of earnings per share is based on the following result and weighted average number of shares:

	2025			2024		
	Profit after tax £000	Weighted average number of shares	Pence per share	Profit after tax £000	Weighted average number of shares	Pence per share
Basic earnings per ordinary share	33,272	44,314,909	75.1	12,020	45,377,531	26.5
Effect of dilutive potential ordinary shares: share options	-	919,731	(1.5)	-	915,406	(0.5)
Diluted earnings per ordinary share	33,272	45,234,640	73.6	12,020	46,292,937	26.0

Only the share options granted are dilutive.

The calculation of adjusted earnings per share is as follows:

	2025			2024		
	Adjusted* profit after tax £000	Weighted average number of shares	Pence per share	Adjusted* profit after tax £000	Weighted average number of shares	Pence per share
Adjusted basic earnings per ordinary share	17,816	44,314,909	40.2	16,413	45,377,531	36.2
Effect of dilutive potential ordinary shares: share options	-	919,731	(0.8)	-	915,406	(0.7)
Adjusted diluted earnings per ordinary share	17,816	45,234,640	39.4	16,413	46,292,937	35.5

*The calculation of adjusted profit after tax is as follows:

	2025	2024
	£000	£000
Adjusted operating profit	23,065	21,541
Finance income	2,034	828
Finance costs	(1,471)	(970)
Adjusted profit before tax	23,628	21,399
Tax charge at the blended corporation tax rate across the various jurisdictions 24.6% (2024: 23.3%)	(5,812)	(4,986)
Adjusted profit after tax	17,816	16,413

The tax charge is calculated using the blended corporation tax rate across the various jurisdictions in which the Group companies are incorporated.

6. Dividends

The final dividend for 2024 of £3.6 million was paid in July 2025 (2024: £3.7 million paid for 2023 in July 2024).

The Board has proposed a final dividend for 2025 of 10.0 pence per share (2024: 8.0 pence per share). The dividend is subject to approval by shareholders at the next Annual General Meeting and the expected cost of £4.3 million has not been included as a liability as at 31 December 2025.

7. Intangible assets

	Technical know-how and intellectual property rights £000	Customer relationships £000	Goodwill £000	Total £000
Cost				
At 1 January 2024	16,323	31,216	21,103	68,642
Effect of movement in exchange rates	158	54	64	276
At 31 December 2024	16,481	31,270	21,167	68,918
Additions	166	-	-	166
Effect of movement in exchange rates	(865)	(275)	(398)	(1,538)
At 31 December 2025	15,782	30,995	20,769	67,546
Accumulated amortisation				
At 1 January 2024	7,024	14,663	-	21,687
Amortisation charged in year	2,180	2,208	-	4,388
Effect of movement in exchange rates	123	50	-	173
At 31 December 2024	9,327	16,921	-	26,248
Amortisation charged in year	2,134	1,950	-	4,084
Effect of movement in exchange rates	(634)	(230)	-	(864)
At 31 December 2025	10,827	18,641	-	29,468
Accumulated impairment				
At 1 January, 31 December 2024 and 31 December 2025	-	7	2,225	2,232
Carrying amount				
At 31 December 2024	7,154	14,342	18,942	40,438
At 31 December 2025	4,955	12,347	18,544	35,846

Goodwill and acquisition related intangible assets recognised arose from acquisitions during 2013, 2015, 2017, 2019, 2021 and 2023. The discount rates used for goodwill impairment reviews and the carrying amount of goodwill is allocated as follows:

	2025		2024	
	Pre-tax discount rate	£000	Pre-tax discount rate	£000
R&D Consultancy	16.3%	3,383	17.2%	3,383
Leatherhead Research	16.3%	650	17.2%	650
TSG Americas	17.0%	2,587	17.5%	2,778
TSG Europe	16.3%	4,546	17.2%	4,546
Frontier Smart Technologies Group	19.8%	3,156	20.0%	3,363
CMS2	16.0%	1,576	15.9%	1,576
TPG Services	16.3%	2,646	17.2%	2,646
		18,544		18,942

Impairment review of goodwill

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amount of the CGUs is determined to be the higher of value in use and fair value less costs of disposal. Historically, value in use has led to a recoverable amount higher than the carrying amount of goodwill and is therefore the chosen method of valuation for the goodwill impairment review (a CGU is defined by IAS 36 as a grouping of assets at the lowest level for which there are identifiable and largely independent cash inflows). The key assumptions for the value in use calculations are those regarding the discount rates, profit margins, and rates of growth or decline in revenue.

The Group prepares the cash flow forecasts derived from the most recent annual financial plan approved by the Board and extrapolates cash flows for the following four years based on forecast rates of growth or decline in revenue by the CGU. Beyond 5 years cash flows were extrapolated using a terminal growth rate of 2.5% based on historic average inflation rates.

The Group monitors its post-tax weighted average cost of capital and those of its competitors using market data. In considering the discount rates applying to CGUs, the Directors have considered the relative sizes, risks and the inter-dependencies of its CGUs. The impairment reviews use a discount rate adjusted for pre-tax cash flows and are included in the table above.

8. Inventories

	2025 £000	2024 £000
Raw materials	192	220
Work in progress	234	433
Finished goods	613	514
	1,039	1,167

9. Trade and other receivables

	2025 £000	2024 £000
Current assets:		
Trade receivables	14,954	16,739
Provision for impairment	(82)	(97)
Trade receivables – net	14,872	16,642
Unbilled invoices on contracts	1,145	1,679
Amounts recoverable on contracts	2,269	4,283
Other receivables	76	43
Other taxation and social security	1,616	1,111
VAT	795	423
Prepayments	3,474	3,605
	24,247	27,786

All amounts disclosed above, except for prepayments, are receivable within 90 days.

Other taxation and social security relates to employer's NIC liability on share options vested. Of this balance, £452,000 (2024: £653,000) is due after one year.

10. Cash and cash equivalents

	2025 £000	2024 £000
Cash and cash equivalents – Group cash	72,608	38,556
Cash and cash equivalents – Client registration funds	2,398	2,895
	75,006	41,451

The Group receives cash from clients, primarily in North America, for the purpose of payment of registration fees to regulatory bodies. The cash is separately identified for reporting purposes and is unrestricted.

11. Trade and other payables

	2025 £000	2024 £000
Current liabilities:		
Contract liabilities	21,750	17,863
Client registration funds on account	2,398	2,895
Trade payables	3,292	4,022
Other taxation and social security	1,752	1,841
VAT	1,583	2,305
Accruals	7,296	6,604
	38,071	35,530

12. Provisions

	Dilapidations £000	Restructuring £000	Legal £000	Other £000	Total £000
At 1 January 2024	779	32	570	989	2,370
Provisions made during the year	64	35	24	420	543
Provisions used during the year	(55)	-	(71)	-	(126)
Provisions reversed during the year	(107)	-	(352)	(70)	(529)
Effect of movement in exchange rates	1	-	1	-	2
At 1 January 2025	682	67	172	1,339	2,260
Provisions made during the year	4	72	160	2,041	2,277
Provisions used during the year	-	(39)	(2)	-	(41)
Provisions reversed during the year	(45)	-	(65)	(346)	(456)
Effect of movement in exchange rates	(6)	-	(5)	(3)	(14)
At 31 December 2025	635	100	260	3,031	4,026
Current liabilities	156	100	260	2,579	3,095
Non-current liabilities	479	-	-	452	931
At 31 December 2024	682	67	172	1,339	2,260
Current liabilities	124	67	172	686	1,049
Non-current liabilities	558	-	-	653	1,211

Dilapidation provisions have been recognised at the present value of the expected obligation. These discounts will unwind to their undiscounted value over the remaining lives of the leases via a finance charge within the Income Statement.

The average remaining life of the leases as at 31 December 2025 is 2.5 years (2024: 3.5 years).

The restructuring provision relates to the costs associated with the closure or re-organisation of some Group entities.

Legal provisions reflect the best estimate of the future cost of responding to potential legal claims.

Other provisions include a settlement balance where the Group is currently engaged in commercial discussions with a customer in relation to a contractual matter. While the discussions remain ongoing and the matter is commercially sensitive, the Group has assessed that it has a present obligation arising from past events. Based on management's best estimate of the potential outflow, a provision of £1.3 million has been recognised at the reporting date. The timing and final amount of any settlement remain uncertain, and the associated risks have been taken into account in determining the value of the provision. No further information has been disclosed as it is considered that doing so would prejudice the Group's position in the continuing discussions.

In addition, other provisions include an amount of £1.6 million (2024: £1.1 million) relating to the employer's NIC liability on share options that have vested in full (or the proportion that has vested). As the employee is contractually responsible for the employer's NIC on any share options exercised and is required to remit this sum to the Group prior to the share options being exercised, a corresponding asset, of equal value, is recognised in current assets.

Other provisions also include smaller value provisions made in respect of product and service deliveries that include warranty provision.

13. Called-up share capital

	2025	2024
	£000	£000
<i>Allotted, called-up and fully paid</i>		
Ordinary shares of £0.01 each	462	462
	Number	Number
<i>Allotted, called-up and fully paid</i>		
Ordinary shares of £0.01 each	46,185,874	46,185,874

The allotted, called-up and fully paid share capital of the Company as at 31 December 2025 was 46,185,874 shares (2024: 46,185,874) and the total number of ordinary shares in issue (excluding treasury shares) was 43,143,642 (2024: 44,738,465). The total number of voting rights in the Company is 43,143,642 (2024: 44,738,465).

14. Borrowings

(a) Term Loan

	2025	2024
	£000	£000
Current bank borrowings	600	1,200
Non-current bank borrowings	10,832	10,572
Total borrowings	11,432	11,772

	2025	2024
	£000	£000
Opening balance	11,772	12,956
Additional loans taken out in the year	12,000	-
Repayments of the previous term loans	(11,800)	(1,200)
Repayments for the new term loans in the year	(450)	-
Additional borrowing arrangement fee	(129)	-
Amortisation of loan arrangement fee	39	16
Total borrowings	11,432	11,772

In March 2025 the Group agreed new bank borrowing facilities with Lloyds Bank plc. The previous Term Loan (with a subsidiary Sagentia Limited) which was scheduled to expire in September 2026 was repaid and two new Term Loans were agreed with a combined value of £12.0 million. The new Term Loans are for 10 years expiring in March 2035. Each loan is secured solely and individually against the Group's freehold properties: one loan to the property in Harston, near Cambridge owned by a subsidiary Quadro Harston Limited, and a second, independent loan to the property in Epsom, Surrey owned by a subsidiary Quadro Epsom Limited. As the loan repayment and new Term Loans were all within the Group, Lloyds Bank plc remitted the net balance due of £0.2 million to the Group on completion.

At 31 December 2025, the amount outstanding on the Term Loans was £11.4 million (2024: £11.8 million).

The carrying amount of the Term Loans is considered to be a reasonable approximation of the fair value.

The reconciliation of bank loans interest expense is shown below.

	2025	2024
	£000	£000
Interest expense	903	463
Interest paid	(864)	(447)
Amortisation of loan arrangement fees	(39)	(16)
Interest accrual at the year end	-	-

In accordance with an agreed repayment schedule with the bank, bank borrowings are repayable to Lloyds Bank plc as follows:

	2025	2024
	£000	£000
Within one year	600	1,200
Between 1 and 2 years	600	1,200
Between 2 and 5 years	1,800	9,400
Over 5 years	8,550	-
	11,550	11,800

The new Term Loans have financial covenants that the Group needs to comply with namely (i) the Loan to Value ratio, as defined as the loan balance divided by the property value should not exceed 65% and (ii) the Debt Service Cover, defined as the Net Rental Income divided by Debt Service for the period, shall not be less than 110%. These covenants apply to each Term Loan.

(b) Revolving Credit Facility

As part of the refinancing referred to above the Group signed a new Revolving Credit Facility ('RCF') with Lloyds Bank plc in order to provide additional capital resources to enable the execution of the Group's acquisition strategy. The RCF is for up to £30.0 million, with an additional £10.0 million accordion option, subject to agreement. The new RCF agreement runs for a term of five years and ends in March 2030. The margin on drawn sums is 1.95% over the Sterling Overnight Index Average ('SONIA') and is 0.6% per annum on undrawn amounts. Drawn amounts are secured on the Group's assets by debentures. The RCF is in addition to the Group's new Term Loans. At 31 December 2025, the RCF was undrawn.

The RCF has two financial covenants with which the Group needs to comply with: (i) the Group's net leverage, as defined as the net debt divided by the rolling 12 month EBITDA, should not exceed 3.0; and (ii) the Group's interest cover, as defined as the rolling 12 month EBITDA divided by the rolling interest payments on all borrowings, should not be less than 4.0. Reporting is on a six monthly basis unless the net leverage exceeds 2, in which case reporting moves to quarterly until net leverage returns to below 2 again.

The reconciliation of RCF interest expense is shown below.

Group	2025	2024
	£000	£000
Interest expense	342	349
Interest paid	(207)	(268)
Impairment of arrangement fee of terminated RCF	(66)	-
Amortisation of RCF arrangement fee	(69)	(81)
Interest accrual at the year end	-	-

(c) Hedge accounting

In order to address interest rate risk, the Group entered into interest rate swaps to fully hedge the finance cost on the new Term Loans resulting in a 10-year fixed effective interest rate of 7.3%. The interest rate on the swaps at 4.7% which, when combined with the contractual loan margin, economically fixes the finance cost at 7.3%.

Hedge effectiveness is determined at inception of the hedge relationship and at every reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two. The critical terms of the interest rate swaps entered into exactly match the terms of the hedged items. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

15. Statement by the Directors

Whilst the information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ('IFRSs') as adopted by the UK in conformity with the requirements of the Companies Act 2006, this announcement does not itself contain sufficient information to comply with IFRSs. The accounting policies adopted in this preliminary announcement are consistent with the Annual Report for the year ended 31 December 2025.

The financial information set out above, which was approved by the Board on 16 March 2026, is derived from the full Group accounts for the year ended 31 December 2025 and does not constitute the statutory accounts within the meaning of section 434 of the Companies Act 2006. The Group accounts on which the auditors have given an unqualified report, which does not contain a statement under section 498(2) or (3) of the Companies Act 2006 in respect of the accounts for 2025, will be delivered to the Registrar of Companies in due course.

The Board of Science Group approved the release of this preliminary announcement on 16 March 2026.

The Annual Report for the year ended 31 December 2025 will be posted to shareholders in due course and will be delivered to the Registrar of Companies following the Annual General Meeting of the Company. The report will also be available on the Group's website. Further copies will be available on request and free of charge from the Company Secretary.

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