

LUCECO^{plc}

Bringing Power to Life

Annual Report and Financial Statements **2025**



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→ Find us online

To find out more or to keep up-to-date with current news visit us at [lucecoplc.com](https://www.lucecoplc.com)

Who We Are

We are a leading designer and manufacturer of residential and commercial electrification products and systems that bring **Power to Life** for our customers.

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Our strategy

A clear, measurable strategy

Our strategy targets four key areas which will enable us to capitalise on structural growth from electrification

→ See pages 16 and 17

Established growth levers

Through product innovation and M&A

Customer-driven innovation and disciplined, synergy-driven M&A drive the business forwards

→ See pages 18 to 21



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Strategic Report

Our Highlights

In 2025 we delivered another year of **strong, profitable growth** powered by our sustainable competitive advantages and growing structural opportunities from electrification.

Financial highlights

Revenue

£271.4m

2024: £242.5m | ↑ 11.9%

Adjusted¹ Operating Profit

£33.8m

2024: £29.0m | ↑ 16.6%

Adjusted¹ Operating Margin

12.5%

2024: 12.0% | ↑ 50bps

Adjusted¹ Earnings Per Share

15.0p

2024: 12.5p | ↑ 20%

Adjusted¹ Free Cash Flow

£30.4m

2024: £3.5m | ↑ 768.6%

Operating profit

£31.6m

2024: £23.2m | ↑ 36.2%

Bank Net Debt ratio

1.2x

2024: 1.6x | ✓ In target range

ESG highlights

ESG – emissions

Carbon neutral²

operations in 2025

ESG – low carbon product² sales

33.7%

revenue from low carbon products² in 2025

Read more



Read more about our ESG strategy on pages 29 to 56

You can find our full Sustainability Report on our website at: <https://www.lucecoplc.com/esg/>

1. The definitions of the adjustments made and reconciliations to the statutory figures can be found in note 1 of the consolidated financial statements on page 138 and are used throughout this document. The measures provide additional information for users on the underlying performance of the business, enabling consistent year-on-year comparisons.
2. Carbon neutral is defined on page 48 and low carbon products are defined on page 50.

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Strategic Report

Our Business at a Glance

We Bring Power To Life.

Our purpose

To help people **harness power sustainably** in everyday life.

The Group operates under established brands with a heritage spanning decades. It has grown rapidly and consistently over recent years through business combinations and organic expansion into new products and territories.

What we do

Wiring Accessories

Our Wiring Accessories segment is a cornerstone of our portfolio with a long history of delivering innovative and high-quality products.

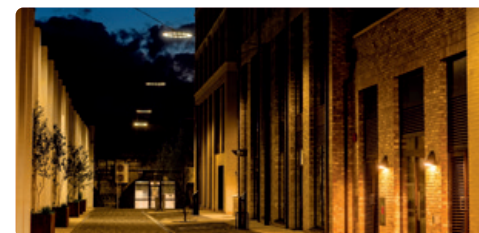
Our brands



LED Lighting

A key segment of the Group, LED Lighting specialises in energy-efficient and innovative LED lighting solutions for a broad customer base.

Our brands



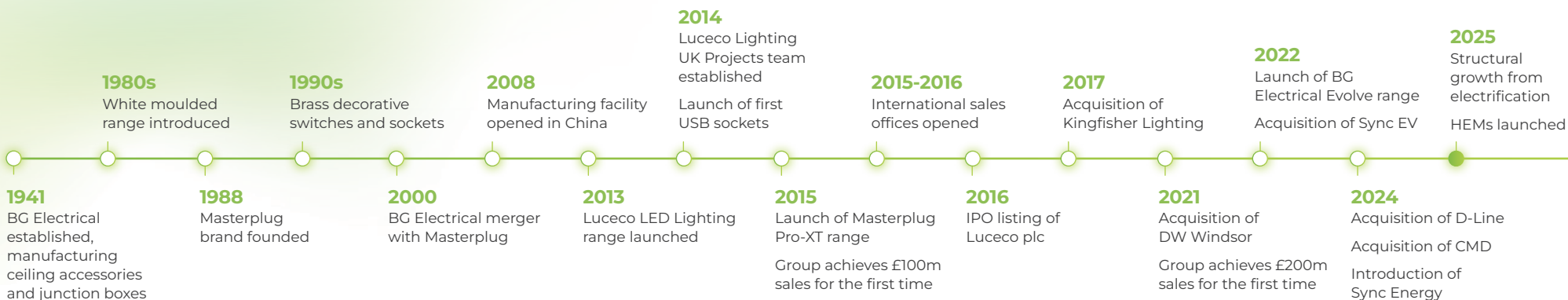
Portable Power

Our Portable Power segment comprises both our trusted Masterplug brand as well as our dynamic, high-growth Sync Energy brand.

Our brands



Our journey



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Our Business at a Glance continued

Strong brands, superior channel access.

Wiring Accessories

Revenue

£131.4m

↑ 20.7% growth

Adjusted Operating Margin

14.8%

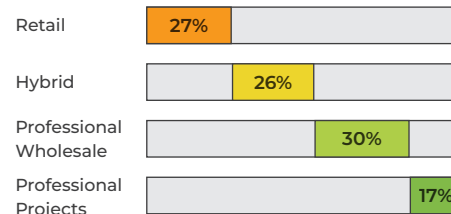
Revenue growth since 2019

87.4%

Adjusted Operating Profit growth since 2019

52.8%

Who we sell to:



LED Lighting

Revenue

£79.3m

↑ 1.1% growth

Adjusted Operating Margin

7.9%

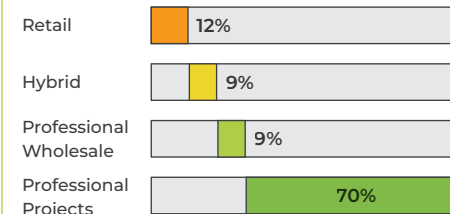
Revenue growth since 2019

46.3%

Adjusted Operating Profit growth since 2019

425.0%

Who we sell to:



Portable Power

Revenue

£60.7m

↑ 10% growth

Adjusted Operating Margin

13.3%

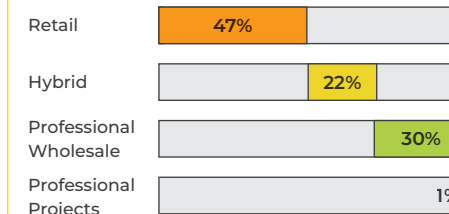
Revenue growth since 2019

27.0%

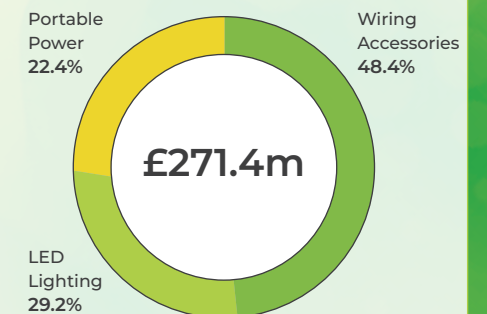
Adjusted Operating Profit growth since 2019

97.6%

Who we sell to:



Total revenue



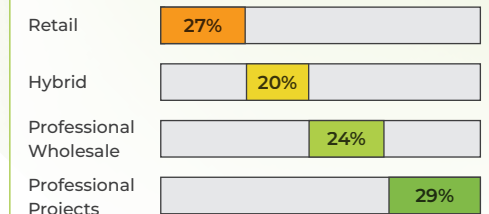
Revenue growth since 2019

57.7%

Adjusted Operating Profit growth since 2019

87.8%

Who we sell to:



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Our Investment Framework

A clear plan demonstrating long-term value.

Luceco plc is a compelling investment opportunity. We operate in attractive, growing markets driven by the electrification of homes, workplaces and transport. Our strong brands, deep customer relationships and vertically integrated operations provide clear competitive advantages, while our expansion into higher-growth Energy Transition categories positions us for accelerated future growth. With a proven track record of cash generation, disciplined execution and synergy delivery, the Group offers shareholders sustainable returns and meaningful long-term value creation.



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Chair's Statement

Supported by effective execution in the Group's core businesses and ongoing momentum in higher-growth product categories, we have delivered another strong performance in 2025

Giles Brand
Chair

I am pleased to introduce the Company's results for the year ended 31 December 2025, a year in which the Group has once again demonstrated strong operational execution and continued strategic progress to deliver an excellent financial performance.

Performance

Supported by effective execution in the core businesses and ongoing momentum in higher-growth product categories, the Group has delivered another strong performance in 2025.

Underlying market demand was undoubtedly a headwind from 2022 to 2024 and although we are beginning to see increasing uptake of products supporting the Energy Transition, overall construction markets have been mixed in 2025.

Elevated living costs, uncertainty around the UK economy and potential tax rises have meant consumers continue to carefully moderate their discretionary spending. However, during 2025 we have seen clear momentum building behind increased electrification of the home and adoption of EVs.

The Group is well positioned to capture the structural growth expected in these areas over the coming years.

Despite these mixed markets, it was pleasing to see growth in both revenue and profitability in each of our core segments in 2025.

Our Wiring Accessories segment continues to demonstrate the advantages of our established brands, deep channel relationships and an extensive distribution footprint. It was also encouraging to see strong contributions to this segment from the acquisitions of D-Line and CMD in 2024. Integration of both businesses is progressing well, and we are looking forward to further synergy creation in future years.

Our LED Lighting business delivered a good performance in some challenging markets. Supported by disciplined commercial execution, operational advancements within our manufacturing operations and improvements in our product sourcing, operating margin grew 50 basis points.

Our Portable Power segment, which includes our Sync Energy brand, delivered remarkable growth of 10.0%.

The Group continues to benefit from growing consumer interest in EV charging, and from the early traction of our Home Energy Management system ("HEMs") launched during the year. These products broaden our relevance within the home electrification ecosystem and position the Group strongly within a category that is expected to see sustained structural growth over the medium term.

Taken together, these combined efforts have delivered like-for-like revenue growth of 4.6% and Adjusted Operating Profit growth of 16.6%.

In markets where product availability is critical, in 2024 we experienced a temporary reduction in free cash generation as we increased inventory levels in response to the global supply chain risks arising from events in the Red Sea. We said at the time, that this put us in a strong position as we entered 2025, so it is pleasing to see strong free cash generation in 2025 of £30.4m as supply chain constraints begin to normalise.

Our Bank Net Debt remains comfortably within our target range, and the Group is well positioned to continue investing in our strategic priorities to generate further value for our stakeholders.

Adjusted Earnings Per Share

15.0p

2024: 12.5p | ↑ 20.0%

Dividend payout

40%

2024: 40% | In guided range

Key achievement in the year

Structural growth in EV charging and entry into home energy management

In 2025, the Group made major strategic progress in the fast-growing Energy Transition market, delivering remarkable growth across EV charging and entering the home energy management sector for the first time. EV charging revenue increased by 84.7% year-on-year, supported by the expansion of our residential and commercial charger portfolio and strengthening customer adoption. The launch of our HEMs platform marked a significant milestone, positioning the Group at the forefront of residential Energy Transition technologies. Together, these developments provide a scalable platform for long-term growth in structurally supported markets.

Energy Transition revenue: £18.1m (2024: £9.8m)

Awarded supply of EV chargers for Centrica-owned Hive



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Chair's Statement continued

Key achievement in the year

Integration of D-Line and CMD

The Group has made good progress in integrating the D-Line and CMD acquisitions, contributing £46.7m to revenue and enhancing our strategic capability in 2025. Both CMD and D-Line are strong businesses with significant potential for improvement as part of the Luceco Group. Integration is progressing well, with sourcing efficiencies and operational synergies beginning to flow through. These acquisitions broaden our channel reach, deepen our product expertise and enhance our ability to cross-sell across Trade, Retail and Professional Projects customers. Their successful integration demonstrates our disciplined approach to M&A and our ability to deliver synergistic growth.



D-Line

Unlocking potential through integration with our developed Retail and Wholesale channels

CMD

Production synergies being achieved through improved sourcing and manufacturing

Strategy

The Group has a clear, measurable strategy which targets four key areas that will drive the business forwards. In 2025 I am pleased by the meaningful progress that has been made against each of these priorities.

First, we continued to grow our presence in higher-growth product segments, benefiting from structural trends in electrification and energy management. EV charging delivered exceptional growth, supported by new product launches and strengthened routes to market, while the introduction of our HEMs positions the Group firmly within the accelerating transition to smarter, cleaner residential energy.

Second, we worked to enhance our existing market position, delivering strong execution across Wiring Accessories, LED Lighting and Portable Power. We closely monitor the Electronic Point of Sale ("EPOS") data supplied by our customers, giving us clear insight into how our products are performing with end consumers. We were particularly encouraged by the consistent growth seen throughout the year. Through consistently high product and service levels, supported by strong channel access, we are confident that we are continuing to win in our chosen markets.

Third, we advanced our priority to expand the breadth and depth of our product range. This included the launch of innovative solutions across EV charging, LED lighting and home energy, broadening our portfolio and reinforcing the quality and relevance of our brands. These developments strengthen our ability to serve a wider range of customer needs and support future organic growth.

Finally, we delivered synergistic growth through disciplined integration of D-Line and CMD, alongside operational efficiency gains within our manufacturing footprint. These actions supported margin progression and enhanced cash generation, ensuring we remain well positioned to invest behind our long-term ambitions.

Environment, Social and Governance ("ESG")

As a Group, we are committed to creating a lasting and positive impact on the world around us. During 2025, we continued to advance our sustainability agenda, guided by our Science Based Targets initiative ("SBTi") validated goals to reduce operational emissions by 46.2% and value chain emissions by 27.5% by 2031. These targets place us on a clear and credible emissions reduction pathway consistent with the Paris Agreement.

Innovation across our product portfolio in 2025 was increasingly focused on lower carbon solutions, contributing to a 10.8% increase in revenue from low carbon products to £91.5m. We also maintained our carbon neutral status and increased power generation from our solar PV array at our manufacturing facility in China.

Recognition from the Carbon Disclosure Project ("CDP"), where we achieved a leadership level "A-" score in our fifth year of reporting, demonstrates the progress we are making in embedding climate-related considerations across the Group.

Dividend

The Group's dividend policy has a payout ratio of 40-60% of Adjusted Profit After Tax.

The Board is recommending a final dividend of 4.2p per share, which with the interim dividend of 1.8p, is a 40% payout, payable on 22 May 2026 to shareholders on the register on 10 April 2026.

Conclusion

As a Board, we believe the Group's purpose is to help people harness power sustainably in everyday life, making it easier for customers to make sustainable choices.

The Board is encouraged by the strategic progress the Group continues to make in support of this purpose. The advances we achieved in 2025 are a testament to the capability and commitment of our people, and we thank all our colleagues for their hard work and commitment.

Giles Brand
Chair

24 March 2026

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Strategic Report

Structural Opportunities From Electrification

Adoption of EVs and residential charging infrastructure is expected to grow rapidly over the next five years.

Growth is supported by accelerating EV adoption, strengthened net zero regulation and continued investment in charging infrastructure.

At maturity, demand for EV charger installations is likely to be more than 6x the market in 2025.

The EV charger market is projected to exceed £300m by 2030. Momentum is already evident: UK registrations of new battery EVs in 2025 were 24% higher than the prior year, as OEMs work to meet Zero Emission Vehicle Mandate requirements.

We are well positioned in this expanding market. Our penetration of new battery EV sales has increased from 1 in 23 vehicles in the year to July 2023 to 1 in 10 vehicles in 2025, reflecting the growing strength and relevance of our Sync Energy EV charging offer.

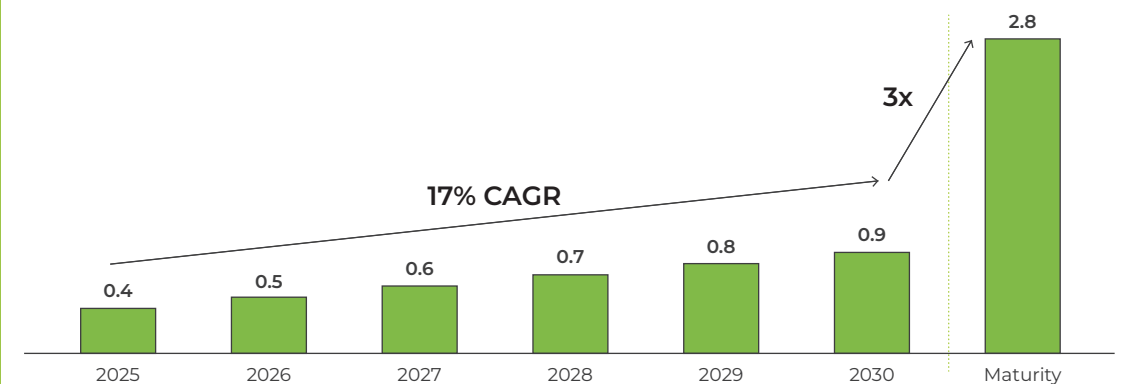
1 in 10

Our penetration of new battery EV sales

+24%

2025 UK growth in registrations of new battery EVs

UK EV charger installations¹ (units, m)



1. Company estimates based on SMMT and industry sources.



Watch online

Link EV charger

Launched in 2025, it is an innovative two-part EV charger with separate power control. A consumer unit installed internally or externally and fully retrofittable.

You can find out more at: www.lucecoplc.com

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Strategic Report

Structural Opportunities From Electrification continued

Electrification of the home creates potential for ecosystem-based solutions.

The UK's pathway to net zero requires large-scale electrification of both household energy and transport.

UK consumer electricity usage as a proportion of total demand is projected to increase from 22% in 2025 to 82% by 2050.

Supported by policies such as the phase-out of new gas boilers and internal combustion vehicles over the coming decade, this transition will require millions of homes to install EV chargers and low-carbon heating solutions.

As more energy uses shift from fossil fuels to electricity, household electrical systems must be upgraded to handle higher loads, increasing demand for wiring accessories, controls, ultra-efficient LED lighting and smart devices. Together, these structural forces mean home electrification is no longer optional – it is an unavoidable, long-term transformation creating sustained demand across our portfolio.

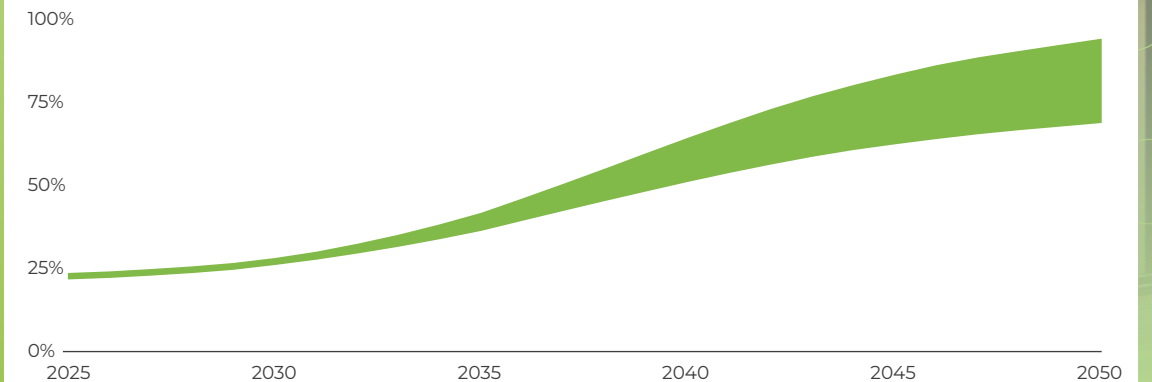
82% electric

Consumer energy usage by 2050

1 million

Homes per year to be converted with low carbon heating solutions

UK consumer electricity usage as a proportion of total demand¹



1. "Future Energy Scenarios: Pathways to Net Zero", NESO, November 2025. Chart shows range of alternative pathways to Net Zero. Values shown are midpoint of range.



Watch online

Flow battery storage system

Scalable, modular battery storage that optimises use of solar generation and low-cost grid electricity.

You can find out more at: www.lucecoplc.com



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Chief Executive Officer’s Review



“In 2025 we once again delivered meaningful progress against our strategy and saw these steps drive an acceleration in our financial performance”

John Hornby
Chief Executive Officer

Revenue

£271.4m

2024: £242.5m | ↑ 11.9%

Adjusted Operating Profit

£33.8m

2024: £29.0m | ↑ 16.6%

Performance highlights

I am pleased to report that in 2025 we once again delivered meaningful progress against our strategy and saw these steps drive an acceleration in our financial performance. We set out to deepen our exposure to structurally growing Energy Transition markets, further strengthen our core categories, and convert operational discipline into sustainable margin progress. We delivered on those aims, whilst taking market share.

Revenue increased by 11.9% to £271.4m (2024: £242.5m), as we benefited from a full year of ownership of both D-Line and CMD alongside delivery of 4.6% like-for-like growth, which was driven by 84.7% growth from Energy Transition products. Top-line growth alongside strong profit conversion enabled us to exceed market expectations in delivering Adjusted Operating Profit of £33.8m (2024: £29.0m).

Free cash flow generation of £30.4m (2024: £3.5m) was particularly strong. Having been impacted by a need to carry additional inventory in 2024 in response to events in the Red Sea, it was pleasing to be able to reduce our working capital as planned in 2025, as supply chain constraints normalised.

As a result, we were able to reduce our Bank Net Debt leverage to 1.2x, comfortably within our target range of 1.0-2.0x, enabling us to invest in the business to drive further growth organically as well as giving us good optionality for further M&A. We remain focused on product availability, which is a key requirement of our customer base, but we are happy with our end of year Bank Net Debt position of £52.3m (2024: £68.6m).

It was encouraging to see like-for-like revenue growth stepping up in the second half as we predicted, reflecting improving demand signals, the impact of new products, and disciplined execution throughout the business. This strong sales momentum entering 2026 alongside our increasingly significant exposure to structural growth in the Energy Transition sector underpins our confident outlook for the future.

Performance delivery achieved through sustainable competitive advantages

Our 2025 performance was the result of sustainable competitive advantages that the Group has built consistently over many years. **Our integrated design and manufacturing model** continues to be a significant source of value creation. Our well-invested facility in China enables faster product development and consistent product quality while also delivering cost and efficiency advantages that are difficult to replicate.

Over the course of the last two years, we have refreshed our management team in China and this has yielded significant improvements in both internal quality and procurement savings. These lean practices combined with a 10.9% increase in volumes delivered by the China factory in 2025 created the operational leverage required to convert our strong order book to profit and cash, supporting another year of Adjusted Operating Margin expansion to 12.5% (2024: 12.0%).

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Strategic Report

Chief Executive Officer’s Review continued

Performance delivery achieved through sustainable competitive advantages continued

The **breadth and depth of our channel relationships** also played a critical role in our progress. We have invested over many years in building strong partnerships with retailers, wholesalers, installers, contractors and project stakeholders. These relationships enable us to maintain visibility of customer needs, respond quickly to changes in demand and bring new products to market with speed and confidence.

UK performance

In the UK we delivered strong performances across each of our sales channels.

- **Hybrid and Retail** sales channels grew 5.0% on a like-for-like basis, supported by new product launches and robust end-consumer demand that drove an order book that consistently grew as we moved through the year
- Our **UK Professional Wholesale** channel saw significant structural like-for-like growth of 11.0% as our strong relationships enabled us to seamlessly integrate our growing range of Energy Transition products into this already mature channel
- Finally, our predominantly LED-focused **Professional Projects** channels grew 3.5% in the UK, following an excellent performance in DW Windsor and another good year for our internal LED Lighting Projects team, which has consistently grown at above-market rates since its creation, supported by a strong product portfolio and an excellent sales team

International performance

Following a strong prior year comparative period, our international business encountered difficult trading conditions created by evolving tariff and trade arrangements in international markets. Trading conditions for our Mexico business were particularly challenging, though following some self-help measures performance stabilised in the second half.

Our European business continues to grow and is set to benefit from increased integration with D-Line.

Our Dubai business grew 28.0% in 2024, and although this was difficult to replicate in 2025, the business exited the year in a stronger position and is well placed as we enter 2026; we will continue to monitor the Middle East situation.

Our international businesses remain a key part of our strategy, providing further opportunities to scale through our existing product portfolio, whilst also presenting opportunities to grow our acquired brands overseas. We look forward to the opportunities these businesses present moving forwards.

Our **product development capability** has always been an important differentiator for the Group and in recent years it has become even more central to our growth story. In 2025 we further invested in our development teams, particularly in China where we now have 96 heads on site at our manufacturing facility focused on developing products that will drive future growth. Not only did we see significant developments in our Energy Transition portfolio through the launch of our HEMs platform and our patented Sync Energy Link EV charger, but we also enhanced our core ranges.



Our internal LED product ranges were supported by the launch of our commercial lighting controls system which powered the growth we saw in this team in 2025. Furthermore, our external LED lighting product portfolio has been enhanced, including release of our new solar lighting ranges in DW Windsor, which saw 5.3% sales growth in 2025. Our BG electrical range is also evolving as electrification of the home is driving a need for larger and more complex circuit protection solutions, which are able to integrate with solar PV systems either now or in the future. We are fulfilling this need through our new range of DC Isolators and Dual-row consumer units, sold under our trusted BG electrical brand and backed by a ten-year guarantee.

Finally, we are taking steps to use our well-recognised Masterplug brand to extend our reach within the Retail channel through our new range of “SmartEnergy” heating solutions, which give consumers greater control of their home energy usage. Overall, these product launches supported our second half performance and will continue to support our ambitions in 2026.

Over the past five years, the Group has generated a total of £101.4m of free cash, demonstrating the resilience of our operating model through varied market conditions. Our ability to convert profit into cash, supported by vertical integration, effective working capital management and a consistent focus on margin quality, has enabled us to effectively self-fund £65.7m of M&A over the same time period.

Our most recent acquisitions, D-Line and CMD, are strong businesses with significant potential for improvement as part of the Luceco Group.

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Chief Executive Officer’s Review continued

Performance delivery achieved through sustainable competitive advantages continued

International performance continued

Integration is progressing well, with sourcing efficiencies and operational synergies beginning to flow through. These acquisitions broaden our channel reach, deepen our product expertise and enhance our ability to cross-sell across Trade, Retail and Professional Projects customers. Their successful integration demonstrates our disciplined approach to M&A and our ability to deliver synergistic growth.

Taken together, these competitive advantages shaped the performance of the Group in 2025 and reinforced our belief that the Group is well positioned to benefit from the structural forces shaping the long-term evolution of our markets.

Structural opportunities from electrification

The electrification of homes, businesses and transport systems represents one of the most significant transitions taking place in the global economy, with the International Energy Agency (“IEA”) forecasting a 3.9% annual increase in global electricity consumption to 2027. This transition is being driven by economic, regulatory and environmental forces that are expected to intensify over the medium to long term. It presents substantial opportunities for companies with the capabilities required to develop relevant products, deliver them at scale and support them through strong commercial channels. We are well positioned to participate in key areas of this transition.

Electrification of transport gathered pace in 2025, with sales of EVs in the UK increasing 23.9%, according to the Society of Motor Manufacturers and Traders.

As EVs become more widely adopted, households, workplaces and public spaces will require reliable, safe and effective charging infrastructure.

This is creating demand for integrated hardware and software solutions that support flexibility and control. Our performance in EV charging during the year confirms that we have developed a credible and competitive proposition that aligns with customer expectations in both residential as well as commercial markets, including being awarded the contract to supply EV chargers for Centrica-owned Hive, the UK’s largest eco-tech brand, in 2025.

Luceco’s EV charger product category demonstrates the Group’s sustainable competitive advantages: acquired in 2022, the business has subsequently benefited from Luceco’s product development capabilities, vertically integrated manufacturing, and superior channel access. Sync Energy is now one of the leading EV charger brands in the UK.

As consumer demand for electricity increases, driven by the electrification of transport and heating, and the generation mix moves further towards less predictable renewable sources, the energy system will face a growing need to adjust demand to match supply and carrying capacity of the grid. At the end of 2024, changes were made to the code underpinning electricity trading arrangements in Great Britain, creating a regulatory framework to incentivise flexibility of distributed assets like EV chargers (“Demand Flexibility”).

Luceco has developed its own Sync Energy smart charging software platform, and successfully achieved the necessary metering certification for its hardware, to enable participation of chargers on its platform in Demand Flexibility.

The nascent revenue stream relating to Demand Flexibility in 2025 was immaterial, but is becoming progressively more meaningful as we move through 2026, which gives us the confidence to upgrade our expectations for the current and subsequent financial years.

While Demand Flexibility is expected to offer a sustainable, long-term opportunity, the regulatory framework, which determines the economics of participation, is likely to tighten in the short to medium term as this new market becomes more established. At this stage we are assuming the economic benefits mature over the next 12-24 months, becoming a more predictable, recurring and considerable long-term revenue stream for the Group.

Electrification within the home is also accelerating. As solar generation, battery storage and dynamic energy tariffs become more accessible, homeowners are increasingly seeking systems that allow them to optimise how they consume, store and schedule energy. This presents an opportunity to provide intuitive, integrated systems that make this complexity simple for consumers. The launch of our HEMs platform provides us with an entry point into this growing market. By integrating smart batteries, hybrid inverters and energy controls, HEMs provides customers with a solution that enhances comfort, reduces cost and supports sustainability goals.

In commercial and public spaces, the demand for energy-efficient solutions continues to rise. This includes more efficient lighting, improved control systems and products that help reduce total cost of ownership.

As organisations continue to focus on carbon reduction, operational efficiency and lifecycle cost benefits, demand for lighting and power solutions that support these objectives is expected to grow. Our connected and efficient lighting ranges position us well to support these needs.

The evolution of regulation also supports long-term demand. During the past year, the UK Government removed planning requirements for most EV charger installations, expanded permitted development rights for heat pumps, and advanced the Future Homes Standard, which is expected to phase out fossil-fuel heating in new homes over time.

Requirements for EV charging infrastructure have also tightened, with every new home in the UK with parking now being required to have an EV charge point and new commercial buildings with more than ten parking spaces needing to have one active EV charger. Whether through building standards, wiring regulations or incentives designed to accelerate the adoption of clean energy technologies, we expect regulation to continue reinforcing the structural drivers behind electrification.

The Group has historically benefited from such regulatory developments within ranges such as circuit protection, and our product roadmap ensures that we can continue to serve customers as standards evolve.

These structural opportunities align closely with our strengths. Our brands, channels and technical capabilities enable us to deliver products that meet both the functional and aesthetic needs of our customers.

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Chief Executive Officer's Review continued

Structural opportunities from electrification continued

Our vertically integrated manufacturing provides the cost and efficiency advantages necessary to compete effectively in these markets.

Our innovation capability ensures that we can continue to develop relevant solutions at the speed required to stay ahead of market developments. As the electrification transition continues, these strengths place us in a favourable position to capture long-term growth.

How our clear strategy positions us to win

Looking ahead, we have a clear, measurable strategy that will ensure the Group captures the growth opportunities presented by the Energy Transition while maintaining strong positions in our core categories. The strategy is built around four priorities that work together to support sustainable, profitable growth.

We will grow our presence in higher-growth product segments

During the year, we significantly expanded our participation in the Energy Transition sector with 84.7% growth across these product lines. These categories are expected to grow at a faster rate than the broader electrical products market over the long term. At maturity, demand for EV charger installations is estimated to be 6x the market in 2025 and the emerging HEMs market provides additional opportunities. Our early traction in this market gives us confidence that we have the capabilities required to compete successfully in both residential and commercial applications.

We will continue to invest behind these categories, focusing on product development, channel expansion and partnerships that enhance our reach and relevance.

We will enhance our existing market position across our core categories

Our brands hold strong positions in Wiring Accessories, Portable Power and LED Lighting, supported by consistent execution, high service levels and strong customer relationships. We regularly review EPOS data supplied by our customers, giving us clear insight into how our products are performing with end consumers. We have been particularly encouraged by the consistent growth seen in this data over the last two years. In 2026, we will continue to take a disciplined approach to pricing and availability, ensuring that our products remain competitive and accessible. These actions will help us maintain relevance across our major channels and reinforce the strength of our core business.

We will expand the breadth and depth of our product range

Our innovation agenda is focused on solving real customer problems and ensuring that our products integrate seamlessly within systems. This includes expanding our portfolio of connected products, enhancing ease of installation for installers, and ensuring that our products meet the needs of increasingly sophisticated end users. Our new Sync Energy Link EV charger is a clear example of this approach.

Its innovative two-part, patent-approved design meets the growing demand for chargers that blend seamlessly into modern living spaces while still offering the same smart technology and access to our own proprietary Sync Energy App. In 2026, we will further expand the breadth and depth of our product range as well as their supporting software and app integration and look forward to this innovation fuelling future organic growth.

We will deliver synergistic growth through disciplined integration of acquisitions and continued operational improvement

The acquisitions of CMD and D-Line in 2024 added scale and capability in cable management, commercial power distribution and value-added accessories. In 2025, we made good progress in integrating both businesses, embedding them within our Wiring Accessories segment, aligning their sourcing and channel strategies with the Group, and beginning to realise the early synergy benefits. We have commenced consultation on the consolidation of D-Line's UK facility, which is expected to simplify operations and support margin progression. At CMD, early production synergies have already begun to flow through inventory.

Outlook

The momentum from the end of 2025 has continued through the first quarter of 2026, with like-for-like double-digit revenue growth for the first two months of 2025. This has been driven by strong performances in the majority of our product categories, channels and territories.

While the Board remains mindful of recent global economic disruption, the impact of the conflict in the Middle East is not yet known and the Group is well placed to manage its operations with appropriate resilience and contingency measures.

The impact of growth with the benefit of operationally leveraged manufacturing and distribution; investments in manufacturing efficiency; and delivery of acquisition synergies, support further operating margin progression.

The Energy Transition product category has continued to materially outperform new EV sales in the UK. We have also started to generate revenue from the participation of EV chargers in Demand Flexibility. We have a large installed base of chargers, more than 10,000 of which are generating this revenue today, and there is significant potential upside to profit as more are enrolled, subject to an evolving regulatory framework and uncertain end-user response rates.

John Hornby
Chief Executive Officer

24 March 2026

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Sustainable Competitive Advantages in Focus

How we operate creates key competitive advantages that power above-market profitable growth.

High-quality, low-cost, vertically integrated manufacturing

We leverage our fully owned, strategically invested and vertically integrated manufacturing facility to optimise production processes, ensuring strong cost control and maintaining consistently high quality standards. Our in-house capabilities not only facilitate growth, but also enable us to remain agile to changes in supply dynamics and responsive to evolving customer needs.



Superior brands, channel access and customer relationships

Our enviable range of well-established brands enables us to offer a diverse product portfolio, all sharing the same distinct traits of enhanced functionality, quality and value. This strong brand presence provides us with the platform to operate successfully across multiple market segments from Professional Wholesalers and Projects, Retailers and the fast-growing Hybrid sector.

Impact

Adjusted Operating Profit growth since 2019

Wiring Accessories:

52.8%

LED Lighting:

425.0%

Portable Power:

97.6%

Proven organic product development capability

Through decades of experience and expertise, our design team based in the UK have built a market-leading portfolio of products that can be applied to meet a broad range of customer requirements. We are constantly innovating to enhance the performance and functionality of our products to position ourselves for future growth and sustainability.

Impact

2025 marketing campaigns

12

2025 R&D expenditure

£6.3m

Highly cash generative with track record of M&A

Our strong track record of cash generation provides a robust financial foundation, enabling us to invest with confidence while maintaining a disciplined net debt leverage range of 1-2x. This financial strength supports ongoing innovation and gives us the flexibility to pursue value accretive acquisitions. We have the right platform for a successful “buy and improve” M&A strategy, selectively targeting opportunities that create synergies and accelerate our expansion into new markets and sectors, enhancing long-term growth and competitiveness.

Impact

Adjusted Free Cash since 2019

£101.4m

Group M&A investment since 2019

£65.7m

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Our Attractive Markets

We operate in attractive markets, that are being **shaped** by key trends.

1



Electrification and the Energy Transition

Driver

The electrification of homes, businesses and transport systems represents one of the most significant transitions taking place in the global economy. This transition is being driven by economic, regulatory and environmental forces that are expected to intensify over the medium to long term.

Impact

£40bn
per year investment required for UK to meet net zero

22% to 82% electric
change in consumer energy usage by 2050

1 million
homes per year to be converted with low carbon heating solutions

Our response

We are extending our reach within the Energy Transition market. We are increasing our low carbon sales to ensure we are at the forefront as consumers adopt sustainable alternatives.

2

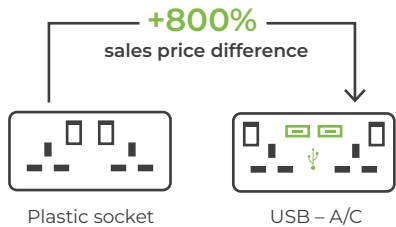


Technology, connectivity and control

Driver

Consumers are increasingly demanding greater control and connectivity from their wiring devices and lighting, whilst installers are demanding technologies that simplify installation. This desire for increased functionality drives up product value.

Impact



Our response

We interact regularly with our consumers, installers and distributors to understand their emerging needs. Our investment in connected ranges, including lighting controls, smart heating and our HEMs platform, positions us well as technology adoption accelerates.

3



Investment in the built environment

Driver

A limited stock of new homes, combined with consumers spending more time living and working at home, drives long-term house price appreciation and existing home renovation. These trends sustain demand for our products within repair and remodel projects.

Impact

4 million
UK homes below Decent Homes Standard

40%
of UK retail space needs re-purposing

40%
of energy consumption in the UK comes from buildings

Our response

Whether it is our market-leading Wiring Accessories range, our highly efficient LED Lighting retrofits, or our Portable Power products helping our customers get the job done, our products are helping people invest in their homes and working environments using brands they know and trust.

4



Regulatory change

Driver

The electrification of household energy and transport is a key driver of future growth within the markets we serve, supported by specific regulatory changes such as phasing out the sale of new gas boilers and internal combustion vehicles over the coming decade.

Impact

All
new homes with parking requiring an EV charge point

Future Homes Standard
phasing out fossil-fuel heating

3
amendments to IET wiring regulations since 2020

Our response

Our advantaged business model allows us to update our designs efficiently to meet these new regulations, manufacture the new product in our own facilities and bring the product to market more quickly and effectively than our competitors.

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Strategic Report

Our Advantaged Business Model

Our advantaged business model enables us to **design, manufacture and deliver** high-quality electrification products with speed and efficiency.

Our resources

Innovative brands

Our established brands combine modern design, trusted quality and smart functionality, strengthening our business model that enables us to design, manufacture and deliver differentiated products at pace.

Our people

Our people bring energy, expertise and a proud “can-do” attitude to everything they do. They drive the business forward by ensuring the smooth and effective operation of our business model.

Specialist knowledge

We draw on specialist technical, commercial and manufacturing knowledge to design better products, respond quickly to market needs and operate an agile, integrated business model that drives long-term value.

Experienced leadership team

We draw on the experience and judgement of our leadership team to guide strategic decisions, foster a strong culture and ensure disciplined execution across our business model.

→ Find out more on pages 9 to 12

Underpinned by our culture



Customer-driven



Team-focused



Bold & innovative



Principled

→ Find out more on pages 52 to 56

How we add value



Outcomes

People

1,844

Number of employees

Customers

>2,000

Number of customers

Global reach

70

Countries served worldwide

Shareholders

40-60%

Annual dividend payout

Communities

Actively supporting

training of electrical contractors

Environment

33.7%

Revenue from low carbon products

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Our Strategy in Focus

Our purpose:

To help people harness power sustainably in everyday life.

Across the Group we are focused on providing innovative, energy-efficient electrical and lighting solutions. Committed to sustainability and customer satisfaction, the Company aims to enhance lives by delivering high-quality products that contribute to a brighter, more efficient and environmentally conscious future.



Our strategic priorities:

1 Grow our presence in higher-growth product segments

The drive towards electrification is fundamentally reshaping our markets and creating structural growth in key product areas. This shift presents a significant opportunity for organisations positioned to respond quickly and lead the transition.

Our focus

We are focused on growing our presence in higher-growth product segments by targeting areas where electrification is reshaping demand and where we hold a clear competitive advantage. EV charging remains a major strategic priority across Retail, Hybrid and Wholesale channels, supported by accelerating adoption and strong category momentum. Alongside this, HEMs represents a compelling opportunity as households increasingly integrate EV charging, solar, battery storage and heating technologies. By entering adjacent markets with attractive long-term growth prospects, we are broadening our portfolio, strengthening our relevance to customers and positioning the Group to capture the structural shift underway.

Progress in 2025

Energy Transition products grew 84.7% in the year, supported by product launches including our new Link EV charger, while our existing products including our Wall Charger 2 and range of charging cables are also taking market share through access to our mature routes to market. Looking forwards, introduction of our HEMs positions the Group firmly within the accelerating transition to smarter, cleaner residential energy.

Measuring our performance

Revenue from Energy Transition (£m)



2 Enhance our existing market position

Over the past decade, we have consistently expanded our share of the markets we operate in, establishing enviable positions across multiple product categories. Building on these strong foundations, supported by long-term growth drivers, we will continue strengthening and enhancing our existing market presence.

Our focus

To strengthen and enhance our existing market position, we remain a reliable, value-adding partner to key customers across Retail, Hybrid and Wholesale channels. We continually innovate the services that sit alongside our products, improving the customer experience, deepening loyalty and increasingly selling our solutions as integrated packages rather than standalone items. Product innovation, such as advanced lighting controls, further reinforces our relevance in core categories. In addition, we are unlocking growth through greater cross-selling between our lighting brands, ensuring customers benefit from a broader, more cohesive offering across the full project lifecycle.

Progress in 2025

Delivering strong execution across Wiring Accessories, LED Lighting and Portable Power. We closely monitor EPOS data supplied by our customers, giving us clear insight into how our products are performing with end consumers. We were particularly encouraged by the consistent growth seen throughout the year. Through consistently high product and service levels, supported by strong channel access, we are confident that we are continuing to win in our chosen markets.

Measuring our performance

Like-for-like revenue growth (%)



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Our Strategy in Focus continued

Our strategic priorities: continued

3 Expand the breadth and depth of our product range

Developing our product range is key to ensuring we capture growth opportunities within our industry. Market-leading innovation across both products and accompanying services enables us to meet evolving customer needs, enter adjacent categories and strengthen our relevance across fast-changing end-markets.

Our focus

We will expand the breadth and depth of our product range by continuing to innovate at pace, designing high-functioning, higher-margin devices that address both existing and emerging customer needs. Our innovation pipeline spans new categories such as HEMs solutions, enabling us to strengthen our position in fast-growing electrification markets. This approach is underpinned by our customer-driven, bold and innovative culture, which shapes every stage of product development. By combining technical expertise with real customer insight, we can broaden our portfolio with solutions that enhance performance, improve usability and reinforce our relevance across all channels.

Progress in 2025

We advanced our priority to expand the breadth and depth of our product range. This included the launch of innovative solutions across EV chargers, lighting and home energy, broadening our portfolio and reinforcing the quality and relevance of our brands. These developments strengthen our ability to serve a wider range of customer needs and support future organic growth.

Measuring our performance

Research and development expenditure (£m)

2025	6.3
2024	5.1
2023	3.6

4 Deliver synergistic growth

We will deliver synergistic growth by leveraging our strong cash generation to pursue a disciplined “buy and improve” strategy, targeting acquisitions that enhance margins, unlock synergies and expand our capabilities in high-growth electrification categories.

Our focus

We will use our technical capability and experience to enhance the performance of acquired businesses. Our engineering teams in China play a critical role, enabling us to optimise designs, improve product quality and insource manufacturing where it delivers value. We will use our existing contacts to improve product sourcing from China, unlocking material cost efficiencies and expanding their range. In parallel, we capture opportunities to cross-sell, for example making our existing LED portfolio available to CMD's talented project and sales teams.

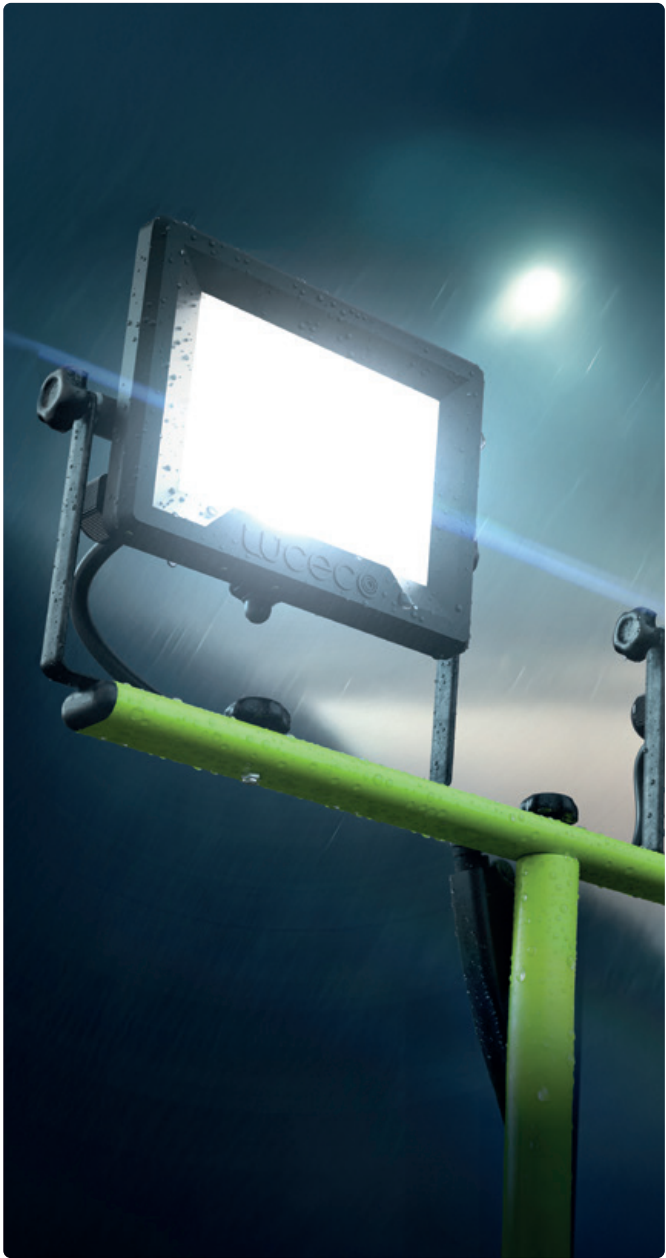
Progress in 2025

We delivered synergistic growth through disciplined integration of D-Line and CMD, alongside operational efficiency gains within our manufacturing footprint. These actions supported margin progression and enhanced cash generation, ensuring we remain well positioned to invest behind our long-term ambitions.

Measuring our performance

Adjusted Operating Margin (%)

2025	12.5
2024	12.0
2023	11.5



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Strategic Report

Our Established Growth Levers

Product innovation

We drive product innovation by combining strong customer insight with robust engineering capability, creating differentiated, high-quality solutions that strengthen our brands and open opportunities in fast-growing markets.

R&D expenditure

£6.3m

R&D specialists

155



Watch online

Jiaxing factory

Working alongside UK designers, our well-invested Jiaxing factory provides the engineering capability required to develop high-quality solutions.

You can find out more at: www.lucecoplc.com

Link to strategy:

- 1 Grow our presence in higher-growth product segments
- 2 Enhance our existing market position
- 3 Expand the breadth and depth of our product range
- 4 Deliver synergistic growth

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Strategic Report

Our Established Growth Levers continued

Product innovation

We grow through innovation, designing and manufacturing products that shape the future of electrification.

Our products have long been recognised for combining modern design, trusted quality and smart functionality, and in 2025 we have continued to build on this capability across our product portfolio. Our focus remains on developing products that solve real customer problems, embrace emerging technologies and support the long-term transition to a more electrified and energy-efficient world.

A central milestone this year was the launch of our HEMs Flow range, which integrates modular battery storage with smart app-based controls into a single, flexible platform. Flow enables homeowners to optimise how they store, consume and generate energy, capturing solar power, shifting load to off-peak periods, and reducing bills by as much as 75% through intelligent scheduling and automation. The system is designed to be plug-and-play for installers and scalable for future technologies, positioning Sync Energy as a significant innovator in the fast-growing home energy sector.

Within EV charging, the new Link EV charger expands our offering with a compact, fully smart and easy-to-install option designed for mass-market adoption. This complements the Sync Energy Wall Charger 2, which this year became part of Hive’s Home ecosystem, enabling customers to access advanced scheduling, smart tariffs and real-time insights.

In lighting, DW Windsor introduced Sierra Solaflex, a major breakthrough in solar street lighting. Its tiltable, independently orientated solar panel captures two to three times more energy than standard horizontal panels, providing consistent, year-round performance without compromising aesthetics. Across internal LED lighting, our ranges were supported by the launch of our commercial lighting controls system which powered the growth we saw in this team in 2025.

Our BG electrical range is also evolving as electrification of the home is driving a need for larger and more complex circuit protection solutions, which are able to integrate with solar PV systems either now or in the future.

We are fulfilling this need through our new range of DC Isolators and Dual-row consumer units, sold under our trusted BG electrical brand and backed by a ten-year guarantee.

We have also extended the Masterplug portfolio with our new SmartEnergy range, a new family of connected electric heaters and cooling devices designed to help consumers reduce energy consumption and improve comfort at home. Employing live energy tracking, app-based scheduling and zone-based heating, these products help consumers manage their energy use more effectively.

Together, these launches demonstrate a Group that is innovating with purpose: deploying technology, design and customer insight to create products that are smarter, safer and more sustainable, supporting long-term growth across all our markets.



Product innovation in action

Link EV charger

The Sync Energy Link EV charger represents a major step forward in design-led home EV charging, delivering powerful 7.4kW performance in an ultra-compact, architecturally discreet form.

Its innovative two-part, patent-approved design integrates a recessed or surface-mounted outlet with a separate pre-wired metal control box, eliminating visible wiring and dramatically reducing installation time. At just 37mm deep when recessed, Link achieves a minimalist finish without compromising durability, supported by IP65 and IK10 ratings for robust outdoor performance.

Despite its compact footprint, Link still delivers on functionality with dynamic 7.4kW charging, built-in Type A RCD and SPD protection, Tariff Sense cost-tracking, Auto Solar Charging for excess PV utilisation, and full app-based control. The result is a future-ready, installer-friendly charger that combines sleek aesthetics with intelligent energy management, setting a new benchmark for residential EV charging.

Compact

patent-approved design

Premium

features with full app-based control

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Strategic Report

Our Established Growth Levers continued

Through M&A

We have complemented the Group's long history of organic growth with acquisitions funded by our own cash generation.

Group M&A investment since 2019

£65.7m

2025 revenue from businesses acquired since 2019

£83.2m

Find out more

You can find out more at: www.lucecoplc.com

Link to strategy:

- 1 Grow our presence in higher-growth product segments
- 2 Enhance our existing market position
- 3 Expand the breadth and depth of our product range
- 4 Deliver synergistic growth

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Strategic Report

Our Established Growth Levers continued

Through M&A

We use disciplined, synergy-driven M&A to strengthen our market positions, broaden our capabilities and **accelerate growth** into new or adjacent markets.

M&A is a core lever of growth for the Group, enabling us to strengthen our strategic positions and accelerate our participation in higher-growth markets. Our approach is disciplined and focused, guided by four clear investment criteria that ensure each acquisition delivers meaningful strategic and financial value.

Our “buy and improve” growth strategy

1. Growth through new market entry

We target businesses that provide access to new geographies, channels or customer groups where we believe the Group's brands, product portfolio and operating model can outperform. This allows us to extend our reach beyond our core markets, diversify our revenue base and position the Group for structurally supported growth, particularly in areas influenced by electrification and energy efficiency trends.

Relevant recent acquisitions:



2. Growth through new product categories

We look for opportunities to broaden our product range in adjacent or fast-growing categories that complement our existing capabilities. Recent acquisitions have strengthened our positions in areas such as exterior lighting, cable management, commercial power distribution and EV charging. These additions deepen our participation in higher-value segments and enhance the breadth of solutions we can offer to customers.

Relevant recent acquisitions:



3. Clear design and manufacturing synergies

A core element of our investment framework is the ability to integrate acquired businesses into our vertically integrated model. We prioritise targets where we can leverage shared design expertise, sourcing scale, in-house manufacturing and operational efficiencies. This synergy potential not only improves margins and cash generation but ensures we can enhance the competitiveness of the acquired product ranges.

Relevant recent acquisitions:



4. Opportunities to cross-sell

We seek acquisitions that unlock cross-selling opportunities across our established channels. By combining acquired product ranges with the strength of our brands and customer relationships, we broaden the solutions available to retailers, wholesalers and project customers. This creates multiple revenue streams post-acquisition and accelerates the returns from integration.

Relevant recent acquisitions:



Together, these criteria ensure that each transaction enhances the Group strategically, operationally and financially. Our strong cash generation and disciplined approach give us the capacity to pursue acquisitions that complement our organic growth engine, while maintaining a prudent leverage position. As a result, M&A continues to play a pivotal role in building scale selectively, expanding our capabilities and strengthening our long-term value creation for shareholders.

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Measuring our Performance

Our Key Performance Indicators provide a clear measure of our strategic success and are closely linked to executive remuneration.

Key

- ✓ Drive executive remuneration outcomes

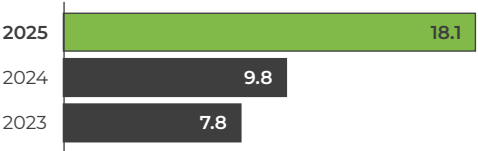
Key to strategic priorities

- 1 Grow our presence in higher-growth product segments
- 2 Enhance our existing market position
- 3 Expand the breadth and depth of our product range
- 4 Deliver synergistic growth

Key to principal risks

- 1 Operational concentration risk
- 2 Customers and products concentration risk
- 3 Macroeconomic, political and environmental
- 4 Loss of IT/data
- 5 People and labour shortages
- 6 Acquisitions
- 7 Legal and regulatory
- 8 Finance and treasury

Revenue from Energy Transition (£m)



Why we use this metric

We are focused on growing our presence in higher-growth product segments with Energy Transition products representing a major strategic priority supported by accelerating adoption and strong category momentum.

Progress against our strategy in 2025

We are delighted with the progress made in 2025 with EV charging sales growing 84.7%, supported by new product launches accelerating adoption and strong category momentum.

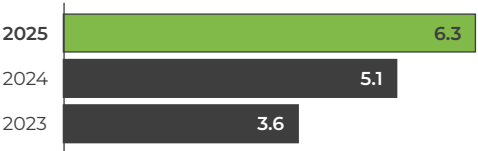
Link to strategy

1

Link to risks

1 2 3 5 6 8

Research and development expenditure (£m)



Why we use this metric

We invest in research and development in order for us to continue to expand the breadth and depth of our product ranges to meet existing and emerging customer needs.

Progress against our strategy in 2025

In 2025 research and development represented 2.3% of sales and contributed to key product development including HEMs, EV charging and solar lighting.

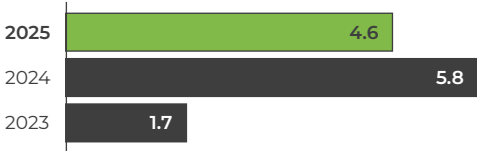
Link to strategy

3

Link to risks

4 5 6 7

Like-for-like revenue growth (%)



Why we use this metric

This metric demonstrates our ability to enhance our existing market position by acting as a value-adding partner to key customers across our channels.

Progress against our strategy in 2025

Despite mixed markets in the year, we have achieved 4.6% like-for-like growth driven by significant progress across our UK-based sales channels.

Link to strategy

2

Link to risks

1 3 5 6 8

Adjusted Operating Margin (%)



Why we use this metric

We aim to deliver synergistic growth, using our technical capability and experience to enhance the performance of our existing business and acquisitions.

Progress against our strategy in 2025

The business successfully grew Adjusted Operating Margin 50bps, supported by lean practices in both the UK and our manufacturing operation in China.

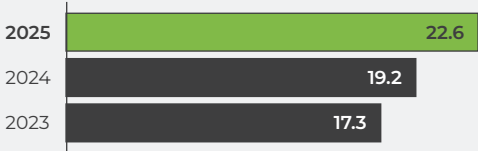
Link to strategy

4

Link to risks

2 3 5 6 8

Adjusted Profit After Tax (£m) ✓



Why we use this metric

This metric demonstrates the returns we deliver to shareholders and is therefore a key measure for Group performance and also for executive remuneration.

Progress against our strategy in 2025

2025 was a further year where we have been able to demonstrate the strategic actions we have taken are delivering sustained profitable growth.

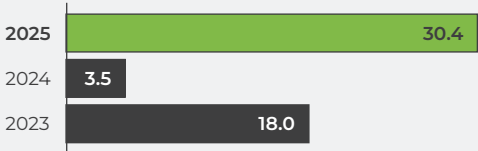
Link to strategy

1 2 3 4

Link to risks

1 2 3 4 5 6 8

Adjusted Free Cash Flow (£m) ✓



Why we use this metric

A key metric for executive remuneration, strong Adjusted Free Cash Flow generation allows us to invest in our business, make targeted acquisitions and deliver returns to shareholders.

Progress against our strategy in 2025

We are pleased by strong cash generation in 2025 following a requirement to build working capital in response to supply chain constraints in 2024.

Link to strategy

1 2 3 4

Link to risks

1 2 3 4 5 6 8

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Chief Financial Officer’s Review



“Strong performance during 2025 with an accelerated second half”

Will Hoy
Chief Financial Officer

Revenue

£271.4m

2024: £242.5m

Revenue growth

+11.9%

2024: +16.0%

Adjusted Operating Margin

12.5%

2024: 12.0%

Adjusted Operating Profit

£33.8m

2024: £29.0m

Adjusted Earnings Per Share

15.0p

2024: 12.5p

Bank Net Debt ratio

1.2x

2024: 1.6x

Summary of reported results

Summary results (£m)	Reported 2025	Reported 2024
Revenue	271.4	242.5
Operating profit	31.6	23.2
Profit before tax	24.7	18.9
Taxation	(4.4)	(4.3)
Profit for the year	20.3	14.6

Operating profit of £31.6m was £8.4m higher than 2024 as a result of strong performance from both organic and acquisition activity.

Alternative performance measures and adjusting items

Certain alternative performance measures (“APMs”) have been included within this report. These APMs are used by the Board to monitor and manage the performance of the Group, in order to ensure that decisions taken align with the Group’s long-term interests. A table summarising the reconciliation of adjusted measures to statutory measures is included in note 1 of the consolidated financial statements.

The following adjusting items were applied in the year:

- Amortisation of acquired intangibles: £3.3m (2024: £2.3m) and acquisition-related costs of £0.7m (2024: £3.8m)
- Fair value movements of hedging portfolio which have not completed in the period which was a £1.8m credit (2024: £0.3m credit)
- Interest rate swap costs of £0.4m (2024: £0.2m) and bank debt refinancing fees of £0.5m (2024: £nil)

Adjusted Operating Profit for the year was therefore £33.8m (2024: £29.0m) and Adjusted Profit Before Tax was £27.8m (2024: £24.9m). See note 1 for further information.

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Strategic Report

Chief Financial Officer’s Review continued

Income statement		
Revenue		
Revenue bridge:	£m	Change %
2024	242.5	
Acquisitions/closures	21.0	8.7%
Like-for-like increase ¹	11.1	4.6%
Constant Currency ²	274.6	13.2%
Currency movements	(3.2)	(1.3)%
2025	271.4	11.9%

1. Like-for-like revenue (see note 1) increase excludes the impact of currency movements and acquisitions, see note 20 of the financial statements for currency rates.

2. 2025 revenue retranslated at 2024 exchange rates.

Revenue of £271.4m was £28.9m (11.9%) higher than 2024 with particularly strong revenue in the second half of the year, after a slow start in quarter one. Like-for-like revenue, excluding the impact of currency and acquisitions, increased by £11.1m or 4.6% in the year. The second half like-for-like revenue increased by £8.9m or 6.7%, compared to 2.0% like-for-like growth in the first half. Products sold relating to the Energy Transition have been key to the underlying growth with £18.1m of sales from EV chargers, which is an increase of 84.7%.

The Group performed strongly, like-for-like, in the Residential markets with results up 4.7% and in the non-residential and infrastructure markets up by 4.3%. Based on the data from the Construction Products Association (“CPA”), the market was expected to be flat in 2025, which compares to our overall like-for-like increase of 4.6%.

We group our customers into the following sales channels:

- **Retail:** Distributors serving consumers only, including DIY sheds, pure-play online retailers and grocers
- **Hybrid:** Distributors serving both consumers and professionals, typically with multi-channel service options
- **Professional Wholesale:** Distributors serving professionals only, largely via a branch network
- **Professional Projects:** Sale agreed by Luceco direct with professionals, but largely fulfilled via Professional Wholesale

Performance by sales channel was as follows:

Like-for-like revenue by sales channel:	2025 £m	2025 % of total	2024 % of total	Change vs 2024 %
Retail	72.3	28.5%	26.4%	(0.8)%
Hybrid	54.9	21.7%	21.9%	11.4%
Professional Wholesale	64.4	25.4%	26.1%	8.4%
Professional Projects	62.0	24.4%	25.6%	1.4%
Like-for-like revenue (see note 1)	253.6	100.0%	100.0%	4.6%
Currency impact	(3.2)			
Acquisitions/closures	21.0			
Total revenue	271.4			11.9%

Our Hybrid and Retail channels combined represent half of the Group's revenue and on a like-for-like basis grew by 4.1%, with strong volume growth in particular from electrical wiring products and EV chargers. The Professional channel, including both Wholesale and Projects, grew by 5.1% overall in the period, with strong growth in EV chargers.

Revenue by geographical location of customer:	2025 £m	2024 £m	Change vs 2024 %
UK	214.6	184.2	16.5%
Europe	24.1	21.5	12.1%
Americas	20.1	22.5	(10.7)%
Middle East and Africa	9.4	10.3	(8.7)%
Asia Pacific	3.2	4.0	(20.0)%
Total revenue	271.4	242.5	11.9%

Revenue by geography and location of the customer highlights the importance of the UK market – representing just less than 80% of revenue for the Group and growing by a significant 16.5% during the period, aided by CMD and D-Line. During the year, the growth of the European customer base has been encouraging with growth of 12.1%. The impact of tariffs has had a minor impact on the Americas customer base – but Americas represents less than 9% of the Group's total revenue.

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Chief Financial Officer's Review continued

Income statement continued

Profitability

Adjusted Operating Profit of £33.8m for 2025 was £4.8m ahead of 2024. The key drivers were as follows:

	Bridge from 2024 £m	Bridge from 2023 £m
Adjusted Operating Profit bridge:		
Adjusted Operating Profit 2024/2023	29.0	24.0
Acquisitions/closures	2.6	1.9
Organic increase/(decrease) ¹	2.2	3.1
2025/2024	33.8	29.0

1. Organic movements exclude the impact of acquisitions.

The net impact of acquisitions and closures was £2.6m, which reflects the acquisitions of D-Line and CMD during 2024. Overall Adjusted Operating Profit grew by £2.2m on an organic basis, which is a strong result given our investment during the year into the Energy Transition.

Operating costs increased by £11.4m, of which £6.6m was acquisition related, with the balance of £4.8m due to wage inflation and investment in Energy Transition related activity.

Net finance expense

Adjusted Net Finance Expense increased by £1.9m, reflecting an increase in our facility which was signed in May 2025 for £120m expiring in May 2028, and is in place to support the Group's acquisitions and working capital requirements as the Group grows. The Group has an option for a further two years which would then expire in May 2030.

Taxation

The effective tax rate on Adjusted Profit Before Tax decreased from 22.9% to 18.7% in 2025 as a result of recognition of a deferred tax asset in relation to US losses from prior years.

Adjusted Free Cash Flow

Adjusted ¹ Free Cash Flow (£m)	Adjusted ¹ 2025	Adjusted ¹ 2024
Operating profit	33.8	29.0
Depreciation and amortisation	9.3	7.9
EBITDA	43.1	36.9
Changes in working capital	5.3	(17.2)
Other items	1.2	2.0
Operating cash flow	49.6	21.7
Operating Cash Conversion ²	146.7%	74.8%
Net capital expenditure	(8.6)	(7.8)
Interest paid	(6.0)	(4.1)
Tax paid	(4.6)	(6.3)
Free cash flow	30.4	3.5
Free cash flow as % revenue	11.2%	1.4%

1. A reconciliation of the reported to Adjusted results is shown within note 1 of the consolidated financial statements.
2. Adjusted Operating Cash Conversion is defined as Adjusted Operating Cash Flow divided by Adjusted Operating Profit.

The Group's Adjusted Free Cash Flow of £30.4m in the period was £26.9m better than the prior year due to the reversal of the working capital outflow seen in 2024, higher operating profit and lower tax payments.

Capital expenditure

The Group's net capital expenditure consists of capitalised product development costs and the purchase of physical assets. Capex was £8.6m (2024: £7.8m) and represented 3.2% of revenue (2024: 3.2%) which is in our target range of 3-4%.

We continue to see opportunities to invest in low-risk, high-return automation projects in our Chinese production facility and continue to invest in R&D projects, particularly in relation to acquired businesses.

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Capital structure and returns			
Return on capital			
Return on Capital Invested was in line with the prior year at 20.2% (2024: 20.2%) which remains on our target range of 20% or higher. As previously flagged, our returns will naturally moderate as Luceco plc transitions from a Group created organically to one growing via M&A as well (with its required investment in goodwill).			
Capital structure			
The business continues to consistently generate ample cash flow to support its dividend policy and fund M&A activity.			
	2025	2024	Change %
Reported net debt	£59.9m	£75.1m	(20.2)%
Less: IFRS 16 finance leases	£(8.0)m	£(7.2)m	11.1%
Finance leases – pre-IFRS 16	£0.4m	£0.7m	(42.9)%
Bank Net Debt	£52.3m	£68.6m	(23.8)%
Bank Net Debt : Bank EBITDA	1.2	1.6	(25.0)%
The Group's non-utilised facilities totalled £68.7m. The Group signed a £120.0m facility on the 21 May 2025 which expires in May 2028 but has the optionality of extending further by two years to May 2030.			
The Company's covenant position and headroom at 31 December 2025 was as follows:			
2025 full-year covenant	Covenant	Actual	Headroom
Bank Net Debt :	3.0 : 1	1.2 : 1	Bank Net Debt headroom: £68.7m
Bank EBITDA			Bank EBITDA headroom: £27.6m
Bank EBITDA : Adjusted Net Finance Expense	4.0 : 1	7.5 : 1	Bank EBITDA headroom: £21.0m Net finance expense headroom: £5.3m

The key measures which management use to evaluate the Group’s use of its financial resources and capital management are set out below:

	2025	2024
Adjusted ¹ Earnings Per Share (pence)	15.0	12.5
Bank Net Debt : Bank EBITDA (times)	1.2	1.6
Adjusted ¹ Free Cash Flow (£m)	30.4	3.5

1. Note 1 in the notes to the consolidated financial statements provides an explanation of the Group’s alternative performance measures.

The Group complied with its covenant requirements throughout the year with significant headroom on all metrics. The Group has conducted a full going concern review and this is outlined on page 136. The Group has a strong balance sheet and significant facility headroom under even a severe but plausible downside scenario. No covenant breaches occur in any of our severe but plausible downside scenarios, all of which are before any mitigating actions, illustrating our financial resilience.

Dividends

The Board is proposing to pay a final dividend of 4.2p, taking the full-year dividend to 6.0p, representing a payout of 40% of earnings. If approved at the Annual General Meeting, the final dividend will be paid on 22 May 2026 to shareholders on the register on 10 April 2026. The ex-dividend date will be 9 April 2026.

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Strategic Report

Chief Financial Officer's Review continued

Operating segment review

The revenue and profit generated by the Group's operating segments are shown below. Operating profits are stated after the proportional allocation of fixed central overheads.

Wiring Accessories

	Adjusted ¹			Reported		
	2025	2024	Change	2025	2024	Change
Revenue	£131.4m	£108.9m	20.7%	£131.4m	£108.9m	20.7%
Operating profit	£19.4m	£19.1m	1.6%	£18.1m	£14.9m	21.5%
Operating margin %	14.8%	17.5%	(2.7)ppts	13.8%	13.7%	0.1ppts

1. Further details of adjustments are in note 1 of the consolidated financial statements.

Wiring Accessories is the Group's most profitable segment, generating 57% of the Group's operating profit and 48% of its revenue, under a brand established over 80 years ago.

Sales into the Wiring Accessories segment were £131.4m, which was a significant increase of 20.7% over 2024, largely driven by the Hybrid and Retail channels. Additionally, this segment includes the acquired businesses of D-Line and CMD. The Adjusted Operating Margin was 14.8% (2024: 17.5%) which is margin enhancing to the Group's overall 12.5% rate.

LED Lighting

	Adjusted ¹			Reported		
	2025	2024	Change	2025	2024	Change
Revenue	£79.3m	£78.4m	1.1%	£79.3m	£78.4m	1.1%
Operating profit	£6.3m	£4.1m	53.7%	£5.3m	£2.7m	96.3%
Operating margin %	7.9%	5.2%	2.7ppts	6.7%	3.4%	3.3ppts

1. Further details of adjustments are in note 1 of the consolidated financial statements.

The Group entered the lighting market in 2013 as the industry adopted LED technology and it now represents 29% of Group revenue.

Revenue was up on the prior year by 1.1% despite challenges in the infrastructure channel. Adjusted Operating Profit has improved year-on-year with various initiatives across the Group streamlining our business. Demand remains particularly strong in the Professional Projects space, as demand for energy-saving retrofits within the non-residential and infrastructure sectors continues to grow.

Portable Power

	Adjusted ¹			Reported		
	2025	2024	Change	2025	2024	Change
Revenue	£60.7m	£55.2m	10.0%	£60.7m	£55.2m	10.0%
Operating profit	£8.1m	£5.8m	39.7%	£8.2m	£5.6m	46.4%
Operating margin %	13.3%	10.5%	2.8ppts	13.5%	10.1%	3.4ppts

1. Further details of adjustments are in note 1 of the consolidated financial statements.

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Chief Financial Officer's Review continued

Operating segment review continued

Portable Power continued

The Portable Power segment consists of two main elements:

- Energy Transition products under the Sync Energy and Masterplug brands
- Cable reels, extension leads and associated accessories sold under the Masterplug brand

The business generated 23% of Group revenue and 24% of Group Adjusted Operating Profit which is an increase on the prior year. Revenue increased by a significant 10% in the period with strong performance from our Energy Transition products which was partly offset by more challenging conditions in the traditional Portable Power segment.

Energy Transition revenue from EV chargers totalled £18.1m, a growth rate of 84.7% in the period, which is a fantastic result. We remain excited about the opportunities, in both retail and commercial spaces, that this new sector will provide as the vehicle market moves towards electrification.

Going concern and viability statement

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and as such have applied the going concern principle in preparing the Annual Report and Financial Statements. This is considered in more detail in note 1 of the consolidated financial statements. The Group's Viability Statement can be found on pages 67 and 68 and the Group's Going Concern Statement can be found on page 136.

Will Hoy

Chief Financial Officer

24 March 2026



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Environment, Social and Governance

We believe that through the way we act, the Group has a significant opportunity to **create a lasting positive impact** on the world around us.

Environment, social and governance at a glance

Creating a sustainable future

£91.5m

Revenue generated from low carbon product categories

Empowering people

69.0%

Employee engagement score

Working with integrity and transparency

Good and Committed

2025 EcoVadis rating

A-

2025 CDP Score
Top 5% of FTSE SmallCap index

£0.4m

Invested in learning and development tools

29

Customer site visits to our manufacturing facility in China

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We address three key areas of focus:



Creating a sustainable future

Operating sustainably is a key part of the Group's culture and is reflected within our Purpose, Mission and Strategy, where we have made sustainability a central pillar of the Group's success. Our product portfolio, combined with our business model and experience, puts us in a strong position to help create a sustainable future for all. Our immediate targets have focused on realigning our product portfolio to concentrate on the sale of low carbon products, ensuring the plastic we use in packaging is minimised and where it is used, we prioritise recycled materials.

We continue to procure renewable electricity for our sites and have been doing this since 2022. With CMD and D-Line joining the Group in 2024, reported emissions, energy consumption and renewable energy procurement have been integrated into the Group reporting. Furthermore, our Scope 1 and Scope 2 emissions have been offset to achieve carbon neutral operations.

→ Find out more on page 31



Empowering people

The key to our business model operating effectively is the "can-do" culture created by our fantastic teams. In order for this culture to continue to flourish, we need our people to feel empowered to excel in their work at Luceco Group. We endeavour to recruit people from a range of backgrounds who are passionate about innovation and customer service. We invest in the training and development of new and existing employees and we make sure we engage with our teams to improve their experience and help them feel part of the business.

Beyond our own teams we also look to empower those who use our products. We provide professionals with access to free training resources and are supporting the development of the next generation of electrical contractors.

→ Find out more on page 52



Working with integrity and transparency

We are committed to acting with integrity and transparency at all times, not just because it builds trust with those we work with, but because it is the right thing to do. As a global business, operating in markets and countries with different cultures and practices, we maintain consistently high ethical standards by following our global Code of Conduct.

We follow health and safety best practices and all local regulations, always striving to promote the health of our people and to minimise risks in the workplace. Our approach is supported by strong corporate governance and zero-tolerance policies in relation to behaviour which does not align to our values, and we endeavour to ensure our suppliers share those same values. Finally, we are keen to contribute to the communities we operate in and encourage our people to propose ways we can help.

→ Find out more on page 55



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Environment, Social and Governance continued



Creating a sustainable future

How we are creating a sustainable future

Action in the year	Read more	Status
Task Force on Climate-related Financial Disclosures		
• Climate working groups	Page 32	●
• Review of risks	Pages 33 to 40	●
• Scenario analysis	Pages 44 to 45	●
Greenhouse gas emissions		
• Commitment to measure and reduce greenhouse gas emissions	Pages 46 to 51	●
Sustainability objectives		
• Preparing for new IFRS S2 Climate-related Disclosure Standards	Pages 46 to 51	●
• Third-party verification of Scope 1, 2 and Scope 3 Category 11 (Use of Sold Products) emissions	Pages 46 to 51	☑
• Ongoing engagement on EcoVadis standards	Pages 46 to 51	●
• Development of lifecycle carbon footprint assessments	Pages 46 to 51	●

Key to status

● Ahead of target ● On target ● Ongoing improvement ☑ Complete



Climate change

We recognise that climate change poses both risks and opportunities for our business. The electrification of homes, businesses and transport systems represents one of the most significant transitions taking place in the global economy, with the International Energy Agency (“IEA”) forecasting a 3.9% annual increase in global electricity consumption. We have a joint mandate internally and from our stakeholders for meaningful action on climate change and to tackle our greenhouse gas emissions as well as driving growth in our revenue from products that help our customers transition to a low carbon future. Recognising this, climate change is included within our “Macroeconomic, political and environmental” principal risks and our low carbon products are a central focus of our growth strategy. As society transitions towards a net zero future and the Energy Transition, we are well positioned to make an increasing contribution to society’s climate objectives through our products and services.

Task Force on Climate-related Financial Disclosures (“TCFD”)

Luceco Group plc has complied with the requirements of the FCA’s Listing Rule 6.6.6.R(8) by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. Our report is set out under the four TCFD pillars of Governance, Risk Management, Strategy, and Metrics and Targets.

In reviewing and approving the Annual Report and Financial Statements, the Board reviewed and approved the TCFD disclosures set out on pages 31 to 50.

Governance

Board-level

The Board has overall responsibility for climate-related matters that affect the Group. The “Matters reserved for the Board” include Environmental, Social and Governance (“ESG”) matters to ensure there is clear oversight of ESG-related considerations, including climate change. The Board’s key responsibilities regarding climate change include:

- Ensuring the Company’s approach to ESG matters remains aligned with the Company’s strategic objectives
- Oversight of TCFD disclosures
- Overseeing the Company’s process for identifying, assessing and managing climate-related risks
- Monitoring the Company’s climate-related risks and opportunities over the short, medium and long term, and actions being taken in response
- Assessing the impact of climate-related risks and opportunities on the Company’s business, strategy and financial planning
- Approving the metrics and targets used by the Company to assess and manage relevant climate-related risks and opportunities and monitor performance against targets

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Strategic Report

Environment, Social and Governance continued
Creating a sustainable future continued

Task Force on Climate-related
Financial Disclosures (“TCFD”)
continued

Governance continued
Board-level continued

The Chief Financial Officer (“CFO”) has delegated responsibility from the Board for climate-related matters and is responsible for the implementation of our climate change management strategy. The CFO provides a monthly update to the Board on climate and ESG-related matters within financial reporting and delivers a more detailed update on a quarterly basis. Progress against our climate-related targets is reported annually to the Board.

A key focus for the Group is the continued growth of our Sync Energy brand which has delivered great success over the course of 2025. The Sync Energy product range has expanded to include a wider range of EV charging solutions as well as the launch of our Home Energy Management system (“HEMs”). Sync Energy product sales saw significant revenue growth in 2025, increasing by 84.7% to £18.1m (2024: £9.8m).

Another key initiative led by the CEO has been the development of in-house capabilities to provide our customers with product-level information relating to embodied carbon emissions within our products. The Global Compliance team has been strengthened with a carbon engineer who is responsible for providing TM65¹ and Environmental Product Declarations (“EPDs”) for our product ranges to help our customers understand the carbon impact of our products.

Excellent progress has been made across our LED lighting and Sync Energy ranges, with increased coverage of EPDs for our Sync Energy products. For LED lighting products, 72% of project lighting ranges and 31% of LED lighting sales have accompanying TM65 assessments. Over the course of 2026, we will continue to expand our coverage of EPDs and TM65s by working closely with our supply chain.

Management-level

To support the CFO in the implementation of the strategy, and the effective identification, assessment and management of climate-related risks and opportunities, we have two working groups (formerly three) comprising senior managers from across the Group. During 2025, we combined the Markets & Trends Working Group within the Sustainability Working Group to allow for a comprehensive update to be given to all divisions of the business and facilitate Group-wide discussions on sustainability-related matters. Each working group is chaired by the CFO and meets twice a year. Our external climate advisers attend these meetings to support the development of our strategy and the identification of emerging climate-related risks and opportunities.

Sustainability Working Group – this group contains senior management from key business areas, including product development, operations, finance, supply chain as well as senior management from customer-facing roles representing individual business units (Kingfisher Lighting and DW Windsor) and key sales channels (Retail, Trade and Projects). The group is responsible for the identification and management of climate-related matters, identification and implementation of carbon reduction measures, monitoring and providing feedback on changes in customer requirements around climate and wider ESG matters, as well as providing regular updates to customers on our climate strategy. Bringing the two working groups together fostered greater collaboration between divisions on sustainability-related matters. Additionally, several updates were shared on product developments around the business, with the recently launched solar lighting products discussed, growth in EV products and new EV charging developments. Following the acquisitions of D-Line and CMD, updates from representatives of these businesses have been captured separately, and over the course of the next year, representatives will be added to the working group sessions.

Manufacturing Working Group – includes senior representatives from our manufacturing facility in Jiaxing, with responsibility for the identification and management of climate-related matters as well as the development of initiatives to reduce energy consumption and emissions. During 2025, this group has expanded with the Global Compliance team joining who have responsibility for developing TM65s and EPDs for our product ranges. The team have been working closely with some of our largest customers on sustainable packaging, TM65 developments and supplier engagement.

Remuneration

To continually drive progress towards achieving our sustainability agenda, the remuneration for the corporate executive team is linked to the achievement of our ESG objectives. Up to 20% of the annual bonus is allocated to the achievement of strategic objectives including ESG objectives and targets. Further to the corporate executive team, bonuses for the delivery of our ESG objectives are included within the remuneration of Directors and senior management positions across the business. This helps to ensure our climate commitments and goals are continually being driven and executed by senior management. More information of executive remuneration can be found on pages 89 to 115.

1. TM65 provides methodology on calculating the embodied carbon of building services equipment.

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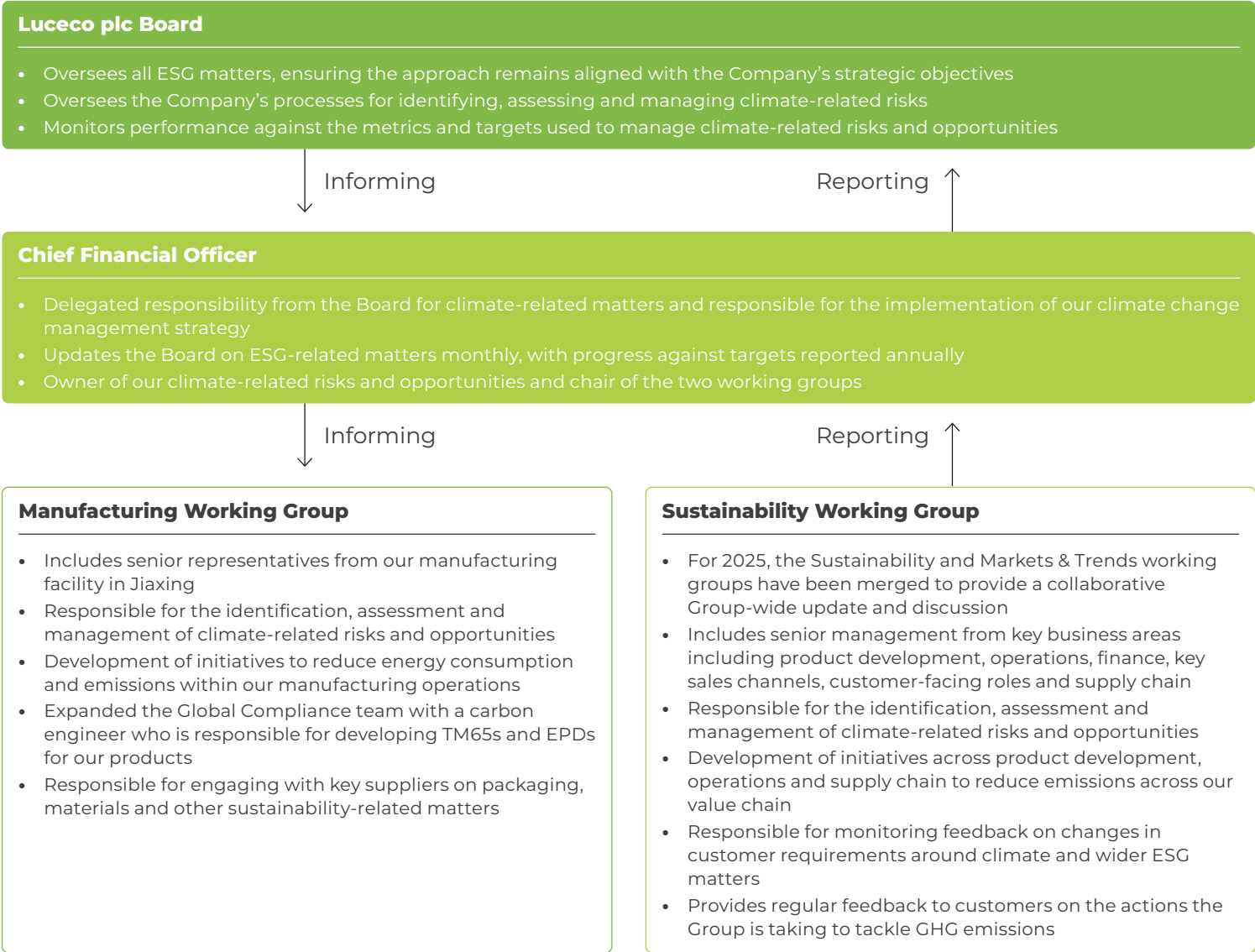
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Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Governance continued



Risk Management

The identification, assessment and management of climate-related risks is fully integrated into our risk management framework and mirrors the approach detailed on pages 62 to 66. Additionally, during the year the Group has been preparing for the introduction of Provision 29; this has provided further insight in our climate-related risks and controls.

Two sessions are held annually with each of the working groups to appraise our climate-related risks and opportunities and provide an update of how these risks are changing. The outputs from these sessions are integrated into our “Macroeconomic, political and environmental” risk within the principal risk assessment.

- The risk assessment process considers a number of categories, such as:
- Current and emerging regulations
 - Legal
 - Market
 - Technology
 - Customers
 - Physical (acute and chronic)
- The following categories are also considered for climate-related opportunities:
- Resource efficiency
 - Energy source
 - Products and services
 - Market
 - Resilience

Three principal climate-related risks and two principal opportunities have been identified that impact the Group.

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Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Climate-related risks

CRI

Transition: Changing customer behaviour

Link to strategy:

Change in year:

Risk and impact:

Mitigation:

Time horizon:

Risk appetite:

Net risk level:

Metrics:

Risk owner: CFO

Low

Medium

High

Total GHG emissions

% of revenue from customer with GHG emission reduction target or net zero commitment

• In 2025, we reviewed our top ten customers across the Retail, Hybrid and Professional Wholesale categories and estimate that approximately 42% of total revenue was generated from a customer with some form of public climate commitment (science-based targets or other public commitment to emission reduction targets)

• 2025 saw our professional lighting divisions experience a significant increase in demand for embodied carbon and circular design information as part of the tendering process for professional projects

• Emerging interest shown from our larger trade customers in our carbon management strategy, emission reduction targets and progress made in EcoVadis reporting

• Failure to meet the increasing expectations of our customers on climate action could lead to a loss of revenue

• Management liaises closely with customers to understand their ambitions and requirements relating to climate change

• Development of climate change strategy with an approved near-term science-based target validated by the SBTi; during 2026 these targets will be updated to incorporate the acquisitions of D-Line and CMD

• Responding to external data requests such as the Carbon Disclosure Project (“CDP”), in 2025 we received an “A-” score (2024: “B”), and EcoVadis scoring (2025: 53%, 2024: 43%) to increase transparency of our actions to address climate change and wider ESG matters

• We have invested in our internal capabilities to develop product information for TM65, TM66¹ and EPD assessments

• Across our lighting business units, completed TM65 assessments cover more than £22.8m of LED lighting revenue and all Sync Energy products have an EPD

• Proactive approach to emissions reductions including investment into operational efficiency, sourcing renewable electricity and offsetting residual Scope 1 emissions

• Working with our largest retail customer on the Manufacture 2030 programme to reduce emissions and improve the sustainability of our products and packaging

• 63 SKUs have achieved the Green Star rating with leading hybrid retailer Screwfix, an increase from 31 in 2024. Green Star products can help lower environmental impacts because they’re made from lower impact materials or processes, or designed to help reduce impacts when in use

1. TM66 provides a framework for action and assessment to create a circular economy in the lighting industry.

Key to TCFD strategy

Products & Services

Supply Chain

Research & Development

Operations

Luceco plc Annual Report and Financial Statements 2025

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Task Force on Climate-related Financial Disclosures ("TCFD") continued

Risk Management continued

Climate-related risks continued

CR2 Transition: Increased stakeholder concern or negative stakeholder feedback

Link to strategy:



Change in year:



Risk and impact:

- ESG issues, particularly climate change, are a large concern for our key stakeholders, including customers, consumers, lenders, investors and employees
- Shifting focus from investors towards how we seize the opportunities presented by the transition to net zero and how we are addressing our customers' agenda in this area
- Damage to our reputation in relation to climate change could lead to loss of revenue or negative impact on share prices

Mitigation:

- Management liaises closely with customers and investors to understand their ambitions and requirements relating to climate change
- Development of climate change strategy with an approved near-term science-based target validated by the SBTi
- Responding to external data requests such as the CDP, in 2025 we received an "A-" score (2024: "B"). This score puts the Group in the top 5% of the FTSE SmallCap index
- EcoVadis scoring (2025: 53%, 2024: 43%) to increase transparency of our actions to address climate change and wider ESG matters
- Proactive approach to emissions reductions including investment into operational efficiency, product efficiency improvements through R&D, sourcing renewable electricity, on-site solar PV and offsetting residual Scope 1 emissions
- Working with our largest retail customer on the Manufacture 2030 programme to reduce emissions and improve the sustainability of our products

Time horizon:

Short to medium term

Risk appetite:

Risk averse

Net risk level:

Low

Medium

High

Metrics:

Total GHG emissions

% revenue from customer with GHG emission
reduction target

Risk owner: CFO

Key to TCFD strategy

 Products & Services  Supply Chain  Research & Development  Operations

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Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Climate-related risks continued

CR3 Physical: Increased severity and frequency of extreme weather events

Link to strategy:



Change in year:



Risk and impact:

- Following our detailed assessment of physical risks on pages 38 and 39, we have identified that extreme weather events (precipitation and wind risk) could pose a risk to our sites and supply chain, particularly in China
- Severe disruption to our sites or suppliers could result in business interruption and ultimately a loss of revenue
- During 2025, our USA site was damaged following a tornado and operations were moved to a temporary site whilst repairs were completed. Business continuity was briefly disrupted, with orders fulfilled via the temporary site within 18 days of the impact

Mitigation:

- We have expanded the scope of our physical risk assessment to include newly acquired companies to provide a comprehensive review of physical risk exposures across our operational estate
- Key original equipment manufacturer (“OEM”) suppliers located in China are also included in this assessment to increase visibility of our suppliers’ risk exposure
- A buffer stock is held in our UK and China warehouses in the event of supply chain disruption
- All suppliers are provided with visibility of forward orders and supply issues are discussed upfront
- Our production facility in China is spread across multiple buildings on the same site to mitigate site disruptions
- The Group owns its product designs and production tooling, allowing manufacturing activities to be moved between suppliers more easily
- Business continuity plans have been developed and business interruption insurance put in place for our manufacturing facility, as well as key OEM suppliers

Time horizon:

Short, medium and long term

Risk appetite:

Risk accepting

Net risk level:

Low Medium High

Metrics:

Physical risk exposure rating (EarthScan Rating)

Risk owner: CFO

Key to TCFD strategy

Products & Services Supply Chain Research & Development Operations

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Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Climate-related opportunities

CO1 Access to new markets

Link to strategy:



Change in year:



Opportunity and impact:

- The electrification of energy and the Energy Transition present a significant opportunity for the Group as new markets emerge through the transition to net zero
- The Energy Transition has seen the transformation of combustion engines to electric vehicles. Our continued product growth in this area with Sync Energy branded EV chargers is a key opportunity
- Increased electrification is creating opportunities for new product categories that complement our existing offering, such as battery storage, inverters, solar PV and HEMs etc
- The new HEMs product range was released in 2025, supporting our expansion into this key new market opportunity which will support low carbon sales growth

Realising the opportunity:

- Launch of the Sync Energy brand championing eco-power for sustainable living. The brand covers key categories in the eco-power market including EV charging and HEMs
- Continued investment in R&D enables us to develop innovative products such as EV chargers for commercial premises and HEMs for integrating residential batteries, EV chargers, solar PV systems, and lighting and heating controls
- As expected, demand for EV charging solutions has increased significantly across both home and commercial premises during 2025, achieving 84.7% growth (2024: 26%)
- Dedicated R&D functions in China and the UK employing 155 specialists with an expenditure of £6.3m in 2025
- We will continue to evaluate opportunities to acquire businesses poised to benefit from the electrification of residential and commercial energy use to accelerate our growth strategy

CO2 Expansion of existing products and services

Link to strategy:



Change in year:



Opportunity and impact:

- The transition to net zero relies on the electrification of energy within homes and commercial buildings, which could increase demand for our existing products and services
- We anticipate an increase in demand for low carbon products and “green home tech” solutions such as smart plugs and controls, extension leads and ultra-efficient LED lighting
- Increased electrification within buildings could create additional demand for wiring accessories as building electricians are upgraded to manage the additional electrical load
- Regulatory and technology changes are another important sales driver. For example, there was a 60% increase in Luceco consumer unit sales during the EICR regulation change

Realising the opportunity:

- Expanded our range of LED lighting products and services through the acquisition of two external lighting businesses, DW Windsor (2021) and Kingfisher Lighting (2017)
- Acquisition of CMD (2024) who design and manufacture a comprehensive range of wiring accessories for commercial premises. Part of our 2026 objectives is to include LED lighting products as part of their product offering
- Continued investment in R&D enables us to bring new and more efficient products to market, helping to maintain competitive advantage and grow market share
- Dedicated R&D functions in China and the UK employing 155 specialists with an expenditure of £6.3m in 2025
- New product innovations include solar-powered off-grid lighting, hybrid lighting solutions as well as more efficient lighting products

Key to TCFD strategy



Products & Services



Supply Chain



Research & Development



Operations

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Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Physical risk: Scenario analysis

To better understand our exposure to the physical impacts of climate change, we have conducted scenario analysis. EarthScan™ allows us to evaluate physical risk on assets critical to our business (manufacturing facilities, warehousing and significant third-party OEMs) for a suite of different hazards, timescales and scenarios. The assessment for direct operations has been updated to include new operational sites for the newly acquired companies CMD and D-Line as well as a new warehouse in Telford.

The evaluation completed for OEM suppliers' exposure to physical risk remains relevant and has been updated with the latest climate intelligence from the EarthScan platform.

We used EarthScan's data and insights in our portfolio and asset-level climate risk assessment for the following climate hazards: flooding, heat stress, precipitation, extreme wind, drought and wildfire. Three Intergovernmental Panel on Climate Change (“IPCC”) scenarios have been used to assess physical climate risks:

Business as usual (SSP5/RCP8.5): Emissions continue to rise over the 21st century, in the worst-case scenario.

Emissions peak in 2040 (SSP2/RCP4.5):

Emissions do not increase beyond 2040. With current commitments, this is the climate scenario that most closely resembles current policy commitments.

Paris aligned (SSP1/RCP2.6): Emissions are aligned with Paris Agreement targets. This is the best-case scenario.

The results from the business-as-usual (“BAU”) scenario are shown below over the historical short, medium and long-term time horizons.

- Short term: present
- Medium term: 2030
- Long term: 2050

Note, the timeline of the Paris Agreement differs to TCFD, recognising their own regulation requirements. In conducting both physical and transitional scenario analysis, we have used a more granular assessment of risk exposure, which is important when considering climate-related risks and their implications for long-term strategic planning. The wider range of impacts ratings (very low to very high) compared to the risk assessment process (low, medium and high) helps to capture variations in potential impacts more precisely and their trend over the time horizons. We have also used longer time horizons compared to those used in setting our strategy to better understand and capture the long-term effects of climate change.

Risk driver	Direct operations			Exposure and potential impact
	Short term	Medium term	Long term	
Flooding	1	1	1	One of our sites in the UK is exposed to a medium risk of riverine flooding. A flood event could cause damage to our facilities or cause disruption indirectly if the local area was impacted. All other sites have been identified as low risk for both riverine and coastal flooding.
Wind risk	1	1	1	Extreme wind events can occur during weather events such as storms and typhoons. These events could cause damage to our facilities or lead to disruption if there are power outages or disruption in the local area. The overall risk is low; however, our site located in China is at a medium-high risk.
Heat stress	3	4	4	Most locations are exposed to a medium-high level of heat stress which will increase under the BAU scenario. Increased temperatures over a prolonged period could lead to a loss of productivity and increased costs due to high energy demand for cooling.
Precipitation risk	2	2	2	Precipitation risk refers to the risk caused by exposure to extreme precipitation events or exceptionally high volumes of precipitation. Our sites in China, the UAE and Mexico are exposed to a high risk which could increase the likelihood of flooding, causing damage and disruption to our sites and the surrounding area.
Drought	2	2	2	Droughts are expected to increase under the BAU scenario. Our warehouse located in the UAE has the highest exposure, whilst the manufacturing sites in China and the UK have a low-risk exposure. Droughts would have an immaterial impact on the Group.
Wildfire	1	1	1	All sites are at a low risk from wildfire events.

Risk exposure

1 Very low 2 Low 3 Medium 4 Medium-high 5 High 6 Very high

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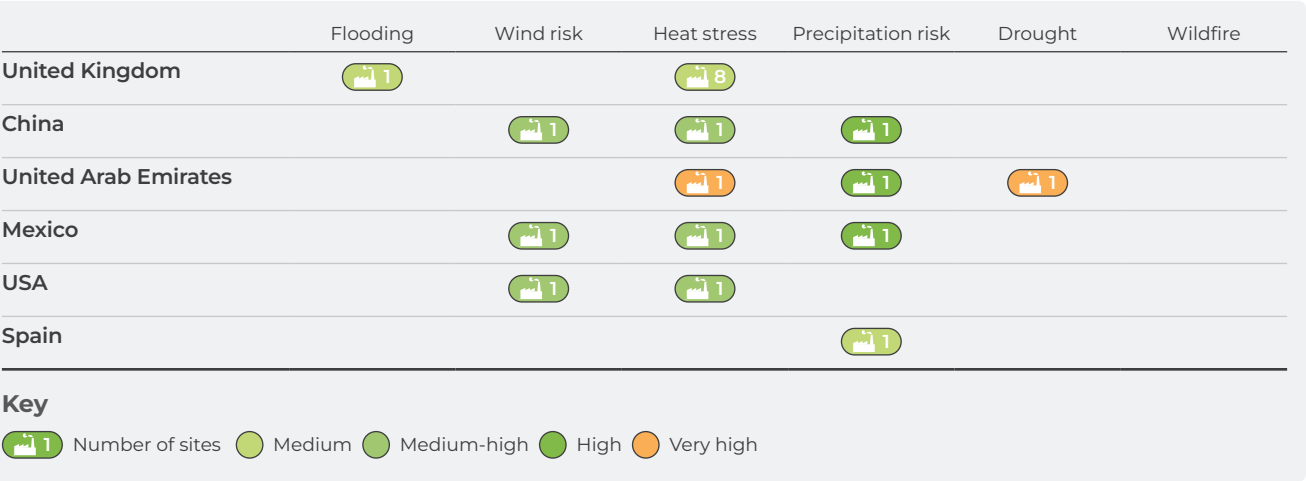
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Risk Management continued

Physical risk: Scenario analysis continued

The table on the right shows the geographic distribution of risks for the different hazards across key operational sites (manufacturing plus warehouse and distribution operations) that have a risk exposure greater than “medium”. In each column, the tile number corresponds to the number of sites potentially with a risk exposure rating of medium or above. The colour of the tile represents the average risk exposure for those sites. Grey tiles represent countries where sites achieved a rating of “very low” or “low” for the exposure in that risk category.



Risk driver	Top 15 OEMs			Exposure and potential impact
	Short term	Medium term	Long term	
Flooding				Supplier sites have a low-risk exposure to riverine and coastal flooding events.
Wind risk				Our suppliers are exposed to a high level of wind risk in the form of typhoons and storms. These events could damage supplier factories, affecting their ability to manufacture. Indirect damage: There is also a risk that if the local area is affected, it could lead to other disruptions, such as their ability to bring in raw materials or transport finished goods. This could impact the amount of product we have available for customers.
Heat stress				There is a medium risk of heat-stress events for suppliers. Whilst there could be implications such as productivity loss or high operating costs, the impact for the Group is thought to be immaterial.
Precipitation risk				Our suppliers are exposed to a high level of precipitation risk with heavy precipitation events becoming more frequent and intense across Asia. These events could cause damage and disruption to supplier facilities through surface water flooding. This risk could also impact the ability of suppliers to bring in raw materials or transport finished goods, which could impact the amount of product we have available.
Drought				Droughts are expected to increase under the BAU scenario but still remain at a low risk level. Droughts could cause short-term disruption for manufacturers that are reliant on water within their manufacturing processes. However, given the risk level, the impact on the Group is thought to be immaterial at this stage.
Wildfire				Supplier sites have a low-risk exposure to wildfire events.

Risk exposure

Very low Low Medium Medium-high High Very high

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Risk Management continued

Adaptation and mitigation measures

Our physical scenario analysis shows the extent to which our operations and those of our principal OEM suppliers, situated within China, are exposed to the acute and chronic impacts of climate change. Extreme weather events such as extreme precipitation and storm events represent the most significant threat to our facilities and suppliers.

During 2025, there was one minor impact to our operations and supply chain as a result of extreme weather events. This occurred at D-Line's USA site where a tornado damaged the site, causing a short-term disruption to operations. Our business continuity plans were successfully implemented and enabled the fulfilment of orders within 18 days of the event. A temporary site was established whilst repairs were conducted at the damaged facility, and we relocated back there in January 2026. The insured financial impact and losses were minimal.

In recognition of the potential disruptions posed by extreme weather events, we hold additional stock in our warehouses in both the UK and China. This buffer helps to bolster our resilience to any temporary disruptions within the supply chain. The Group has ownership of product designs and production tooling, allowing manufacturing activities to be moved between suppliers more easily, should any disruptions arise. We have established comprehensive business continuity plans and secured business interruption insurance for our manufacturing facilities and critical OEM suppliers. This ensures our preparedness and financial protection against unforeseen events. Over the medium to long term, we are looking at greater diversification of our supplier base to further mitigate our risk exposure and are planning to have small-scale options outside of China.

Strategy

We recognise that climate-related risks and opportunities can manifest over longer time horizons that extend beyond traditional business planning horizons (and hence these timelines are different to our assessment of non-climate-related risks). To develop a resilient business capable of navigating the uncertainties introduced by climate change, we have embedded the management of these climate-related considerations within our business strategy, encompassing our short, medium and long-term time horizons.

- Short term: 0 to 1 year
- Medium term: 1 to 3 years
- Long term: 3 to 10+ years

Our strategic priorities help to ensure our work contributes increasingly to society's sustainability goals.

Grow our presence in higher-growth product segments

Our growth strategy focuses on continued organic growth and targeted acquisitions to gain access to emerging product markets and expand our existing product offering. We aim to leverage the opportunities presented by the electrification of energy which helps drive decarbonisation and the transition to net zero.

Enhance our existing market position

Through our excellent product range, including our expanding range of complementary products, we aim to provide our existing customers with more opportunities to grow their businesses.

Expand the breadth and depth of our product range

Through research and development, we will continue to develop innovative products which are more efficient and designed with sustainability in mind. As we progressively add greater technology, such as controls, smart functions and connectivity, we can help our customers reduce their energy usage.

Deliver synergistic growth

Leveraging our strategic acquisitions, we can introduce wider complementary product ranges while benefiting from leaner operating and support functions and in-house product development.

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Strategy continued

Transitioning to a low carbon economy

We recognise the UK Government's net zero target for 2050 alongside the net zero commitments and emission reduction targets that our customers have made. In setting our strategy, we have established near-term science-based emission reduction targets which were validated by the Science Based Targets initiative ("SBTi") in 2023. Following new acquisitions in 2024, these entities are now integrated into the Group's GHG reporting and the Group aims to have both near-term targets revalidated by the SBTi during 2026. Delivering progress against our near-term targets is an important step in our transition towards a low carbon economy. To achieve our Scope 1 and 2 target we will continue to source 100% renewable electricity, and in September 2024 we completed the installation of our second solar PV array at our manufacturing facility in China. After a full year of use in 2025, 15% of the site's electricity consumption was self-generated, a 70% increase in power generation compared to 2024.

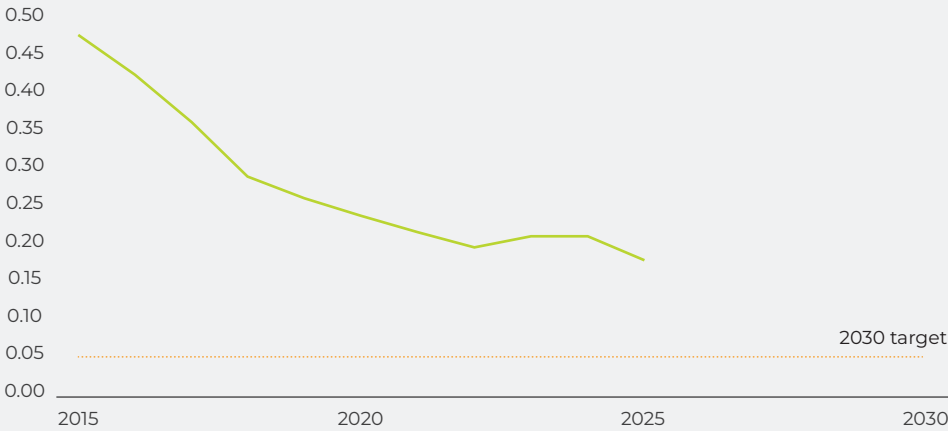
Ensuring we use energy efficiently across heating, manufacturing processes and transportation will play an important role in reducing our use of fossil fuels. We have made improvements to the management of our heating system at our main distribution centre in Telford, reducing gas consumption by 50% compared to last year.

All CMD forklift trucks are battery operated and charged on site using renewable-backed electricity contracts. Continued LED lighting replacements have occurred across all DW Windsor sites, with one site's boiler replaced with a more efficient system which utilises a new control system to reduce usage. During 2025, an EV car salary sacrifice scheme was introduced which also provides participants with a complementary Sync Energy charger for their home. This has been completed alongside the installation of EV chargers at our sites to support employees with the transition to electric vehicles.

Over the medium term, we will need to continue the transition of Company-owned vehicles to electric and low carbon alternatives as well as assessing the use of low carbon heating and processing solutions to reduce our reliance on fossil fuels.

Our Scope 3 target focuses on emissions from the use of the products we sell. We continue to enhance product efficiency through research and development, integrating energy-saving features such as advanced controls and smart functionality. Our expanding product range, including off-grid solar-powered and hybrid lighting solutions, demonstrates our commitment to innovation and decarbonisation, helping our customers transition to a low carbon economy.

UK electricity grid emissions intensity (kgCO₂e /kWh)



Achieving our Scope 3 target is dependent upon the decarbonisation of electricity grids in the markets where our products are sold. For example, the carbon intensity of the UK electricity grid has halved due to increased renewable energy generation since 2015. The UK Government remains committed to delivering a clean power system by 2030, with the aim to reduce the carbon intensity of electricity to below 50gCO₂e/kWh. Recent data shows in the four quarters to Q3 2025, 63.7% of UK electricity generation came from clean sources, with the target set at 95% by 2030 (source: Government policy paper from April 2025, "Clean Power 2030 Action Plan").

To strengthen our transition to a low carbon economy, we will be conducting a comprehensive review of our strategic plans for achieving our emission reduction targets. Throughout 2026, our senior leadership team will engage in workshops with climate advisers to evaluate our current trajectory, to ensure our internal roadmap remains robust. As the UK Government moves toward finalising the UK Sustainability Reporting Standards ("UK SRS"), we are proactively reviewing our approach to inform our strategic direction and ensure we are well positioned for future disclosure requirements.

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Strategy continued



Products & Services

Our low carbon product ranges (LED lighting, EV chargers and smart standby products) help customers to reduce their GHG emissions and transition towards a low carbon future. We strive to develop more efficient products and better controls to improve energy efficiency.

Links to strategic priorities



Links to climate-related risks and opportunities



Achievements during 2025

- £91.5m revenue generated from low carbon product categories
- Strong pipeline of new products launched, including EV chargers for commercial premises, HEMs for integrating residential batteries, EV chargers, solar PV systems and heating controls as well as solar-powered lighting solutions
- LED lighting product developments completed to allow for adjustable wattage and colours for several ranges; reduces stock holding requirements and improves efficiency of project delivery
- Continued development of TM65, TM66 and EPD for LED products in response to increased customer demand for sustainability-related product information



Supply Chain

One of our strengths is the relationship we have with our suppliers. We recognise that we must work together to make more sustainable choices across product design, material choices and the manufacturing processes.



- Continuing to work with our key customers on the Manufacturing 2030 programme to reduce our GHG emissions
- Worked with our logistics partner to improve our quantification methodology for upstream logistics
- As part of developing our product sustainability information, our Global Compliance team has expanded. A dedicated carbon engineer is now responsible for engaging with our supply chain to obtain critical data for TM65 and EPD assessments



Research & Development

Our business is well placed to take advantage of the inevitable electrification of energy as we transition towards a low carbon economy. Opportunities for expansion into electric vehicle charging and other low carbon solutions such as smart home technology.



- Specialist global R&D functions employing 155 specialists with an expenditure of £6.3m (2024: £5.1m)
- Development focus on EV and HEMs which are key growth areas for the business and also a key high market growth opportunity
- DW Windsor and Kingfisher Lighting continue to develop innovative hybrid power lighting solutions, including solar-integrated products, to help customers reduce their energy consumption and costs



Operations

One of our first priorities is to reduce the emissions from our operations. By implementing efficiency improvements, we can reduce energy use, raw material use, waste and water use to limit our GHG emissions.



- Sourced 100% renewable electricity for all Group facilities in 2025, for the fourth consecutive year
- Completion of the second solar PV array at our manufacturing facility in China. Both arrays contributed to 15% of electricity consumption in 2025, a 70% increase in power generation against 2024
- Investment in process optimisation and automation at the China site, reducing compressed air usage and electricity consumption
- Installation of EV chargers across our sites for employees and visitors to utilise
- Superior packaging solutions implemented
- Introduced a Group-wide Octopus EV salary sacrifice scheme and provided participants with a Sync Energy charger for their home

Targets and commitments

Luceco plc commits to reduce absolute Scope 3 GHG emissions from the use of sold products by 27.5% by 2031 from a 2021 base year.

Luceco plc commits to generating £120m revenue from low carbon product sales by 2030.

Luceco plc commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 46.2% by 2031 from a 2021 base year.

Key to strategy 1 Grow our presence in higher-growth product segments 2 Enhance our existing market position 3 Expand the breadth and depth of our product range 4 Deliver synergistic growth

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Strategy continued

Financial planning

Climate-related matters influence various elements of our financial planning process. The potential financial impact of each risk and opportunity is calculated to better understand its materiality for the Group. Acquisitions have played, and will continue to play, a key role in our sustainable growth strategy. We have acquired three businesses since 2017 to gain access to emerging product markets, such as EV chargers through our acquisition of Sync EV in 2022, and to expand our existing LED lighting product offering through the acquisitions of Kingfisher and DW Windsor. In 2024 we acquired CMD, who design and manufacture a comprehensive range of wiring accessories for commercial premises and offices, which represents an opportunity for the Group to sell our LED lighting products to complement their existing offering.

Our aim is to leverage our position as the UK’s leading provider of domestic electrical devices to seize opportunities presented by the electrification of energy as society charts its path towards net zero.

We generated £91.5m of revenue from low carbon products in 2025, an increase of 10.8% (2014: £82.6m). Products captured in this target area include HEMs launched in 2025, as well as existing products such as LED lighting, EV chargers, solar lighting, and all smart controls. With significant market expansion in these fields, particularly in the EV market driven by the low carbon transition, we have made good progress against our current target of £120m of low carbon sales by 2030.

Copper is a key raw material for our products, and we anticipate that demand for copper will continue to increase, driven in part by the electrification of energy and transportation. We continue to use forward purchasing strategies and hedging along with short-term fixed price agreements to protect against volatility.

Over the course of 2025, we have continued to invest £6.3m in R&D (2024: £5.1m), with a significant proportion attributable to the development of low carbon products. Additionally, we have invested to reduce our GHG emissions, including the second solar PV array at our manufacturing facility in China which operated for a full year in 2025 and produced 15% of the site’s electricity consumption. Additionally, we continue to invest in a range of measures to improve our energy efficiency and reduce GHG emissions, including the installation of seven new EV charging piles at the China site and several operational efficiency measures, with details provided on page 42.

Scenario analysis: Transition risks and opportunities

In 2022, we carried out a detailed assessment of how our main climate-related transition risks and opportunities could evolve under three different scenarios based upon the Network for Greening the Financial System (“NGFS”) climate scenarios. Potential impacts and their materiality were considered across short (present), medium (2030) and long-term (2050) horizons. Our medium-term horizon is aligned with our near-term science-based emission reduction target, and our long-term horizon aligns with the UK Government’s net zero commitment. In 2025, we revisited the risks and opportunities evaluated within our scenario analysis process and are satisfied that there were no new emerging risks or opportunities at this stage which need to be factored into our assessment.

Whilst we are due to repeat our scenario analysis in line with our three-year planning cycle, due to delays in the endorsement of the UK SRS and no significant changes in our identified climate-related risks and opportunities, our current scenario analysis will remain in place. The FCA have launched a consultation to update their listing rules to reference the UK SRS following the publication of the final standards in February 2026. Over the course of this year, we aim to repeat our scenario analysis assessment, taking into consideration the UK SRS and the proposed updates to the FCA listing requirements.

In the Net Zero (“NZ”) scenario, we are likely to be confronted by escalating risks associated with the evolution of customer preferences and increasing stakeholder concern regarding climate change. Should we fail to align with these escalating demands for climate action, our revenue could be impacted by falling customer demand and our share price could be adversely affected. The advent of carbon pricing mechanisms and the surge in raw material costs driven by the global shift towards sustainable energy, may result in higher costs. This scenario also unveils the most substantial opportunities for the Group, especially in the medium to long term. The development of new markets such as EV charging equipment and other emerging technologies represent substantial growth opportunities for the Group. Additionally, there is potential within existing product categories for growth, through the electrification of energy and a growing appetite for environmentally conscious products.

In the Delayed Transition (“DT”) scenario, the perceived risks appear more subdued in the short to medium term but escalate towards the long-term horizon. This suggests a delayed transition might lead to sudden and more significant changes over a shortened timescale later on. The potential financial impacts from changing customer behaviour and stakeholder concern on revenue and share price could become more significant if we failed to act over the long term.

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Scenario analysis: Transition risks and opportunities continued

The Current Policies ("CP") scenario, which assumes there is no expansion in climate policies and lowered expectations from customers and other stakeholders, results in a lower level of transitional risk. We still anticipate growth prospects within this scenario, as advances in energy efficiency and the progression towards the electrification of energy present viable opportunities. However, the magnitude of these opportunities is less pronounced than in the NZ or DT scenarios.

Our strategic approach to sustainable growth continues to focus on organic growth complemented by strategic acquisitions aimed at gaining access to emerging markets and enhancing our existing portfolio. Sustainability is a key pillar of our business strategy, and we are well positioned to seize the opportunities presented by the transition to net zero. We recognise and support the significant commitments our customers are making to reduce their carbon footprint and will work closely with them to help them achieve their climate aspirations.

Climate scenarios

Net Zero 2050 – an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO₂ emissions no later than 2050.

Delayed Transition – assumes global emissions do not peak until 2030, followed by strong policies that are needed to limit warming to below 2°C. This scenario explores the impact that a delayed and disorderly transition could have.

Current Policies – assumes that only currently implemented policies are preserved, leading to a "hot-house world", a higher degree of physical risk and lower impact of transitional risk.



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Scenario analysis: Transition risks and opportunities continued

Transition risk/ opportunity	Description	Potential financial impact	Scenarios	Short term	Medium term	Long term
Risks						
Changing customer demands	Trend within our retail customer base of ambitious carbon reduction targets that requires suppliers to set similarly ambitious targets	Failure to respond to increasing customer demand for climate action could lead to a loss of revenue through reduced demand for products and services	NZ	3	4	5
			DT	2	3	5
			CP	2	2	2
Increased stakeholder concern	ESG issues, particularly climate change, are a large concern for our key stakeholders (investors, customers, employees and consumers)	Damage to our reputation in relation to climate change could lead to a loss of revenue or negative impact on share prices	NZ	3	4	6
			DT	2	3	6
			CP	2	2	2
Increased pricing of GHG emissions	To achieve the ambitious goal of net zero emissions by 2050, the policy landscape around GHG emissions will need to evolve to create the necessary environment to enable the transition to a low carbon economy	More ambitious climate policies could increase direct and indirect operating costs. Failure to comply with reporting obligations could have a negative impact on our reputation	NZ	4	4	4
			DT	2	2	5
			CP	1	1	1
Increased cost of raw materials	Demand for critical materials, such as copper, is projected to rapidly grow as sustainable technologies are deployed (renewable energy, electrification, EVs etc.) in pursuit of net zero. Rapid growth in demand and the timespan to develop new supplies of metals can affect the supply and demand balance	Increased raw materials costs would inevitably lead to increased product costs, although these costs can usually be passed on. Constrained supply chains could temporarily reduce production output	NZ	4	4	4
			DT	2	2	5
			CP	2	2	2
Opportunities						
Access to new markets	The electrification of energy presents a significant opportunity for the Group through the net zero transition. This predominantly relates to EV charging solutions but could also extend to new product categories that complement our existing offering (battery storage, inverters, solar PV etc.)	The transition to net zero presents a range of exciting opportunities for the Group to grow revenues from new product categories. For example, the UK EV charging market is a vital market for the Group and was previously estimated to be worth £500m annually by 2025; current market value is £450m with estimated growth to £1,244m by 2030	NZ	4	6	6
			DT	2	4	6
			CP	2	4	4
Expansion of existing products and services	The transition to net zero relies on the electrification of energy and efficiency gains within buildings which could increase demand for our products. This includes low carbon products (LED lighting, solar lighting, EV charging, battery storage, smart plugs, electric heating and smart controls) and wiring accessories as building electrics are upgraded to manage the additional electrical load	The transition to net zero presents a range of exciting opportunities for the Group to also grow revenues within existing product categories	NZ	4	6	6
			DT	2	4	6
			CP	2	4	4

Materiality	Low		Medium		High	
Risk	1	2	3	4	5	6
Opportunities	1	2	3	4	5	6

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Task Force on Climate-related Financial Disclosures ("TCFD") continued

Metrics and Targets

Greenhouse gas emissions

We are committed to measuring and reducing our greenhouse gas emissions ("GHG"), having established 2021 as the baseline for our GHG inventory and emission reduction targets. The Group's emissions have been independently calculated in accordance with the GHG Protocol, utilising emission factors published by the UK Government, the International Energy Agency ("IEA") and the EXIOBASE EEIO factors. The table below details our GHG emissions from all Group operations and our value chain across Scopes 1, 2 and 3 for the year ended 31 December 2025, compared to the previous year and the 2021 base year. The datasets have been updated to include the emissions associated with CMD and D-Line following the acquisitions of these entities in 2024.

GHG emissions (tCO ₂ e)	2025	2024	2021	Change vs 2024	Change vs 2021
Scope 1					
Natural gas	525.3	557.9	535.7	(6)%	(2)%
LPG	15.8	20.8	33.7	(24)%	(53)%
HFCs	109.3	183.3	47.7	(40)%	129%
Company vehicles	519.9	489.3	499.0	6%	4%
Scope 2					
Market-based method ("MBM")	—	—	403.5	—	(100)%
Location-based method ("LBM")	5,158.8	5,271.5	4,994.0	(2)%	3%
Scope 3					
Purchased goods and services	88,424.3	85,853.1	94,535.1	3%	(6)%
Capital goods	1,981.0	1,729.7	2,474.5	15%	(20)%
Fuel and energy-related activities	2,213.6	1,949.3	1,896.9	14%	17%
Upstream transportation and distribution	15,667.3	14,441.3	13,024.2	8%	20%
Waste generated in operations	175.8	234.5	212.9	(25)%	(17)%

GHG emissions (tCO ₂ e)	2025	2024	2021	Change vs 2024	Change vs 2021
Business travel	947.3	918.1	415.9	3%	128%
Employee commuting	1,492.5	1,286.2	1,580.8	16%	(6)%
Downstream transportation and distribution	10,192.7	14,219.9	21,313.1	(28)%	(52)%
Use of sold products	467,038.4	441,124.0	688,659.1	6%	(32)%
End-of-life treatment of sold products	895.8	878.4	1,184.0	2%	(24)%
Downstream leased assets	20.6	22.7	—	(9)%	—
Investments	—	142.9	—	(100)%	—
Total Scope 1 + 2 (MBM only)	1,170.3	1,251.3	1,519.6	(6)%	(23)%
Total Scope 3	589,049.3	562,800.1	825,296.5	5%	(29)%
Total GHG emissions	590,219.6	564,051.4	826,816.1	5%	(29)%
Outside-of-scope direct biogenic emissions	19.1	19.4	124.7	(2)%	(85)%

In 2025 our total Scope 1 and 2 market-based emissions decreased to 1,170 tCO₂e, representing a 6.5% reduction compared to last year and a 23% reduction compared to our 2021 base year. This performance reflects continued progress in operational efficiency and decarbonisation initiatives across the Group. The year-on-year improvement was driven primarily through reductions in natural gas consumption and fewer refrigerant leaks resulting in lower HFC emissions. Company vehicle emissions have increased slightly consistent with increased business activity in the year. Our market-based electricity emissions remained as zero in 2025, reflecting our ongoing commitment to sourcing renewable electricity.

Scope 3 emissions have increased by 5% compared to last year, however they are 29% lower compared to our base year. The base year emissions have been restated to account for improvements to underlying product data relating to the use of sold product calculations. This revealed that earlier calculations had understated emissions by over-representing lower carbon UK sales, while higher intensity markets such as Mexico and the UAE were under-represented. Updating the dataset to reflect more accurate product information and market-specific emission factors has resulted in a higher and more accurate baseline.

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Metrics and Targets continued

Streamlined Energy and Carbon Reporting

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires the Group to disclose its annual energy consumption and greenhouse gas emissions from Streamlined Energy and Carbon Reporting ("SECR") sources for global Scope 1 and 2 emissions. Our emissions intensity per unit of turnover is reported in the GHG inventory table on page 46 and the narrative on energy and emission reduction measures is included in the Strategy section on pages 40 to 45.

Energy use (kWh)	2025			2024			Total change (%) vs 2024
	UK	Non-UK	Total	UK	Non-UK	Total	
Natural gas	1,288,835	1,582,231	2,871,066	1,705,113	1,344,544	3,049,657	(6)%
LPG	73,777	—	73,777	96,821	—	96,821	(24)%
Company vehicles	1,889,942	188,691	2,078,633	1,900,928	116,800	2,017,728	3%
Electricity (grid)	1,820,403	8,290,980	10,111,383	1,925,118	8,005,660	9,930,778	2%
Electricity (solar generation)	—	1,397,374	1,397,374	—	824,039	824,039	70%
Total	5,072,957	11,459,276	16,532,233	5,627,980	10,291,043	15,919,023	4%

Scope 1 and 2 emissions (tCO ₂ e)	2025			2024			Total change (%) vs 2024
	UK	Non-UK	Total	UK	Non-UK	Total	
Natural gas	235.8	289.5	525.3	311.9	245.9	557.8	(6)%
LPG	15.8	—	15.8	20.8	—	20.8	(24)%
HFCs	4.5	104.8	109.3	10.2	173.2	183.4	(40)%
Company vehicles	475.0	44.8	519.9	462.0	27.3	489.3	6%
Electricity (location-based)	322.2	4,836.5	5,158.7	398.6	4,872.9	5,271.5	(2)%
Electricity (market-based)	—	—	—	—	—	—	—
Total (market-based)	731.1	439.1	1,170.3	804.9	446.4	1,251.3	(6)%

Emissions intensity ratio	2025	2024	Total change (%)
£m revenue	271.4	262.2	3%
Scope 1 + 2 (MBM) tCO ₂ e/£m turnover	4.3	4.8	(10)%

Our emissions intensity ratio has continued to improve in 2025 with a 10% reduction compared to last year. The revenue figure used for 2024 and 2025 includes full-year revenue for CMD and D-Line to ensure a fair comparison with the associated GHG emissions.

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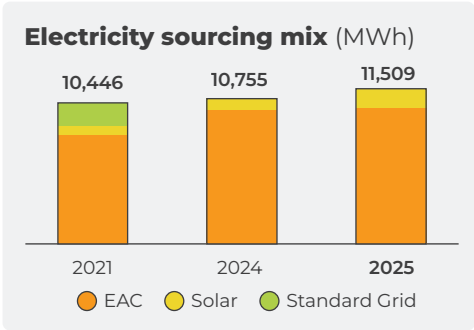
Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Metrics and Targets continued

Renewable electricity

We have continued our efforts to mitigate our Scope 2 emissions and sourced 100% renewable electricity across all operations for the fourth year running. From October 2025, our major UK sites were moved to a renewable energy tariff; this represents approximately 85% of UK electricity consumption. For the remaining Group electricity consumption on standard contracts, renewable Energy Attribute Certificates (“EACs”) have been sourced to cover grid electricity consumption. We were unable to source EACs generated for our operations in Mexico due to the small volume of certificates required and have instead sourced EACs from Guatemala, which shares an electrical interconnector with Mexico. Our second solar PV array at our manufacturing facility in China began operating in September 2024 and following a full operational year in 2025, the array accounted for 15% of the site’s electricity consumption.



Carbon neutrality

Carbon neutrality (or carbon neutral) is defined as having zero Scope 1 and Scope 2 emissions by a combination of carbon reduction activities together with offsetting measures, such as carbon credits. We have retired a total of 1,171 credits this year, sourced from the Weyerhaeuser Afforestation Project in Uruguay (350 credits) and the Corazón Verde del Chaco Project in Paraguay (821 credits). The Weyerhaeuser nature-based project covers over 18,800 hectares of degraded land which is expected to continue to degrade in the absence of this afforestation project. The Corazón Verde del Chaco project supports the protection of native forest in the Paraguayan Chaco, preventing deforestation-related emissions while delivering important biodiversity benefits and long-term conservation outcomes.

GHG data verification

As part of improving our CDP disclosures, we obtained external verification from Lucideon CICS for our 2024 Scope 1 and 2 emission sources, as well as verification for our Use of Sold Products emissions. The verification findings provide limited assurance that the GHG emissions statement is materially correct and a fair representation of the Group’s Scope 1, 2 and Use of Sold Products GHG emissions. The Group is committed to repeat verification for these sources for the 2025 period as part of our 2026 CDP disclosure.

Calculation methodology

Scope 1 and 2

Natural gas – Calculated using metered consumption from supplier invoices. Where actual consumption data was not available, consumption has been estimated based on floor areas and published benchmarks or heating degree day regression analysis.

HFCs – Refrigeration emissions have been calculated from service records where available. Where records were unavailable, HFC losses have been estimated using the screening methodology which estimates annual refrigerant losses based on equipment type.

Company-owned vehicles – Emissions have been calculated using fuel consumption data where available. Vehicle type and mileage have been used to calculate emissions where fuel data is not available. UK Government “SECR” kWh emission factors have been utilised to calculate the underlying energy use.

Electricity – Calculated primarily using metered consumption from supplier invoices and half-hourly consumption data. Where actual consumption data is not available, consumption has been estimated based on floor areas and published benchmarks.

Exclusions – Emissions from rented sales offices with shared air conditioning services, including our sales offices in the UAE and Spain, have been excluded due to a lack of data, however emissions are immaterial.

Scope 3

Financial screening – Purchased goods and services, capital goods, business travel, waste generated in operations and some aspects of transport and distribution have been calculated using a financial screening methodology which uses high-level environmentally extended input output (“EEIO”) factors to estimate associated GHG emissions from financial spend information. Country or region-specific EXIOBASE EEIO factors from 2020 have been utilised along with the most up-to-date deflation factors published by the World Bank and UK Government to normalise spend back to the year of the emission factors.

Upstream transportation and distribution – We have obtained GHG calculations from our main freight forwarder to improve the calculation and move away from financial screening. The calculations are completed on a tonne/km basis in line with the GHG Protocol and relevant UK Government emission factors are used. The financial screening is adjusted to exclude the main freight forwarder from that part of the calculation to avoid double counting.

Use of sold products – Emissions have been modelled based on sales data and product information and assumptions on the use of our products over their expected lifespan. For LED lighting products, we have taken the quantity of lights sold and their individual wattages and multiplied by 75% of their overall lifetime run hours to estimate their lifetime energy usage.

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Metrics and Targets continued

Calculation methodology continued

Scope 3 continued

This is then multiplied by the country of sale electricity emission factor, provided by the UK Government for the UK and IEA factors for the rest of the world. Where the product wattage or lifetime run hours is unknown, we uplift the emissions from known products on a revenue basis to estimate emissions from products with missing information.

For EV chargers we have included the standby power rating and charging losses (excluding battery losses) within their energy use calculation. Our EV charger management system provides the annual average energy consumption per sold charger, which we use to approximate the charging losses. We estimate that our chargers have an average lifespan of eight years. We multiply the estimated lifetime energy use per charger by the country of sale electricity emission factor.

For standby power products such as Wi-Fi or USB-enabled wall sockets and CMD power distribution products, we assume a standby power consumption of 0.1W and an estimated lifespan of ten years. We multiply the estimated lifetime energy use per product by the country of sale electricity emission factor.

For HEMs, we have assumed that these systems are coupled with a solar PV system, therefore emissions with these systems are zero.

End-of-life treatment – We have calculated the total weight of sold product and packaging for the reporting period. Where there is weight data missing, we have used an average for the product category to estimate the missing product and packaging weight. Around 80% of our products are sold within the UK, therefore we have used UK Government waste treatment statistics for packaging and the Waste Electrical and Electronic Equipment (“WEEE”) regulations to estimate the treatment method for each waste stream.

Based on available data, an assumption on packaging types was assumed to be 70% paper and cardboard and 30% plastic and UK Government emission factors were used to estimate emissions.

Fuel and energy-related activities – The underlying energy figures used in the Scope 1 and 2 calculations have been multiplied by the UK Government well-to-tank and transmission and distribution emission factors.

Downstream transportation and distribution – Where our customers have arranged the transportation of our products, we have estimated their shipping costs on the basis of what we have paid in terms of shipping costs. We have then used the EXIOBASE EEIO factors to estimate the associated emissions.

To account for the retailing and distribution emissions associated with our customers' operations, we have taken a sample of our customers' Scope 1 and 2 emissions per revenue by sales channel.

This is multiplied by the revenue from each sales channel, with a multiplier to account for customer margin, to estimate the associated emissions.

Employee commuting – For China-based employees, we have created a model based on average commuting distances within major Chinese cities and a survey on modes of transport for commuting within China. Within this model, UK Government emission factors have been utilised as a proxy, and we have applied a 15% uplift to these factors to be conservative. The majority of all other employees are based in the UK and therefore the average commuting emissions per full-time equivalent for a UK worker has been used.

Carbon Disclosure Project (“CDP”) We received a leadership-level score (“A-”) for our response to the CDP Climate Change questionnaire in 2025, which scores us within the top 5% of the FTSE SmallCap index. This is our fifth year of reporting to the platform, so we are delighted to have achieved a strong grade, reflecting our progress integrating climate-related issues into our business operations. Our CDP response contains further information on our climate governance, risk management processes, climate-related risks and opportunities, GHG emissions and verification, emission reduction targets, and a strong business strategy.

EcoVadis

We received a 53% score for our 2025 response, which placed the Group in the 41st percentile. Our score has shown improvement against our 2024 score (2024: 43%), with our environment (50/100 to 68/100) and sustainable procurement (30/100 to 53/100) being the main driving force behind the overall improvement. One of our main 2026 goals is to continue to improve our score in the next disclosure cycle since we have had more focus on it since 2024.

Science Based Targets initiative

Our near-term emission reduction targets were successfully validated by the SBTi in April 2023. At present, our targets do not include emissions data from the recent acquisitions of D-Line and CMD. Now that our base year inventory has been updated to include these entities, a target recalculation has been triggered as our base year recalculation threshold has been exceeded. Our target performance is reported against the existing scope and boundaries (excluding D-Line and CMD) and we plan to update and revalidate our targets through the SBTi in 2026.

The SBTi defines and promotes best practice in science-based target setting and establishes how quickly organisations need to reduce their GHG emissions to prevent the worst effects of climate change. Our targets are to:

- Reduce absolute Scope 1¹ and Scope 2 GHG emissions by 46.2% by 2031 from a 2021 base year
- Reduce absolute Scope 3 GHG emissions from the use of sold products by 27.5% by 2031 from a 2021 base year

1. Scope 1 emissions include the biogenic elements as per the SBTi target requirements.

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Metrics and Targets continued

Science Based Targets initiative continued

Scope 1 and 2 target

In 2025, our Scope 1 and Scope 2 emissions fell by 6% compared to the previous year and 10% relative to our 2021 base year, reflecting continued progress in operational efficiency and decarbonisation initiatives. However, this reduction is below the year-on-year decrease required to remain on track with our SBTi validated trajectory, leaving us 8.5% (98 tCO₂e) short of the annual reduction needed.

We continue to achieve zero market-based electricity emissions through the use of renewable energy certificates and on-site solar generation. We have introduced a range of measures to tackle our Scope 1 emissions, including the measures outlined on page 46.

However, several sources remain challenging to abate in the near term. These include emissions from fleet vehicles, refrigerant gases, and fossil fuel-based processing and heating systems.

During 2026, we will review and strengthen our strategic plan to ensure alignment with our near-term science-based targets. This includes integrating the updated base year, which now incorporates the acquisitions of D-Line and CMD, and reassessing our reduction pathway accordingly to ensure we get back on track against the year-on-year trajectory.

Scope 3 target

In 2025, our use of sold products emissions increased by 6% compared to last year but are 11.4% lower compared to the 2021 base year. We are performing slightly ahead of expectations against the year-on-year reduction trajectory of 11% (2,054 tCO₂e). However, following the restatement of our 2021 base year emissions, we know that our performance against this target is significantly better and this will be reflected once our SBTi targets are revalidated.

Over 98% of our 2025 emissions arise from our LED lighting products and there are several driving factors that impact progress against our target, including the quantity of products sold, changes in our product mix, improvements in energy efficiency and the lifespan of our products, as well as changes in the carbon intensity of electricity grid. We continue our efforts to develop energy efficient products and enhanced controls to help minimise the GHG emissions impact of our products.

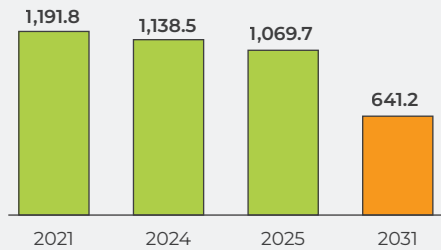
Low carbon product revenue – £120m sales by 2030

Low carbon products are those products which are enablers to reduce greenhouse gas emissions throughout their entire life, compared to traditional counterparts. Examples would be switching to LEDs from traditional light bulbs or switching to charging an electric vehicle rather than using fossil fuels. Additionally, if the product has better power controllability it enables the use of less electricity, for example smart lighting systems which only operate when required. The definition in 2025 includes the following products:

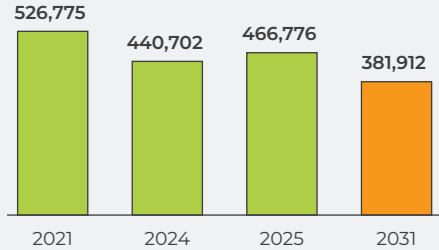
- LED lighting (excluding revenue from lighting columns and other accessories)
- Energy Transition products including EV charging and HEMs
- Smart controls and electric heating products

We generated £91.5m of revenue from low carbon products in 2025, an increase of 10.8% year-on-year, and we continue to focus on this key area as society transitions towards net zero emissions.

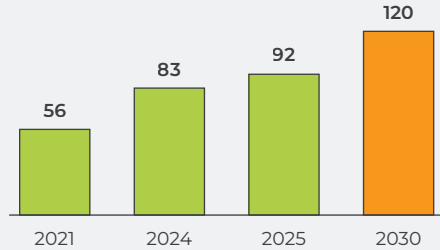
Scope 1+2 target (tCO₂e)



Scope 3 target (tCO₂e)



Low carbon product revenue (£m)



SBTi targets currently exclude CMD and D-Line and therefore Scope 1+2 and Scope 3 performance has also been presented excluding CMD and D-Line.

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Creating a sustainable future continued

Sustainability objectives

Our progress against our sustainability objectives for 2025 is outlined below, along with our next steps for 2026.

Grow EV further in the domestic space and expand into the commercial space

EV sales continued to demonstrate strong growth in 2025 and remain a core component of our low carbon product strategy. The UK EV charging market was valued at £450m in 2025 and is forecast to reach £1,244m by 2030, reinforcing this as a key growth area for the Group. During the year, EV charging sales increased by 84.7% (2024: 25.6%), contributing significantly to the performance of the Sync Energy division, which generated £18.1m in sales (2024: £9.8m).

Develop our Home Energy Management system

Our new HEMs platform was launched in 2025, providing customers with an integrated solution to monitor and reduce their energy consumption and associated costs. Revenue from the HEMs product range contributes directly to the Group's £120m low carbon product revenue target for 2030, and continued expansion of this range will be an important driver of progress towards this goal.

Grow LED in our UK Trade and Projects channels and our product proposition

Our internal LED product ranges have been supported by the launch of our commercial lighting controls system which powered the growth during 2025. Furthermore, our external LED lighting product portfolio has been enhanced, including release of our new solar lighting ranges in DW Windsor, which saw 5.3% sales growth in 2025. We continue to ensure that our products are innovate, good value and quality in the LED space with our continued commitment to research and development.

Deeper engagement with suppliers and customers

Following expansion of the Global Compliance team with the addition of a carbon engineer whose focus is on supplier engagement, TM65 and EPD declarations, significant progress has been made on the number of TM65s produced in the year. For 2025 lighting revenue, 72% of project lighting ranges and 31% of LED lighting sales have accompanying TM65 assessments, combining to a total of £22.8m.

Fully incorporate the recent acquisitions of CMD and D-Line into our GHG reporting and our science-based targets

For the 2025 GHG disclosure, all entities within the Luceco Group have been incorporated into the consolidated GHG inventory, covering the 2025 reporting year, 2024, and the 2021 base year. Although the inventory has been updated to reflect the recent acquisitions, the Group's science-based targets have not yet been revalidated. During 2026, the Group intends to resubmit its targets for validation by the SBTi, with progress against these targets to be reported in the 2026 Annual Report.

New objectives for 2026

1. Continue growth in EV markets, across all business divisions
2. Grow HEMs product sales
3. Improve our EcoVadis score and maintain CDP A- score
4. Grow solar product sales across all Group sales channels
5. Fully incorporate the recent acquisitions of CMD and D-Line into our science-based targets and revalidate targets

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Empowering people

How we're empowering people

Action in the year	Read more	Status
Luceco culture		
• Engagement survey	Page 54	●
Equality and gender diversity		
• Ongoing monitoring and improvements	Page 54	●
Learning and development		
• Utilisation of key L&D tools during the year	Page 54	●
• Identified L&D gaps for 2025 implementation	Page 54	●

Key to status

● Ahead of target ● On target ● Ongoing improvement ☑ Complete

Our culture

Our business model is underpinned by the “can-do” culture of our teams. Our people are customer-driven, designing products which we know our customers will love and that will improve the customer experience. We are team-focused, working together to achieve our objectives. We ensure that we reward achievement with opportunity.

We aim to be bold and innovative, thinking differently and trusting each other to create great products for our customers. Finally, alongside all these qualities, we are principled in the way we act with our customers and suppliers. We do what we say and do what is right.

We recognise that in order for this “can-do” culture to continue to thrive, we need to invest in our people. We focus on the training and development of our teams, so they have the skills to innovate and confidence to move quickly. We carefully recruit from all backgrounds to ensure our teams work well together. We engage with our employees and act on their feedback, to ensure our teams feel part of our business and go the extra mile for our customers. Above all else, we treat our teams with the respect and recognition that their hard work deserves and apply the same principled mindset to them as they do to our customers.

Equality and diversity

We understand the importance and benefits of greater diversity, including social and professional background, cognitive and personal strengths, sexual orientation, disability status, gender and ethnicity throughout the organisation. We are committed to ensuring that recruitment and promotion of individuals at all levels of the business is based on merit and objective criteria and that, within this context, each candidate is judged on their unique combination of skills, knowledge and experience, cognitive and personal strengths, and there is no relevance to their social and professional background, sexual orientation, disability status, gender and ethnicity.

This is reflected in our Diversity and Inclusion Policy, which demonstrates our commitment to:

- Developing an ethos which respects and values all individuals equally
- Eliminating all forms of discrimination
- Ensuring there are no barriers based upon colour, culture, ethnicity, race, religion, disability, gender, sexuality or age which limit or discourage access to promotion, recruitment or training
- Ensuring that all aspects of employment avoid stereotyping based upon colour, culture, ethnicity, race, religion, disability, gender, sexuality or age

- Promoting good understanding of cultural, racial, ethnic and religious diversity, good race relations, disability, gender and age equality
- Taking positive action to encourage the development of a more diverse workforce

The policy is available on our intranet and all new starters are made aware of it during their induction into the business and are expected to subscribe to it at the time of their appointment.

The policy is reviewed on an ongoing basis and a full review takes place at least annually.

We do not tolerate behaviour which breaches the policy and encourage staff to use our grievance procedure to report any actual or suspected breaches. We are not aware of any breaches during the year.

Gender diversity

We have taken a number of steps in recent years to promote the retention of female talent, including improving maternity benefits and improving flexible working. The table overleaf shows the gender diversity of our workforce at the year end. With the proportion of females holding Board, senior management or direct report positions in 2025 being in line with 2024, we appreciate there is more to do to create a more diverse team within management positions.

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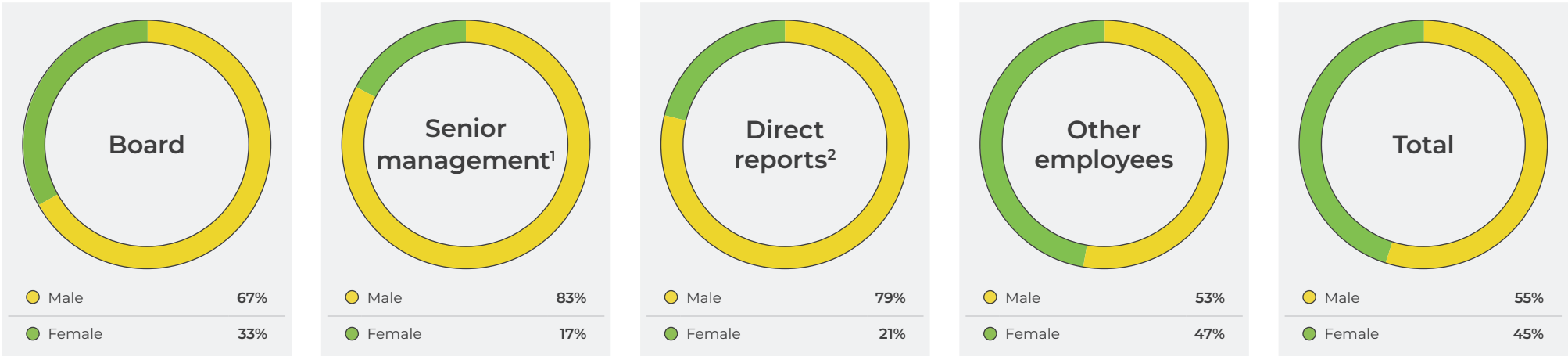
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Environment, Social and Governance continued

Empowering people continued

Gender diversity continued



	2025				2024			
	Male		Female		Male		Female	
Board	6	67%	3	33%	5	63%	3	37%
Senior management ¹	15	83%	3	17%	14	78%	4	22%
Direct reports ²	125	79%	33	21%	93	80%	23	20%
Other employees	1,008	53%	905	47%	785	46%	922	54%
Total	1,154	55%	944	45%	897	49%	952	51%

1. Individuals reporting directly to the CEO or CFO.
2. Individuals reporting directly to senior management.

Flexible working

We appreciate the importance of flexible working in the modern workplace and we empower our employees to work flexibly when possible. We have a stand-alone Flexible Working Policy and employees have a right to make an application from day one of their employment. This policy allows employees to request a change to the number of hours that they work, change the pattern of hours worked or perform some or all of the work from the employee's home. We also endorse hybrid working with our Homeworking Policy and, where circumstances allow, there is a minimum requirement of 40% office attendance with the remaining 60% being home working. We recognise we have a duty of care to employees working from home and we ensure that working from home risk assessments are performed in order to ensure our teams have the correct tools and environment to work comfortably.

Employee involvement

We know the importance of good internal communication. The Board communicates the strategy to employees each year and we provide regular updates on progress and any changes taking place in the business, including quarterly updates from the senior leadership team. Employees are invited to contribute product or operational ideas and are supported by their line managers and HR department if they have any concerns.

In 2025, we have introduced the Culture Club which acts to strengthen communication and engagement across the business. Its role is to provide a two-way communication forum, bridging between employees and leadership, sharing updates, gathering feedback, and ensuring everyone feels informed and heard. The introduction of this forum has become a key vehicle in actioning employee feedback, organising charity initiatives and enhancing employee wellbeing.

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Strategic Report

Environment, Social and Governance continued

Empowering people continued

Employee engagement

In February 2026, we conducted our annual Group-wide employee engagement survey. Participation reached 80%, meeting our target and reflecting strong engagement across the organisation. While participation was lower than the exceptional 87% achieved in 2025, it remains well above typical benchmarks for manufacturing businesses, where participation rates above 70% are considered excellent.

In China, we saw a 96% participation rate in a similar survey to last year, along with engagement scores rising significantly from 90% last year to 97%.

The overall Group engagement score for 2026 was 69%, a slight decrease from 71% in 2025, but still 3% above the industry standard for large manufacturing organisations.

During 2025, we made meaningful progress across key engagement drivers, including communication, leadership visibility, social connection, and learning and development (“L&D”). This was supported by a range of initiatives, including the launch of a new Group intranet to enhance access to information, expanded community and charitable activities, a Group-wide Leadership and Management Programme, customer-focused development programmes, and a strengthened learning offer for all employees.

For 2026, our analysis has highlighted three priorities with the greatest potential to improve engagement across the Group: leadership communication and social connection, leadership and management capability, and L&D for all. Looking ahead, we will continue to build capability, expand high-quality development opportunities, and further improve communication channels.

Insights from this year’s survey remain central to shaping our people strategy and ensuring that the employee voice continues to influence decision-making across the Group.

Remuneration arrangements

We ensure that our remuneration policies and practices are aligned to our purpose and values, support the delivery of the Group’s strategy and promote long-term sustainable success. We regularly benchmark employee pay against the external market to ensure it is fair throughout the Group and we reward achievement with opportunity.

All UK employees are encouraged to participate in the Company’s performance through our Share Incentive Plan (“SIP”), where we provide each employee with the maximum two free matching shares for each partnership share that they purchase through the scheme. This scheme not only enhances retention, it also helps our teams feel part of the business and allows them to share in the Group’s success.

During 2025, we have taken further steps to enhance the benefits available to our employees as well as ensuring the remuneration is fair and consistent between our acquired businesses and the rest of the Luceco Group.

Following a thorough review of the employee pension scheme, we were delighted to confirm a percentage increase in employer contributions, meaning most colleagues will see an uplift in the employer contribution rate, which is now set at 6% from January 2026. Holiday entitlements have also been standardised to 25 days with an option to purchase additional days at the employee’s request.

We have enhanced our health care benefits to ensure a better base-level package is provided to employees who choose to enrol, whilst also reviewing our providers to ensure our employees have the most cost-effective range of options. We continue to promote the health of our employees through participation in the cycle to work scheme, which we have improved in the year by increasing the number of available providers.

Finally, we have partnered with Octopus to provide employees with an electric vehicle salary sacrifice scheme, which we have supplemented by providing all participants with a free Sync Energy EV charger.

Learning and development

We know that high quality and sustained L&D is crucial to the ongoing success of the business. We are also aware that as we encourage our teams to work flexibly, it is all the more important that we maintain consistency in our training procedures, and this starts on day one of an individual’s employment at Luceco Group. Within their first week of employment, all staff receive a Company induction from their Human Resources Manager, Payroll Manager and a Health, Safety and Facilities Coordinator. This ensures the new team member feels comfortable in their environment and that they know we are available to help should they need assistance.

We also recognise how important the line manager’s role is in the induction process and we ensure that all line managers are trained in how to work with new starters, how to identify their initial needs and how to set clear goals and objectives.

Following induction, we continue to develop employees for the long term. Through our Annual Performance Review process, we do not just look to appraise performance in the year, we identify individual training needs and ensure specific personal development plans are in place to tailor to that team member’s requirements. In 2025, we took further steps to streamline the personal development plans and appraisal documents to support more meaningful conversations within our teams.

Following feedback from the 2025 employee engagement survey we have taken further steps to broaden the training provided to our teams. Training schemes including Sales, Leadership and Management, Customer Service, Introductions to AI and targeted apprenticeships have all been provided through the year.

We also take seriously the increasing cyber security risks being faced by all companies and conduct regular Group-wide cyber security training for employees.

We have also invested heavily in our L&D tools in recent years, which are available to all employees. This platform covers compulsory training, such as “Anti-money Laundering” to ensure our teams have the knowledge they need to comply with all relevant laws and regulations, but also includes modules related to personal development and growth.

Importantly, the L&D platform also covers learning regarding mental health and general wellbeing, which is something that we have signposted to our employees. Our employees’ health, happiness and wellbeing is paramount to us and we are pleased that this platform is providing further support.

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Environment, Social and Governance continued



Working with integrity and transparency

How we're working with integrity and transparency

Action in the year	Read more	Status
Health and safety		
• Very low level of incidents	Page 55	●
Key integrity and transparency policy		
• Anti-bribery and Corruption Policy with zero tolerance	Page 55	●
• Whistleblowing for a clean open culture	Page 56	●
• Supporting fundamental human rights	Page 56	●
• Taxation compliance	Page 56	●
• Supply chain validation	Page 56	●
• Commitment to communities	Page 56	●

Key to status

● Ahead of target ● On target ● Ongoing improvement ☑ Complete

We act fairly in our dealings with fellow employees, customers, suppliers and business partners. We are encouraged by the progress we have made in improving our EcoVadis score, having achieved a “good” score of 53 in 2025 (2024: 43). EcoVadis measures the transparency of our actions to address a broad range of ESG matters and we are pleased to have been recognised as “committed” to this scheme and look forward to further improving our rating as we move forwards.

Our global Code of Conduct applies to all Group employees and our external business partners. It aims to ensure that Luceco Group maintains consistently high ethical standards across the globe, while recognising that our businesses operate in markets and countries with cultural differences and practices. The Code of Conduct is available on our intranet and all new employees are made aware of it during their induction.

Health and safety

Our Health and Safety Policy sets out our approach to providing attractive working conditions for our people. We aim to prevent harm to, and promote the health of, all employees, by applying health and safety programmes, rules and regulations at all of our sites.

We provide our customers with access to our manufacturing facilities so they can inspect and feel comfortable with the working conditions in their own supply chain. In 2025 we provided three separate site visits with different customers to our manufacturing facility in China.

All employees are responsible for complying with health and safety regulations and we have a health and safety champion in each operating unit, who is responsible for ensuring compliance with best practice and all local regulations.

Our Health and Safety Policy is made available in local languages and all new starters must confirm that they have read and understood it. The policy is reviewed in full at least annually and more regularly if required.

We continually monitor our health and safety performance to ensure compliance and to enable us to take any corrective action if issues are identified. During the year, there were 28 non-reportable, but no reportable accidents in our Telford facility (2024: ten non-reportable and one reportable) and, in China, three minor accidents were reported (2024: three minor accidents).

We also recognise that workplace stress is a health and safety issue and acknowledge the importance of identifying and managing stress in the workplace. We have a Stress at Work Policy aimed at reducing and managing work-related stress through proactive measures and support systems. We have trained mental health first aiders within the workplace who are equipped to provide initial support to someone experiencing a mental health issue or emotional distress. We also provide employees access to an around-the-clock Employee Assistance Programme to provide team members counselling and advice whenever they may need it.

Anti-bribery and Corruption Policy

Our Anti-bribery and Corruption Policy sets out our zero-tolerance approach, which extends to all business dealings and transactions in which we are involved. The policy is widely publicised across all our operations and is also available on our intranet. All new starters are made aware during their induction. It includes a prohibition on offering or receiving inappropriate gifts or making undue payments to influence the outcome of business dealings. We routinely review our policy and guidance in this area.

We maintain a log of all hospitality and gifts offered to and by our people, whether or not the hospitality or gifts are accepted. The policy also makes clear how our people can raise concerns or report any issues, which should be raised with the Chief Financial Officer as soon as possible. No concerns were reported during the year.

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Strategic Report

Environment, Social and Governance continued

Working with integrity and transparency continued

Whistleblowing

We encourage an open culture, so any issues can be raised and handled at a local business level. However, we recognise that there may be times when it is uncomfortable or inappropriate for our people to raise a concern through line management.

We therefore have a Whistleblowing Policy (“Speak Up”), which is available on the corporate intranet. The policy is widely publicised across our operations and sets out clearly how colleagues should report whistleblowing concerns.

Whistleblowing contacts are initially received by an independent specialist company, then passed to a nominated Non-Executive Director, the Chief Financial Officer and the HR team for further investigation as necessary.

The Board routinely reviews the whistleblowing process and the reports arising from its operation, and ensures that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action. Matters raised during the year were all investigated and resolved satisfactorily.

Human rights

One of our business principles is that we will support fundamental human rights, in line with the legitimate role of business. Our Code of Conduct sets out our policies in respect of a range of human rights and related issues, including child labour, forced labour, the right to organise, collective bargaining and participation in political life.

The Group’s operations in high-risk countries must perform self-assessments, to make sure they are aware of the human rights impact of their operations. If a negative impact seems possible or likely, they are encouraged to take precautions or find solutions that are beneficial for employees and the communities in which they operate.

Among our international operations, China is the location where people’s rights could be most at risk. By owning the facility in China, we can directly control the environment and conditions in which our employees live and work, to ensure they are treated fairly and in accordance with our policies. The Directors and senior leadership regularly visit China and routinely invite customers to the facility, so they can witness the working and living conditions of our employees. This helps our customers to fulfil their own responsibility agendas.

The UK Modern Slavery Act 2015 requires us to outline the steps we take to identify and prevent modern slavery within our organisation and supply chain. The latest statement is available on our website: www.lucecoplc.com.

Approach to taxation

We are committed to complying with all applicable tax laws, both in the UK and in all countries in which we operate. It is a core principle of the Group that deliberately failing to comply with tax law is unacceptable; our tax affairs are kept in good order and uncertainties are minimised. We have a low tolerance to tax risk, and we plan our taxes with reference to current relevant tax legislation.

When entering into commercial transactions, where appropriate we seek to take advantage of available tax incentives, reliefs and exemptions, in line with local tax legislation, but we do not undertake tax planning unrelated to our commercial transactions. We apply the OECD transfer pricing guidelines to intercompany transactions so as to ensure the prohibition of tax avoidance through transfer pricing. We do not, and will not, have a presence in a country in which we are not commercially operating, simply to minimise the Group’s global tax liabilities.

External tax advisers prepare tax benchmarking analysis to support all Group transfer pricing arrangements.

Supply chain

The Group wants to do business with partners who endorse our values and our social and environmental standards. We regard the application of our business principles as being of prime importance in deciding whether to enter into or to continue relationships with suppliers and contractors.

Our Supplier Code of Conduct is designed to ensure that all of our business partners, suppliers and manufacturing meet our basic expectations of doing business related to legal requirements, ethical practices, human rights and environmental management.

These standards are based on well-respected and recognised international standards, including the International Labour Organization, United Nations Universal Declaration of Human Rights and industry best practices.

We source raw materials and certain products from suppliers in close proximity to the factory in China. The Directors and senior leadership visit suppliers periodically, to inspect their operations and ensure they are satisfied by how the supply process is managed, the quality of products produced and the working environment of the employees.

Communities

We are committed to contributing to the communities we operate in and our Code of Conduct encourages our people to actively participate and to propose projects to site management or site committees.

In 2025, following an employee vote, the British Heart Foundation was nominated as our UK charity partner, with successful fundraising events held across our UK locations. Alongside this, our UK teams also took part in local initiatives such as food bank collections, animal sanctuary volunteering, litter-picking and clothing donations. Our international teams also had great success with a range of volunteering and fundraising events.

In Jiaxing, China, we are heavily involved with the local university, establishing a “Luceco class” where students were selected to receive weekly lectures for three terms. These are led by our managers or technical experts and aim to provide students with greater business sense and awareness, career advice and preparation for entering the work environment, with exposure to marketing, management, product knowledge and development and project management.

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Our Stakeholders

Long-term success and delivering against our strategy is dependent on having strong relationships with all our stakeholders.

With regard to more Company-specific stakeholder groups, the Board has identified those key to the Company based on each group's potential to a) be impacted by the Company's activities, and/or b) have an impact on the Company's activities. These key stakeholders, as agreed by the Directors, are set out on pages 57 to 61, together with information about their material issues and methods of engagement.

For the coming year, the Board will continue to ensure effective stakeholder engagement, ensuring the frequency of interaction is maintained and reviewed (where appropriate) over matters that are considered material to the Group. In particular, the Company's key stakeholders and methods of engagement will be kept under review and reported on each year in the Company's Annual Report.

Customers

Importance of stakeholder and material issues

Our customers are at the forefront of all business decisions, from product innovation and development to our superior customer service offering. They can be grouped into the following categories:

- Distributors to retail consumers
- Distributors to professional contractors
- Professional contractors
- Housebuilders
- Installers
- Influencers over the above groups, such as designers, architects and specifiers

The Group engages to ensure customers are satisfied with existing services and it is well positioned to meet their future needs.

Material issues

- Product design and innovation
- Product quality
- Adherence to codes of conduct, e.g. ethical treatment of employees
- Product availability
- On-time delivery
- Price
- Guidance and solutions
- Payment terms
- Sustainability considerations in the supply chain

Board and senior management actions and how we engage

- Salespeople with assigned relationships who are in continuous contact with our customers
- Attendance at trade shows
- Attendance at our customers' supplier events
- Customer visits to our key manufacturing and distribution sites
- Meetings with our customers' senior management teams to discuss long-term strategy
- Regular customer satisfaction surveys
- Review of EPOS data

2025 outcomes in the reporting period

- Sales growth of 11.9%
- Increasing the proportion of deliveries made on time and in full
- Investment in new software to promote the success of turnkey solutions for customer

Further information

- Strategy and Measuring our Performance sections on pages 16 and 17 and page 22

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Our Stakeholders continued

Employees

Importance of stakeholder and material issues

Our people are the source of our competitive advantage. They win new business, take sales orders, develop and manufacture our products and ensure they are delivered to our customers on time. It is paramount to us that we look after our colleagues and recently we have focused on their mental wellbeing just as much as physical.

The Group employs c.1,800 people worldwide, with the majority based in the UK and China.

It is critical that we continuously engage with them to learn new ways to improve our business and to develop them as individuals.

Material issues

- Learning and development
- Health and safety
- Opportunities for career progression
- Diversity and inclusion
- Reward, including by way of internal Share Incentive Plan ("SIP") for eligible employees

Board and senior management actions and how we engage

- Completion of annual Group-wide employee engagement survey
- Annual visits by the Board to major Group locations
- Regular visits by the CEO/CFO to all Group locations, which include employee "town hall" meetings
- Regular visits by Julia Hendrickson, our Non-Executive Director responsible for employee engagement, to Group locations to consult with small groups of employees
- Creation of personal development plans for each employee
- Fair remuneration benchmarked against the external market
- Monthly employee newsletter
- Employee access to a whistleblowing helpline
- Monthly meetings with employee representatives to discuss health and safety matters

2025 outcomes in the reporting period

- Continuing to endorse hybrid working, together with frequent communication with our employees
- Our Learning & Development platform served as a key development resource for employees throughout the year
- Increasing participation in the SIP
- Presentations by CEO and CFO including Q&A session

Further information

- Empowering people section of Environment, Social and Governance on pages 52 to 54
- Workforce engagement section in Corporate Governance Report on page 78

Suppliers

Importance of stakeholder and material issues

Strong supplier relationships are crucial in ensuring we can fulfil our customers' needs and provide a high level of customer service.

We have the following types of suppliers:

- Raw material/component suppliers
- Original equipment manufacturers ("OEMs")
- Service providers

The Group engages with suppliers to ensure those in its supply chain work collaboratively to meet customer needs.

Material issues

- Long-term partnership
- Price
- Fair payment terms

Board and senior management actions and how we engage

- Site visits by the CEO/CFO to major OEMs and electrical component manufacturers
- Group-wide Supplier Code of Conduct
- Supplier performance audits
- On-site quality testing teams
- Electronic auctioning of supply contracts
- Monitoring of creditor days to ensure payments are being made to terms

2025 outcomes in the reporting period

- Adjusted Operating Margin of 12.5%
- Creditor days of 74

Further information

- Strategy and Measuring our Performance sections on pages 16 and 17 and page 22

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Our Stakeholders continued

Shareholders

Importance of stakeholder and material issues

We favour a transparent and open conversation with our shareholders.

The Group’s largest shareholders are listed on page 118.

Engagement ensures there is a clear understanding of the Group’s strategy and performance, allowing shareholders to make an informed investment decision.

Material issues

- Transparent strategy and performance
- Adequate return on investment
- Appropriate governance, including ESG matters

Board and senior management actions and how we engage

- Long-term shareholder value considerations proposed at Board strategy meetings
- Interim dividend of 1.8p
- Final dividend. The Board is recommending a final dividend of 4.2p per share which is consistent with a 40% full-year payout, payable on 22 May 2026 to shareholders on the registrar on 10 April 2026
- Investor Relations section of www.lucecoplc.com
- Twice-yearly results announcements and subsequent shareholder visits by the CEO/CFO
- Regular trading updates
- Liaison with research analysts
- Regulatory news announcements
- Annual General Meeting

2025 outcomes in the reporting period

- Strong shareholder engagement
- Regular investor meetings
- Dividend payments twice a year

Further information

- www.lucecoplc.com
- Shareholder engagement section in Corporate Governance Report on page 80

Funding providers

Importance of stakeholder and material issues

Borrowings allow the Group to invest in future growth and offset borrowing costs against taxable profits.

The Group is currently funded by syndicated bank debt.

Engagement maximises access to sources of funding.

Material issues

- Transparent strategy and performance
- Repayment in accordance with loan agreements
- Compliance with loan covenants
- Security

Board and senior management actions and how we engage

- Regular meetings between the CFO, Head of Treasury & Tax and relationship bank(s)
- Meetings with existing and future lenders ahead of planned refinancing
- Covenant compliance certification

2025 outcomes in the reporting period

- New banking facility signed in May 2025 which provides facility to 2028 with option for further two years to 2030
- Bank Net Debt to Bank EBITDA ratio of 1.2 times in the period

Further information

- Financial instruments disclosures on pages 163 to 169
- Capital management notes on pages 169 and 170

Local communities

Importance of stakeholder and material issues

We aim to have a positive impact on the environment in locations in which we operate. We have a vested interest in the long-term success of each community, from which our workforce is drawn.

We operate in nine locations globally and contribute in each of the local communities.

Material issues

- Job creation
- Environmental compliance
- Contribution to the development of the wider community

Board and senior management actions and how we engage

- The engagement of c.1,800 jobs globally
- Compliant with various recognised environmental standards: ISO 14001, WWF LCMP, ESOS II
- Continued commitment to local university in Jiaxing, China

2025 outcomes in the reporting period

- Achieved “A-” rating from the Carbon Disclosure Project – which is in the top 5% of the FTSE SmallCap index

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- Environment, Social and Governance on pages 29 to 56

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Our Stakeholders continued

Section 172(1) Statement

Section 172(1) of the Companies Act 2006 ("Act") imposes a duty on Directors to promote the success of the Company for the benefit of the wider Group, shareholders and having regard to its stakeholders.

Decisions by the Board take into account the following matters (collectively referred to as "s172 Matters"):

- The likely consequences and risks of any decision in the long term and the risks to the Group and its stakeholders;
- The interests of all stakeholders including shareholders, employees and local communities;
- The Company's ongoing relationships with its suppliers and customers;
- The impact that the Company's products and business have on the community and the environment;
- Maintaining the Company's reputation for high standards of business conduct; and
- Acting fairly between members of the Company.

The Directors confirm that they have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard, amongst other matters, to the s172 Matters.

Consideration is given to s172 Matters in relevant meeting papers, and evaluation of s172 Matters and affected stakeholders form an integral part of Board discussions and decisions through rigorous evaluation, risk management and challenge to promote the long-term success of the Company.

This statement, together with the examples on pages 57 to 59 and those sections of the Annual Report outlined below, describe how the Directors have had regard for s172 Matters in respect of the year.

Section 172(1) area	Further information can be found on
a) The likely consequences and risks of any decision in the long term	Strategy and business model: page 15 Our strategy: pages 16 and 17
b) The interests of stakeholders	Strategy and business model: page 15 Stakeholder engagement: pages 57 to 59 Our culture: page 52 Remuneration Committee Report: pages 89 to 115
c) The Company's ongoing relationships with its suppliers and customers	Strategy and business model: page 15 Our strategy: pages 16 and 17 Stakeholder engagement: pages 57 to 59
d) The impact that the Company's products and business have on the community and the environment	Strategy and business model: page 15 Our strategy: pages 16 and 17 Stakeholder engagement: pages 57 and 58 ESG Report: pages 29 to 56 TCFD: pages 31 to 50
e) Maintaining the Company's reputation for high standards of business conduct	Strategy and business model: page 15 TCFD: pages 31 to 50 Non-Financial and Sustainability Information Statement: page 69 Principal Risks and Uncertainties: pages 62 to 66 Audit Committee Report: pages 85 to 88
f) Acting fairly between members of the Company	Strategy and business model: page 15 Our strategy: pages 16 and 17 Stakeholder engagement: pages 57 to 59 Remuneration Committee Report: pages 89 to 115

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Our Stakeholders continued

Section 172(1) Statement continued

Major Board decisions

A summary of the Board's major decisions and activities during 2025 can be found below along with how the Section 172(1) factors were considered as part of those decisions. This, combined with our key engagement activities on pages 57 to 59, makes up our Section 172(1) Statement.

Dividend approval

Decision-making process

- During the year, the Board considered and approved two proposals to pay a dividend, in line with the Group's dividend policy which has a payout ratio of 40-60% of Adjusted Profit After Tax
- The Board ensured that payment of the dividends would not impede the Group's ability to maintain high standards of business conduct and serve its customers, employees and communities
- In line with legal requirements, the Board also considered the distributable profits legislation. The Board satisfied itself that payment of the dividends would be in line with legal and regulatory requirements
- The Board is recommending a final dividend of 4.2p per share which, with the interim dividend of 1.8p, is consistent with a 40% payout, payable on 22 May 2026 to shareholders on the register on 10 April 2026

2026 Budget approval

Decision-making process

- In December 2025, the Board considered the Budget for 2026 and the Group's five-year plan ("Budget and Strategy Proposals"). The Executive Directors of the Board were subject to robust challenge of the Budget and Strategy Proposals, which ensures that the Company's resources are appropriately deployed and that the business is positioned for long-term, sustainable success. When taking its decision to approve the Budget and Strategy Proposals the Board considered the various perspectives of the Group's stakeholders
- The Board considered, among other things, levels of disposable income, interest rates and how such factors impact customer affordability and demand for Company products. Consideration was also given to global macroeconomic conditions and, in particular, the impact of tariffs imposed by the Trump administration
- The Board also considered how the Group's operations needed to be resourced to ensure that high levels of customer service and product quality were maintained. Consideration was given to synergies to be achieved across the Group's operations and whether consolidation or further acquisition of factory space was required to meet the Company's future needs as outlined in the Budget and Strategy Proposals
- The Board's discussions resulted in the approval of the Budget and Strategy Proposals which promote operational synergies and maximise value for all stakeholders in furtherance of the long-term efficiency and sustainability of the Company

Board composition and succession planning

Decision-making process

- During 2025, the Board reviewed and approved the appointment of Martyn Coffey as an independent Non-Executive Director. During the reporting period, Janet Ryan, an independent Non-Executive Director, assumed the role of Chair of the Audit Committee
- In the search for a new independent Non-Executive Director, the Nomination Committee engaged Russell Reynolds Associates and provided an outline for the key requirements for a successful candidate considering the Board's Diversity and Inclusion Policy requirements and time commitment required. Potential candidates were reviewed against the key requirements of the role. The Board considered that Martyn Coffey brings a wealth of experience across various industries and in particular in relation to supply chains. The Board anticipates that Martyn's expertise will enhance the Board's current skillset by bringing additional perspective around supply chain and related stakeholders
- Succession planning has been an area of focus for the Board in the circumstances where Tim Surridge and Caroline Brown succeeded their nine-year tenure on the Board in the reporting period. As part of this assessment process the Board has considered succession requirements for the Board, the length of tenure for all Non-Executive Directors and independence requirements. In compliance with the Code, the Board has sought to address composition and succession planning in an orderly manner such that the Company can continue to maintain its high standard of conduct
- The Board considers the appointment of Martyn Coffey is in the best interests of the Company and its stakeholders and ensures that there is the correct balance of skills and expertise on the Board

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Principal Risks and Uncertainties

The Board is responsible for **identifying, reviewing and managing** business and operational risk.

It is also responsible for determining the level of risk appetite it is prepared to take in the ordinary course of business to achieve the Group's strategic objectives and to ensure that appropriate and sufficient resource is allocated to the management and mitigation of risk.

In addition to the risk management framework, the Board has delegated responsibility to the Audit Committee for reviewing the overall process of assessing business risks and managing the impact on the Group as described on pages 85 to 88. The Group's risk management process is set out below.

The principal risks identified and actions taken to minimise their potential impact are included on pages 63 to 66. This is not an exhaustive list but those the Board believes may have an adverse effect on the Group's cash flow and profitability.

In determining whether it is appropriate to adopt the going concern basis in the preparation of the financial statements, the Directors have considered these principal risks and uncertainties. The Viability Statement on pages 67 and 68 considers the prospects of the Group should a number of these risks crystallise together.

Risk management process

The senior leadership team maintains a register of identified business risks (financial and non-financial) which it categorises in terms of probability of occurrence and the potential impact on the Group should the risk crystallise. Mitigating actions undertaken and recommendations for further reduction of risk are also included. Recommended actions are put forward to the Executive Directors for consideration.

The Executive Directors review and challenge the content of the risk register and the recommendations. Risk mitigation actions are agreed, and a plan is created. Each action is assigned an owner who is responsible for carrying out the required action within an agreed timescale.

The Executive Directors review the progress made against any actions that have been carried forward.

The Audit Committee regularly reviews risk management and is provided an update in respect of progress made in the reduction of existing risks, summary of newly identified risks and the actions agreed to reduce them to an acceptable level.

These risks are reviewed in conjunction with the Audit Committee's other responsibilities, including the internal control framework, external audit process and financial reporting.

The Audit Committee provides an update and appropriate recommendation to the Board, where required, for the Board to consider in conjunction with the strategic objectives of the Group.

Independent assurance is provided through the annual statutory audit and the periodic internal control reviews and the monitoring of, and adherence to, policies and procedures by an external assurance provider.

- **Senior management**
Reviews and updates the risk register for new risks, identifies mitigations in place and recommends actions to reduce risk.
- **Executive Directors**
Review and challenge the risks identified and the actions proposed to mitigate them; approve and monitor agreed actions.
- **Audit Committee**
Monitors and reviews the risks in conjunction with the internal control framework, audit process and financial reporting.
- **The Board**
Holds overall responsibility for effective internal control, risk management and the risk appetite of the Group.
- **Independent assurance**
Periodic internal control reviews and monitoring of adherence to policies and procedures by an external audit and assurance provider. Statutory audit by a registered auditor.

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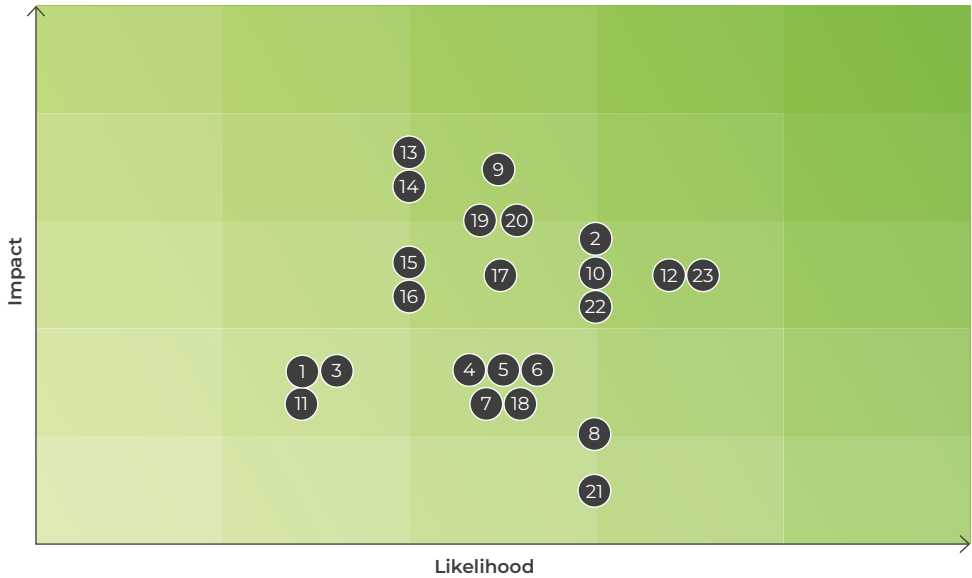


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Principal Risks and Uncertainties continued

Heatmap



Key to heatmap

- | | |
|--|--|
| 1. Liquidity | 13. Disruption to production facility in China |
| 2. Foreign exchange | 14. Disruption to non-China facility |
| 3. Accounting error – external or management reporting | 15. Disruption to key supplier facility |
| 4. Misappropriation of Group assets by employee | 16. Supply and transport disruption |
| 5. Talent | 17. Increase in input costs |
| 6. Intellectual property challenge | 18. Poor quality of supplied or shipped goods |
| 7. Laws and regulations | 19. Fail to innovate/market shift/Black Swan |
| 8. Transfer pricing | 20. Loss of key customer or material customer stock change |
| 9. UK/international/China trade relations | 21. Increase in energy costs |
| 10. UK macroeconomy | 22. Impact of acquisitions |
| 11. China supply chain | 23. Loss or inappropriate release of data |
| 12. Investor or customer pressure on ESG | |

Principal risks

Concentration risks associated with operations:

Risk appetite:

Accepting Neutral Averse

Change in year:



Net risk level:

Low Medium High

Risk owner: CFO

Risk and impact:

- The Group's products are overwhelmingly sourced from one country (China) and a large proportion are made in one location (Jiaxing)
- Disruption to our Jiaxing facility could compromise our ability to serve our customers, including issues arising from a constrained global energy market
- General disruption, including to shipping routes between China and our selling markets (particularly the UK), could increase our costs or limit our ability to serve our markets
- China could be impacted by events in Ukraine/Russia, which impacts our ability to manufacture products

Mitigation:

- UK buffer stock is held in the event of supply disruption in China
- All suppliers are provided with visibility of forward orders and supply issues are discussed upfront
- Production facilities in China are spread across multiple buildings on the same site to mitigate risk
- The Group owns its product designs and production tooling, allowing manufacturing to be moved between suppliers more easily
- Business continuity plans are in place for the Jiaxing site
- Business interruption insurance is in place for the Jiaxing site, Telford site and our OEM supplier of Portable Power products

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Principal Risks and Uncertainties continued

Principal risks continued

Concentration risks associated with customers and products:

Risk appetite:

Accepting Neutral Averse

Change in year:



Net risk level:

Low Medium High

Risk owner: CEO

Risk and impact:

- The Group has a number of key customers representing c.40% of Group revenue. A change in demand from these customers could result in reduced sales and profits
- The Group's committed order book extends two to three months forward. Orders thereafter are uncommitted
- Geopolitical instability creates price changes and shortages of materials and the impact of inflation on input costs from energy and material costs impacting product cost and profitability. This has been prevalent with copper-based products due to increasing global demand as electrification escalates in many sectors
- A change in energy prices could increase the Group's operating costs, reduce profits and/or price competitiveness
- The Group has a material exposure to the purchase price of copper. An adverse move could reduce profits and/or price competitiveness

Mitigation:

- Key customers typically follow a tender process, providing visibility of business wins and losses
- Large customers typically take 6-12 months to implement a large range change throughout their networks, giving us time to react
- The cost of range changes for large customers is high, reducing the likelihood of occurrence
- Relationships with the Group's large customers are established
- Capacity at our factory and at our OEM partners in China can be changed quickly and cost effectively
- The Group hedges its USD:RMB and some copper exposures according to a Board-approved policy. The hedging is conducted conscious of the duration of any fixed selling price commitment offered to customers
- The Group has fixed price gas and electricity contracts covering a significant proportion of its energy use
- Application of the hedging policy is reviewed by the Board

Macroeconomic, political and environmental:

Risk appetite:

Accepting Neutral Averse

Change in year:



Net risk level:

Low Medium High

Risk owner: CEO

Risk and impact:

- A deterioration in trade relations between the UK and China could disrupt product supply and/or increase costs. Tariff impacts are on the agenda with the USA and China which could have knock-on impacts for other tariff arrangements
- The Group has a concentrated exposure to the UK market. UK economic headwinds and higher interest rates could reduce profits
- A failure to respond to governmental, cultural, customer or investor requirements on ESG in the following areas: changing customer behaviour and demands (e.g. electric vehicle charging), increased stakeholder concern, negative feedback or non-compliance on ESG strategy, increased severity and frequency of extreme weather events accelerating ESG progress; all of which could result in reduced profits or a reduced share price

Mitigation:

- We have clear sustainability objectives tied to management compensation plans. Our progress is visible via independent bodies such as CDP and SBTi
- The Group is expanding and developing its product range of low carbon products (e.g. LED lighting and EV chargers)
- The Group is diversified by market segment within the UK, reducing risk
- The Group is largely exposed to the RMI cycle, which can be less susceptible to macroeconomic forces
- UK buffer stock is held in the event of supply disruption in China
- A "China Plus 1" sourcing strategy is being developed
- Management liaises closely with investors and customers to understand their future ESG needs and responds accordingly

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Principal Risks and Uncertainties continued

Principal risks continued

Loss of IT/data or systems:

Risk appetite:

Accepting Neutral Averse

Change in year:



Net risk level:

Low Medium High

Risk owner: CFO

Risk and impact:

- Loss of IT functionality would compromise operations, leading to increased costs or lost sales
- Loss of sensitive data from our IT environment would expose the Group to regulatory, legal or reputational risk
- Increased cloud server usage increases risk of data loss or compromise and cyber risk is on an upward trend, impacting operations and reputational risk

Mitigation:

- Market-leading cyber security tools and monitoring are in place
- Market-leading data backup tools are in place
- IT disaster recovery plans are in place throughout the Group
- We conduct regular penetration testing
- We conduct regular Group-wide cyber security training for employees
- IT incidents are reported to the Board

People and labour shortages:

Risk appetite:

Accepting Neutral Averse

Change in year:



Net risk level:

Low Medium High

Risk owner: CFO

Risk and impact:

- Loss of key employees could damage business relationships or result in a loss of knowledge
- A shortage of available labour for key roles could disrupt operations and impact long-term progress
- Depending on the job role and team, COVID-19 has changed employees' and employers' workplace expectations. A more fluid working environment in both the office and home is more commonplace. The risk of not adapting to this change in working practices could lead to loss of employees and an inability to attract talent

Mitigation:

- Key relationships are typically shared between more than one employee
- The Group's service offering is multi-faceted, reducing the risk that the loss of an employee would result in lost sales
- Retention of key employees is driven by long-term personal development and incentive plans and ensuring compensation is regularly benchmarked for competitiveness. These plans are reviewed by the Remuneration Committee
- Workforce engagement surveys ensure employee needs are identified and addressed, promoting retention
- Adoption of hybrid working practices within appropriate teams and locations

Acquisitions:

Risk appetite:

Accepting Neutral Averse

Change in year:



Net risk level:

Low Medium High

Risk owner: CEO

Risk and impact:

- An ill-judged acquisition could reduce Group profit and return on capital
- Unable to grow or develop an acquired business in line with expectations, leading to lower profits
- The Group's acquisition strategy could compromise/distract the execution of strategy in other areas

Mitigation:

- Our acquisition strategy is set by the Board
- Board members possess relevant M&A experience
- The acquisition strategy is implemented by an experienced in-house team
- The Group's key markets are relatively stable, meaning acquisition targets typically have an established track record
- Individual acquisitions are typically small relative to the size of the Group, reducing the impact of each deal and reducing potential distraction
- The Group conducts extensive due diligence prior to acquisition
- All acquisitions are approved by the Board

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Principal risks continued

Legal and regulatory: Risk appetite: Accepting Neutral Averse Change in year: — Net risk level: Low Medium High Risk owner: CFO	Risk and impact: • The Group could infringe upon the IP of others, leading to legal claims • The Group's products could fail to meet regulatory requirements or experience quality failures, resulting in legal claims and/or reputational damage • The Group's businesses could fail to meet regulatory requirements in their countries of operation • The Group could fail to comply with local tax laws, particularly regarding transfer pricing	Mitigation: • The Group receives IP advice from external experts • The Group's products are certified for use prior to launch by external experts • The Group has extensive quality assurance resources in the UK and China • Suppliers are required to adhere to a strict Code of Conduct • Supplier compliance with the Code of Conduct is audited by our in-house teams • Product liability claims are reported to the Board • Product liability insurance is in place globally • The Group's transfer pricing policies are reviewed regularly with the help of external experts
Finance and treasury: Risk appetite: Accepting Neutral Averse Change in year: — Net risk level: Low Medium High Risk owner: CFO	Risk and impact: • The Group could fail to provide sufficient funding liquidity for its operations • The Group has a material exposure to movements in the USD and RMB currency rates. An adverse move could reduce short-term profits and/or long-term competitiveness • The Group could fail to report its financial performance accurately, leading to inappropriate decision-making and regulatory breaches • The Group could suffer fraud across its widespread operations	Mitigation: • The Group hedges its currency exposures according to a Board-approved policy. The hedging is conducted conscious of the duration of any fixed selling price commitment offered to customers • The Group has a clear Capital Structure Policy that is designed to provide sufficient liquidity • The Capital Structure Policy is implemented by Treasury experts and monitored by the Board • The Treasury team prepares regular cash flow forecasts. The Group's financial statements require relatively few judgements or estimates, reducing the risk of misstatement • The Group's accounting policies and internal accounting manual are approved by the Board • The Group operates two main accounting centres in the UK and China, which are overseen closely by the Group Finance team • The Group has invested in market-leading financial accounting and reporting software

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Viability Statement

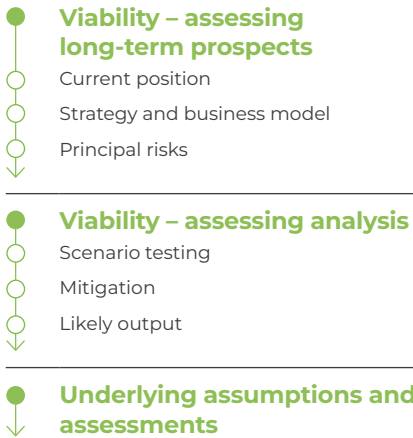
- Viability Statement – assessing long-term prospects**
- Current position**
- The Group has a significant share of the UK market, particularly for Wiring Accessories and Portable Power products. It has expert market knowledge, long-established customer relationships and a broad product offering. Its high share of this market generates significant economies of scale
 - The Group has successfully penetrated the growing LED market. Its competitive range of high-quality, affordable products should sustain future market share gains
 - The Group is developing products in the Energy Transition space which is a strong growth area for the Group
 - The Group is using its product experience to build profitable businesses internationally
 - The Group has a successful track record of new product development
 - The Group's own manufacturing facility in China allows high-quality products to be brought to market quickly and cost-efficiently
 - The Group's policy is to operate with Bank Net Debt between 1.0 and 2.0 times Bank EBITDA to ensure the Group has sufficient cash to reinvest in growth and respond to changing circumstances

- Strategy and business model**
- Business model:**
- Design: we are the innovators within the product categories we serve. Innovation allows us to up-sell and improve profitability. Our designs, starting with the customer in mind, are brought to the market quickly
 - Make: we operate a vertically integrated business model with an agile production capability. We have invested in our facility to ensure we can make high-quality, low-cost products
 - Market: we have been serving our largest customers for many years. We operate in diverse but synergistic sales channels. We are investing in our online marketing and academy for customers and contractors
 - Fulfil: we have a supply chain which is flexible to customer needs and offer high outbound service levels using the best available technology
- More information on the Group's business model can be found on page 15.

- Strategy:**
- Grow our presence in higher-growth product segments
 - Enhance our existing market position
 - Expand the breadth and depth of our product range
 - Deliver synergistic growth
- More information on the Group's strategy can be found on pages 16 and 17.

- Principal risks to strategy and business model (in order of impact on viability)**
- **Macroeconomic, political and environmental**
A UK macroeconomic downturn, due to higher interest rates and living costs and global energy and material price increases, could adversely affect the demand for and pricing of our products. The Group is facing a changing ESG environment which impacts a number of stakeholders from customers to investors that could lead to loss in revenue and profitability, although currently this exposure is low
 - **Concentration risks associated with operations**
Due to an event such as a fire, flood, power outage, or IT failure in China. Shipping and transportation disruption between the Group's end markets and its sources of product supply which are overwhelmingly in China
 - **Concentration risks associated with customers and products**
The loss of a key customer would result in a short-term shortfall in profit and cash whilst sales were replaced by growth elsewhere

Luceco plc – Viability Statement approach



Viability Statement

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Viability Statement continued

Viability Statement – assessment analysis

Principal risk	Scenario test	Likely output
Macroeconomic, political and environmental	- Management have modelled the following two scenarios in UK macroeconomic downturn: - Reduction in UK revenue and gross profit for 18 months from April 2026 of 10%. Phased return by 2027, with 2026 10% down reflecting the impact of the year one recession - Total loss of the Group's largest customer range from 2026 onwards	Management have completed these scenario tests and concluded this would not impact compliance with its financial covenants or viability
Concentration risks associated with operations	- Management have run a scenario in which the Group loses all of its sales of products sourced from China for which no inventory buffer is held outside of China for six months whilst alternative sourcing arrangements are made - Management have also modelled the impact of disruption to shipping and transport. This was modelled as a revenue reduction for three months relating to 27% of revenue (FOB revenue) with shipping costs up 50% for six months starting from Q2 2026	Management have completed these scenario tests and concluded this would not impact compliance with its financial covenants or viability
Concentration risks associated with customers and products	- Management have modelled the following scenario: - Total loss of the Group's largest customer from 2026 onwards	Management have completed this scenario test and concluded this would not impact compliance with its financial covenants or viability

The Viability Statement is dependent on the following process and assumptions

Process:

- The financial forecast on which the Viability Statement is based is aligned with the annual corporate plan for 2026 approved by the Board in December 2025 with input from the Group's senior leadership team
- Progress against financial budgets and key objectives is reviewed on a monthly basis to determine progress and identify any changes to the original detailed plan

Assumptions:

- Future organic growth assumptions are consistent with those recently achieved by each of the Group's businesses
- Working capital as a percentage of revenue is held broadly flat
- Capex broadly equal to depreciation
- Dividends consistent with the Group's dividend policy
- No additional investment in acquisitions (since these are discretionary and within the control of management)

The Viability Statement

- The Board considers that it is a reasonable expectation that the Company will be able to meet its liabilities as they fall due over a three-year period to 31 December 2028

This assessment has been chosen for the following reasons:

- A full assessment of prospects and assessment of viability has been completed
- The financial and strategic planning period is currently three years, which is the current level of visibility we have as a Board on the forecasts
- The Company secured new banking facilities in May 2025, expiring in May 2028, but with optionality for two further years to May 2030

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Non-Financial and Sustainability Information Statement

The table below sets out where stakeholders can find information in our Strategic Report that relates to non-financial matters detailed under Section 414CB of the Companies Act 2006.

Reporting requirement	Where to read more in this report	Page
Environmental matters	Environment, Social and Governance Statement – Creating a sustainable future	31 to 51
Employees	Environment, Social and Governance Statement – Empowering people, health and safety	52 to 55
	Chief Executive Officer's Review	9 to 12
	Principal Risks and Uncertainties – People and labour shortages	65
Human rights	Environment, Social and Governance Statement – Supply chain, human rights	56
Social matters	Environment, Social and Governance Statement – Communities	56
Anti-bribery and corruption	Environment, Social and Governance Statement – Anti-bribery and Corruption Policy	55
Business model	Advantaged Business Model	15
Principal risks	Principal Risks and Uncertainties	62 to 66
Non-financial KPIs	Strategy and Measuring our Performance	22

The Strategic Report on pages 1 to 69 was approved by the Board of Directors on 24 March 2026.

John Hornby
 Chief Executive Officer

Will Hoy
 Chief Financial Officer

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Governance

Chair's Introduction

The Group's corporate governance structure is fundamental in ensuring we fulfil our purpose and deliver on our strategy

Giles Brand

Chair

Dear Shareholder,

I am pleased to present the Corporate Governance Report for the year ended 31 December 2025 ("year"). This section of the Annual Report describes our corporate governance structures and processes and how they have been applied throughout the year.

Good corporate governance is fundamental to the success of our business. The Board and its Committees play a key role in our governance framework by providing independent support and challenge, providing an understanding of the views of shareholders and other stakeholders and ensuring that a culture of good governance is promoted globally throughout the business. Our aim is to promote and maintain an environment of openness, transparency, accountability and responsibility.

My role as Chair

My role is to ensure that the Luceco Board operates effectively in delivering the long-term success of the Company. In fulfilling this role, I seek to ensure that Board proceedings are conducted in a way that allows all Directors to have the opportunity to express their views openly and that the Non-Executive Directors can provide support and constructive challenge to the senior leadership team. More about my role, and the roles of the Directors and Committees, can be found on pages 76 and 77.

Board changes and induction

On 9 December 2025, we welcomed Martyn Coffey to the Board and as a member of the Remuneration Committee. Martyn has extensive industry knowledge which is of particular relevance to the Group's future strategy. Martyn's biography and details of his induction can be found on pages 75 and 83 respectively. Caroline Brown has confirmed she will step down from the Board at the 2026 AGM after completing just over nine years of service. I would like to thank Caroline for her significant support and contribution to the Company and wish her well with her future plans.

Board and Committee performance review

Further details of the Board and Committee review can be found on page 83. As Chair I am responsible for leading the annual review of the performance of the Board, Committees and individual Directors ("Review"). The Review for 2025 was undertaken internally by way of a questionnaire, a method appropriate and proportionate to the size of the Company, and which yields useful results. The Review considered the composition, balance of skills, experience, knowledge and collaboration on the Board, as well as other factors including diversity, ethnicity and environmental, social and governance ("ESG") factors. We also received and considered a number of suggestions regarding the growth of Luceco's business in 2026. Results of the Review were prepared by the Company Secretary and provided to me for analysis. I presented the findings to the Board, including individual recommendations made by Directors.

My performance was also appraised by the independent Non-Executive Directors under the leadership of the Senior Independent Director.

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Governance

Chair's Introduction continued

Board and Committee performance review continued

We discussed the outcomes of the review and the key themes identified were:

- AI and cyber security: We agreed that AI and cyber security continue to present evolving risk and opportunities and that it is essential for the Board to provide robust oversight in these areas
- Culture: There was a need for the Board to actively ensure that the Company's culture continues to align with strategic priorities by strengthening oversight of cultural indicators
- Succession planning. As two of our Non-Executive Directors have now exceeded the recommended nine-year term in office, ongoing succession planning will be a priority in 2026, building on the work undertaken in 2025 following the appointment of Martyn Coffey as a Non-Executive Director

Ultimately, we concluded that the Board, Committees and individual Directors were operating effectively, whilst also noting areas for development.

The year ahead

Our priorities for 2026 will include progressing succession planning to increase diversity on the Board and within senior management, fostering a culture that enables our people to thrive and continuously strengthening our governance framework.

Giles Brand

Chair

24 March 2026

Compliance with the 2024 UK Corporate Governance Code

The Company is required to report on its compliance with the Principles and Provisions of the 2024 UK Corporate Governance Code (the "Code"), a copy of which is available at www.frc.org.uk. For the year ended 31 December 2025, the Board considers that it has complied in full with the Code's Principles and Provisions in a manner that would enable shareholders to evaluate how the Principles have been applied, with the exception of Provisions 9 and 19.

Provision 9 of the Code requires that the Chair should be independent on appointment when assessed against the criteria set out in Provision 10. Provision 19 states that the Chair should not remain in post beyond nine years from the date of their first appointment to the Board.



Giles Brand was appointed as a Director of the Company in 2010 and then appointed Chair in 2016 when the Company listed on the London Stock Exchange. Although Giles would not be considered to be independent for the purposes of Provisions 9 and 10 of the Code, the Board is satisfied that the Company's ongoing relationship with Giles and ESO Investments 2 Limited (who together own 28.0% of the Company's voting rights) is governed by a relationship agreement that serves to regulate the relationship and deliver effective independence. Giles is considered by the Board to be independent in character and judgement in performing his duties as a Director of the Company.

In accordance with Provision 10 of the Code, circumstances which are likely to impair, or could appear to impair, a Non-Executive Director's ("NED") independence include, but are not limited to, whether a NED has served on the Board for more than nine years from the date of first appointment. As disclosed in this report, Caroline Brown and Tim Surridge reached their nine-year tenure on 27 September 2025. Caroline will be retiring at the Annual General Meeting on 19 May 2026. Tim will continue to serve on the Board and as the Chair of the Remuneration Committee. In light of Caroline's departure and Martyn Coffey's recent appointment as a NED, the Board has determined that Tim will continue as a NED to facilitate a smooth transition for the appointment of a new Chair of the Remuneration Committee in due course.

The decision that Tim will remain on the Board for 2026 is designed to help maintain a balance between new and existing members at Board level. For further information about succession planning for the Board please see page 84.

Further information

Board leadership and Company purpose

See pages 77 and 78

Division of Directors' responsibilities

See page 76

Composition, succession and evaluation

See pages 83 and 84

Audit, risk and internal control

See pages 87 and 88

Remuneration

See pages 93 and 94

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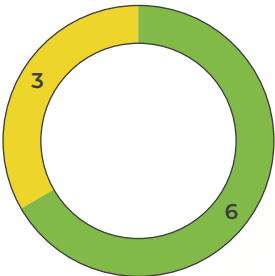
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The Board at a Glance

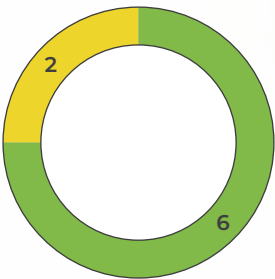
The Board of Directors has overall responsibility for the Group. Its principal aim is to **enhance the Company's long-term value** for the benefit of shareholders.

Board balance



Gender diversity

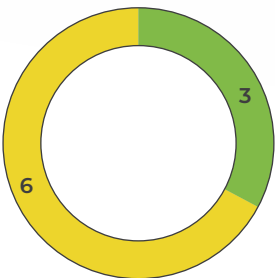
Male	67%
Female	33%



Independence¹

Independent Non-Executive Directors	75%
Executive Directors	25%

1. Excluding the Chair



Board tenure

<5 years	33%
>5 years	67%

Sector experience

Skills	
Finance/Capital Markets	9/9
Governance	9/9
Operational	9/9
Strategy	9/9
Manufacturing/Industry	9/9
Consumer/Retail	4/9
Digital	4/9

Meeting attendance

The table below shows the number of scheduled Board and Committee meetings attended by each Director during the year against the total number of possible meetings in respect of each Director.

Name	Board	Audit Committee	Nomination Committee	Remuneration Committee	Disclosure Committee
Giles Brand	9/9	n/a	2/2	n/a	3/4
John Hornby	9/9	n/a	n/a	n/a	3/4
Will Hoy	9/9	n/a	n/a	n/a	4/4
Pim Vervaat	9/9	3/3	2/2	3/3	n/a
Caroline Brown	9/9	n/a	2/2	3/3	n/a
Tim Surridge	9/9	3/3	n/a	3/3	n/a
Julia Hendrickson	9/9	2/3	n/a	3/3	n/a
Janet Ryan	9/9	3/3	n/a	n/a	n/a
Martyn Coffey ¹	n/a	n/a	n/a	n/a	n/a

1. Martyn Coffey was appointed to the Board on 9 December 2025; there were no meetings of the Board or the Remuneration Committee during the year following his appointment.

Key: ● Attended ○ Did not attend

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Governance

Board of Directors

Giles Brand

Non-Executive Chair

D N

Skills and experience

Giles is the founder and Managing Partner of EPIC Investment Partners LLP, an independent investment manager, advisory and placement agent and administrator. Giles is a director of its subsidiary EPIC Investment Partners (UK) Limited, the investment manager of ESO Investments 2 Limited, the Company's largest shareholder. Since 2001, Giles has led over 30 buyout, turnaround, distressed and growth capital transactions. Many of these transactions have made multiple bolt-on acquisitions in the UK and overseas.

Other roles

Giles is currently the Non-Executive Chair of Whittard of Chelsea.

John Hornby

Chief Executive Officer

D

Skills and experience

John was appointed Chief Executive Officer of the Group in 2005 having originally joined Luceco in 1997. John led the original management buyout of Luceco from a listed plc in 2000 and led the secondary buyout with EPIC Investment Partners LLP (formerly EPIC Private Equity LLP) in 2005. Under his leadership the Group has expanded significantly, developing its manufacturing operations in China, entering new product categories and sales channels as well as successfully integrating key acquisitions. John began his career with Knox D'Arcy Management Consultants following his graduation from the University of Oxford with a degree in Economics.

Other roles

John holds no other listed or non-listed directorships.

Will Hoy

Chief Financial Officer

D

Skills and experience

Will assumed the position of Chief Financial Officer in April 2023. Will joined the Group as a Non-Executive Director in 2019 and was Chair of the Audit Committee from October 2021 to January 2023. Will previously held the position of Chief Financial Officer for GKN Aerospace, the UK-headquartered global aerospace technology leader. He held a number of senior finance roles in a career with GKN that spanned over 20 years, including nine years as Head of Corporate Finance in which he oversaw GKN's M&A activities. Prior to joining GKN, Will qualified as a Chartered Accountant at KPMG and worked in its Corporate Finance department.

Other roles

Will holds no other listed or non-listed directorships.

Pim Vervaat

Senior Independent Non-Executive Director

A N R

Skills and experience

Pim joined the Board as Senior Independent Non-Executive Director in 2020 and became a member of the Audit Committee in October 2021, bringing extensive Board-level international manufacturing experience to the Group. In October 2025, Pim was appointed Chief Executive Officer of SIG plc, a leading pan-European supplier of insulation and sustainable building products and solutions across six European markets. Previously, Pim was the Chief Executive Officer of the leading flexible packaging manufacturer Constantia Flexibles from 2020 until September 2024. Before this, he spent 12 years at RPC Group plc, initially as Chief Financial Officer and then as Chief Executive Officer.

Other roles

Pim is currently the Chief Executive Officer and Chair designate of SIG plc.

Caroline Brown

Independent Non-Executive Director

N R

Skills and experience

Caroline joined the Board as an independent Non-Executive Director and was Chair of the Audit Committee from October 2016 to October 2021. She has managed divisions of FTSE 100 groups and AIM businesses with international industrial and technology operations and has worked as a corporate finance adviser with various leading banks. She is a Fellow of the Chartered Institute of Management Accountants and has chaired audit committees of listed companies for the past 25 years. She holds a degree and PhD in Natural Sciences from the University of Cambridge and an MBA from the University of London.

Other roles

Caroline is currently a Non-Executive Director of three other listed companies: IP Group plc, CAB Payments Holdings plc and Ceres Power Holdings plc.

Key: A Audit Committee D Disclosure Committee N Nomination Committee R Remuneration Committee Committee Chair

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Governance

Board of Directors continued

Tim Surridge

Independent
Non-Executive Director



Skills and experience

Tim joined the Group as a Non-Executive Director in 2016, is Chair of the Remuneration Committee and was Chair of the Audit Committee from January 2023 to July 2025. Previously, Tim has served as Group Chief Financial Officer at Olive Group Capital Limited, a Dubai-based security solution provider, and as Chief Financial Officer and an Executive Director at Dangote Cement plc, Nigeria's largest cement producer. Tim joined KPMG UK in 1991 and became a partner in the firm's Transactional Services business in 2006. Tim has considerable accounting and advisory experience including stock market listings, reverse takeovers, management buyouts and acquisitions. Tim is a qualified Chartered Accountant.

Other roles

Tim is currently a Principal at NM Capital.

Julia Hendrickson

Independent
Non-Executive Director



Skills and experience

Julia joined the Group as a Non-Executive Director in June 2022 and became a member of the Audit Committee and Remuneration Committee from October 2022. Julia is also the Employee Engagement Director for Luceco. Julia has spent her career in commercial leadership roles within large retail, FMCG and healthcare organisations. She has extensive international experience in developing customer-focused commercial strategy, including within the e-commerce channel. Currently, Julia is the Chief Executive Officer of The Private Clinic Group, the market leader in aesthetics and cosmetic surgery. Previously, Julia was President of Linnaeus Veterinary Limited, a leading veterinary health business in the UK and Republic of Ireland.

Other roles

Julia is currently the Chief Executive Officer of The Private Clinic Group.

Janet Ryan

Independent
Non-Executive Director



Skills and experience

Janet joined the Group as a Non-Executive Director and Audit Committee member in July 2024 and was appointed Chair of the Audit Committee in July 2025. Janet is a management accountant with considerable financial and commercial experience in international industrial and manufacturing businesses. Most recently, she held the position of Group Finance Director at AB Sugar, a highly complex global division of Associated British Foods plc. Previously, she has held senior leadership roles both in the UK and overseas with Victrex plc, Cabot Corporation, Huntsman Corporation and ICI plc, and has led both the purchase and integration of a number of acquisitions across her successful finance and business leadership career.

Other roles

Janet is currently the Audit Chair of Scott Bader, an independent member of the Audit Committee of Cancer Research UK and a Trustee for Community Integrated Care.

Martyn Coffey

Independent
Non-Executive Director



Skills and experience

Martyn joined the Group as a Non-Executive Director and Remuneration Committee member in December 2025. Martyn brings with him a wealth of industry experience, having previously served as CEO of Marshalls plc, a FTSE 250 supplier of landscaping, roofing and building products to both commercial and residential markets, for over a decade. His distinguished executive career also includes roles as CEO of Baxi Group Limited and Managing Director of Pirelli Cables Limited. An accomplished Board member, Martyn previously served as a Non-Executive Director of the Mineral Products Association until 2024 and was a Non-Executive Director of Eurocell plc until 2023.

Other roles

Martyn currently sits as a Non-Executive Director of Taylor Wimpey plc.

Key: Audit Committee Disclosure Committee Nomination Committee Remuneration Committee Committee Chair

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Corporate Governance Report

Our governance framework ensures effective decision-making and strong governance standards, which the Group will continue to build upon in 2026.

The Board

The Board is accountable to shareholders for the performance and conduct of the business and is committed to maintaining transparent engagement, keeping shareholders well informed about the Group's strategy, progress and future prospects. It exercises oversight of the Group's conduct and operations to secure the long-term sustainable success of the Company, delivering enduring value for shareholders while advancing the interests of the wider stakeholder community.

Board division of responsibilities

There is a clear division of responsibilities between the Chair, the Chief Executive Officer and the Senior Independent Director as set out opposite:

Chair

Giles Brand

Giles Brand has held the role of Chair since 2 October 2016. The Chair is Non-Executive and is responsible for the leadership and governance of the Board, organising, planning and setting the agenda of Board meetings (in conjunction with the Chief Executive Officer) and communicating information to shareholders. The Chair maintains regular contact with the independent NEDs to discuss and address any issues or concerns outside of formal Board meetings. The Chair also provides support to the Executive Directors where required.

Executive Directors

Chief Executive Officer ("CEO")

John Hornby

The CEO has delegated responsibility for the management of the Group's day-to-day operations, including product development, quality control, sourcing of raw materials, customer and supplier relations, distribution and health and safety. The CEO also prepares and communicates the strategy of the Group and the detailed underlying operational plans to deliver it.

Chief Financial Officer ("CFO")

Will Hoy

The CFO works closely with the CEO to ensure that strategic plans are underpinned by strong financials and to deliver growth in shareholder value. The CFO is responsible for producing budgets and forecasts to deliver and measure against the strategy and assessing the benefit of new investment opportunities. The CFO is also responsible for internal controls and risk management, in conjunction with the Audit Committee.

Independent Non-Executive Directors

Senior Independent Director ("SID")

Pim Vervaat

In addition to the responsibilities of an independent NED, the SID is available to shareholders should they have concerns which contact through the Chair or other Board members has failed to resolve or for which such contact is inappropriate. The SID is also responsible for conducting the annual performance evaluation of the Chair, in conjunction with the other independent NEDs. All Board members who wish to deal in the Company's securities must seek approval from the SID. The SID must seek such approval from the Chair.

Non-Executive Directors ("NEDs")

Caroline Brown, Martyn Coffey, Julia Hendrickson, Janet Ryan and Tim Surridge

All of the NEDs are independent and contribute to the strategic direction of the Group, providing an independent sounding board to the Chair and Executive Directors. They have been appointed for their knowledge and expertise and provide healthy debate and robust challenge to the Executive Directors and senior leadership team, where required. The independent NEDs are also members of the Board Committees, except for the Disclosure Committee, with responsibility for the oversight of audit, internal controls and risk management, composition of the Board and Committees and remuneration of the Board.

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Governance

Corporate Governance Report continued

Matters reserved for the Board

The Board keeps a formal schedule of matters specifically reserved for its decision, which is reviewed annually by the Board and available on the Company's website. These include the approval of the annual and half-yearly results and associated announcements, recommendation of dividends, convening of shareholder meetings, Board appointments, strategic plans and budgets, ESG-related strategy and targets, significant capex proposals, acquisitions, systems of internal control and risk management, and corporate governance arrangements.

Board composition

As at the date of this report, the Board comprised the Chair, two Executive Directors and six independent NEDs. The six independent NEDs are considered by the Board to meet the independence criteria set out in Provision 10 of the Code and to be independent of the Company's executive management and free from any business or other relationship that could affect their ability to exercise independent judgement.

The rules concerning the appointment and replacement of Directors are set out in the Company's Articles of Association ("Articles") and in the Companies Act 2006.

Board Committees: responsibilities and composition

The Board has formally delegated specific responsibilities for audit, risk management and financial control, public announcements, Board composition and remuneration to four standing Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Disclosure Committee. The Board retains responsibility and oversight on sustainability-related matters.

Each Committee is composed of appropriately qualified Directors and is authorised to consider matters within its remit with the rigour expected under the Code. Each Committee is chaired by either the Chair or an independent NED, enabling them to take an active role in influencing, overseeing and challenging the work of the Executive Directors and senior management team. The Chairs of each Committee report regularly to the Board, providing detailed updates on that Committee's activities, deliberations and recommendations to support effective oversight and informed decision-making. More information on meeting attendance, Committee members, their skills and experience can be found on the following pages:

- Audit Committee pages 85 to 88
- Nomination Committee pages 81 to 84
- Remuneration Committee pages 89 to 115

The terms of reference of the Committees are reviewed annually and during the year all Committee terms of reference were reviewed and updated in line with the Code. Copies of the Terms of Reference for each of the above-mentioned Committees is available on the website at <https://www.lucecoplc.com/investors/documents/>

Election and re-election of Directors

In accordance with the Code and the Articles, all Directors are subject to election or annual re-election as appropriate by shareholders at the Annual General Meeting ("AGM").

The Directors' biographical details are set out on pages 74 and 75 of this report. These demonstrate the wide range of skills and experience that they bring to the Board.

The individual performance of each Director standing for election or re-election has been evaluated, together with consideration of each Director's significant commitments, and it is recommended that shareholders vote in favour of their election or re-election at the AGM. Accordingly, resolutions to elect or re-elect all Directors, with the exception of Caroline Brown, will be contained within the 2026 AGM Notice of Meeting. Caroline Brown will not be seeking re-election at the forthcoming AGM having served as a member of the Board since September 2016. The Board and Group wish to express sincere thanks for Caroline's dedicated service and invaluable contributions during her tenure. Caroline's insight, leadership and commitment have been instrumental in supporting the Board's work and guiding the Group through periods of significant development. We are deeply grateful for the time, expertise and perspective she has shared.

Time commitment

Each Director's other commitments are disclosed and, in the case of significant appointments, approved by the Board in advance. During the year, the Board considered and approved Pim Vervaat's appointment as CEO at SIG plc, determining that Pim had the capacity to continue as Senior Independent Director at the Company and act in the new role at SIG plc. The Board reviews a schedule of Directors' interests at each Board meeting. The Board is satisfied that the other commitments of the Chair and the independent NEDs do not prevent them from devoting sufficient time to the Company. John Hornby and Will Hoy do not hold any external directorships.

Access to advice

All Directors have access to the advice and services of the Company Secretary, who is responsible for advising the Board on corporate governance matters. The Directors are able to take independent, professional advice to assist them, if necessary, at the Company's expense.

Disclosure Committee

The Board has delegated responsibility to the Disclosure Committee to oversee the Company's compliance with the FCA's Listing Rules and Disclosure Guidance and Transparency Rules, and the Market Abuse Regulation, in respect of the disclosure and control of inside information directly concerning the Company.

The Committee meets as appropriate and met four times during the year. The Disclosure Committee is chaired by Giles Brand and its other members are John Hornby and Will Hoy. Information on meeting attendance for the Disclosure Committee can be found on page 73.

Leadership and Company purpose

The Board is collectively responsible for leading and controlling all activities of the Group, with overall authority for establishing the Company's purpose, values and culture and overseeing the management and conduct of the Group's business, strategy and development. The Board sets the Group's strategic direction and approves strategic projects, policy and investment decisions. These decisions are underpinned by financial reporting and a robust approach to risk management. The Board is also responsible for ensuring appropriate resources are in place to enable the senior leadership team to deliver the strategic objectives and enact their policies and decisions.

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Corporate Governance Report continued

Leadership and Company purpose continued

The Board has agreed the Company's purpose, as stated on page 2, and has satisfied itself through regular reports from, and discussions with, management that the culture promoted by the Board and by senior management supports this purpose.

People and culture

The Board assesses and monitors Company culture through a number of channels, including regular reports from the Executive Directors and senior management, whistleblowing reports and employee surveys. There was an 80% participation rate for the employee survey across the workforce. Results of the survey demonstrated meaningful progress across key engagement drivers, including communication, leadership visibility, social connection, and learning and development, with each area showing year-on-year improvement.

Looking ahead, the survey has highlighted three priorities with the greatest potential to improve engagement across the Group: leadership communication and social connection, leadership and management capability, and L&D for all.

People remained a key focus of discussion during the year, with the Board and Committees receiving several updates from the Company's Director of People and Talent. In 2026, in line with the Code, the Company will look to further develop and embed culture across the Group as we integrate newly acquired businesses.

More about the Company's approach to its people and culture can be found in the ESG section on pages 29 to 56.

Workforce engagement

In accordance with the Code, Julia Hendrickson continued to fulfil the role of designated NED for workforce engagement during 2025. As part of her responsibilities, Julia held a series of listening groups with employees from across the business and conducted a number of one-to-one discussions with members of the Senior Leadership team ("SLT").

These sessions followed the annual employee engagement survey (summarised within the ESG section on page 54) and were designed to explore in greater depth the themes highlighted through the survey.

Overall feedback from employees was positive with engagement levels remaining ahead of industry benchmarks. Colleagues commented on the entrepreneurial and fast-paced culture of the business, the opportunities to develop and grow, and the continued investment in training, leadership development and the working environment.

The introduction of the new office space, improvements in communication through quarterly updates and SLT cascades, as well as the launch of the new intranet were all cited as meaningful steps forward.

The sessions also highlighted areas of opportunity. Teams are excited about the Group's strategy, but some expressed a desire for closer links between this strategy and objectives for individual teams. Colleagues also requested more consistent communication on business developments, new products and new starters. While colleagues were positive about the progress made on learning and development, some would like to see more visible pathways for career progression.

Overall, Julia found that colleagues remain highly committed to Luceco's success and value its straightforward, dynamic culture. The Board will continue to monitor the effectiveness of its methods of workforce engagement, and Julia intends to continue engaging with teams across all sites, including through in-person visits to both UK and international operations where possible.

The workforce engagement described above gives the Board, via the designated NED, the opportunity to explain and discuss pay practices, and how executive pay aligns with pay across the wider workforce.

Further information on the Company's approach to its people can be found within the "Empowering people" section of the ESG Report on pages 52 to 54.

Whistleblowing and compliance

The Board is responsible for monitoring and periodically reviewing the Group's whistleblowing, anti-bribery and anti-fraud policies. The policies are reviewed annually by the Board and in 2025 the Board satisfied itself that sufficient arrangements are in place to assist in the prevention of fraud and enable employees to report irregularities confidentially and allow appropriate investigation and follow-up action to be taken. The Board is also responsible for reviewing any whistleblowing reports and receives reports on these matters throughout the year as required.

Further details on the Group's whistleblowing arrangements are set on page 56.

Wider stakeholder considerations

The Company's key stakeholder groups are set out in the Strategic Report on pages 57 to 59. Further information is included in the Section 172(1) Statement in the Strategic Report on pages 60 and 61.

Sustainability

Full details of the Company's sustainability strategy and performance with regard to sustainability are provided within the "Creating a sustainable future" section of the ESG Report on pages 31 to 51.

Board meetings

In advance of its meetings, the Board is provided with an agenda and all relevant documentation and financial information in a timely manner to assist it in the discharge of its duties and ensuring that decisions are well informed and made in the best interests of the Group. If any member is unable to attend a Board meeting, they have the opportunity to discuss any agenda items with the Chair before the meeting. Conflicts of interest are managed in accordance with the procedure described under Directors' conflicts of interest on page 117.

Board performance review

Further details of the Board and Committee performance review can be found on pages 71 and 72.

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Corporate Governance Report continued

Board activity

The Board agenda focuses on the themes of driving strategy, monitoring risk and execution of the strategy through regular business, financial and departmental updates. These are complemented and underpinned by updates and discussions around culture, people and stakeholders, as well as corporate governance considerations including legal and regulatory matters. A summary of the activity of the Board during the year is set out as follows:

Strategy

- Regularly received and discussed strategic updates, proposals and reviews from the Executive Directors and senior management
- Supported the development of strategy through individual insights and robust challenge
- Considered the Group's equity story and valuation with the Company's brokers
- Received and discussed updates on performance and strategy regarding the Group's operations in China and the Middle East, including on-site Board sessions; considered plans to streamline, such as warehouse consolidation, and to increase factory automation
- Considered and monitored strategic partnerships and commercial arrangements, alongside integration progress and Enterprise Resource Planning rollouts for acquired businesses

Financial

- Considered the financial performance of the Group and key performance targets, including a review of the monthly management accounts at each Board meeting
- Monitored performance through regular presentations from the CFO
- Approved the Annual Report, half-year and annual results announcements, trading statement updates and half-year and final dividends
- Approved the Group's financing arrangements
- Approved the 2026 budget and five-year strategy plan
- Reviewed and challenged management's going concern assessment
- Approved financing and subsidiary guarantee matters linked to the Group's facilities
- Considered and approved selected lease renewals and capacity initiatives
- Ratified employee benefit trust share purchases and other capital allocation items

Corporate governance

- Discussed the outcome of the review of the Board's performance and agreed actions for 2026, including senior management succession planning and developing the Company's digital and e-commerce offering
- Considered shareholder feedback from brokers and analysts as relevant throughout the year
- Received regular updates on legal and governance developments affecting the Company, including, among other things, UK Market Abuse Regulation, updates to the Listing Rules, preparing for Provision 29 of the Code and the impact of the offence on Failure to Prevent Fraud under the Economic Crime (Transparency and Enforcement) Act 2022

Internal control and risk management

- Reviewed the Group's approach to risk management and carried out planning for UK Corporate Governance Code Provision 29, agreeing to a staged programme to identify and assess material controls and to report back throughout the review period
- Received regular progress reports from the Director of Finance on progress to prepare for Provision 29 of the Code
- Monitored cyber and IT resilience; received and discussed a post-incident review on cyber issues and ongoing improvements (including International Standard Organisation-aligned enhancements, such as IT risk register and user training)
- Considered treasury and hedging updates, approved resumption of FX cover in line with policy and set catch-up targets for key currencies

Culture, people and stakeholders

- Discussed the annual employee engagement survey and workforce engagement feedback, including feedback regarding the factory in China
- Received actions to strengthen communications, learning and development, and visible leadership
- Received and discussed leadership and succession updates
- Considered organisational design options and senior hiring priorities
- Confirmed Committee and Board-level changes and appointments
- Reviewed and approved the approach to 2026 workforce pay

- Reviewed and approved various policies including the Anti-Bribery Policy, Diversity and Inclusion Policy, the Modern Slavery Statement and Related Party Policy
- Reviewed updates from the Committees, noting risk and control discussions and scheduling of key governance topics
- Approved the appointment of Janet Ryan to Chair of the Audit Committee
- Approved the appointment of a new Non-Executive Director
- Approved the re-appointment of KPMG as the Company's auditor

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Governance

Corporate Governance Report continued

Shareholder engagement

The Board, led by the Chair, is committed to maintaining an open and constructive dialogue with shareholders, to ensure there is a common understanding of the strategic objectives, governance and performance of the Group. The CEO and the CFO undertake investor roadshows following the release of financial results, with the presentations made available on the Company's website. Any feedback gained from a roadshow is reported to the Board, to enable Directors to understand the views of shareholders.

Where appropriate, the Company consults with shareholders on significant issues. During 2025, major shareholders were offered the opportunity to meet the Chair, CEO and CFO virtually to discuss Luceco's strategy and governance arrangements. In addition, the Board received investor and analyst feedback through its financial public relations advisers and corporate brokers.

Annual General Meeting

The 2026 AGM will take place at the offices of Peel Hunt LLP, 100 Liverpool Street, London EC2M 2AT on Tuesday, 19 May 2026. The AGM is the principal forum for dialogue with shareholders and usually includes a presentation outlining recent developments in the business, followed by a question-and-answer session to enable shareholders to ask about specific areas or the business in general. Shareholders intending to attend the AGM are asked to register their intention as soon as practicable by emailing the Company Secretary at luceco@cm.mpms.mufig.com. Shareholders are strongly encouraged to register their proxy votes online. Shareholders may also wish to send their questions for the Board via email to luceco@cm.mpms.mufig.com in advance of the meeting. Further details will be included in the Notice of AGM, which will be sent to shareholders within the prescribed timescales.

Giles Brand

Chair

24 March 2026

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Governance

Nomination Committee Report

Committee members

Chair: Giles Brand

Other members: Caroline Brown and Pim Vervaat

Key responsibilities

The Committee's main responsibilities, as outlined in its terms of reference, are:

- Reviewing the size, structure and composition of the Board and its Committees
- Identifying and nominating candidates to fill Board vacancies as the need arises
- Ensuring adequate succession planning is in place for Directors and members of the senior leadership team
- Overseeing the development of a diverse pipeline for succession including accounting for diversity targets set by the Company's Diversity and Inclusion Policy and in consideration of the Listing Rule diversity disclosure requirements

The Committee's terms of reference are available on the Company's website. The Committee met twice throughout the year and details of attendance are set out on page 73.

Key activities during the year

- **March**
 - Approved the Nomination Committee Report
 - Considered the Directors to be put forward for election at the 2025 AGM
 - Considered the process for the appointment of a new Non-Executive Director
- **December**
 - Reviewed Listing Rule diversity disclosure considerations for 2025
 - Reviewed the Committee's terms of reference in line with the 2024 UK Corporate Governance Code
 - Considered succession planning for those Directors whose nine-year term expired in 2025

"In 2025, the Committee focused on recruitment, succession planning and how best to meet the Company's diversity and ethnicity targets in the future"

Giles Brand

Nomination Committee Chair

Dear Shareholder,

I am pleased to present the report of the Nomination Committee ("Committee"), which details the role of the Committee, the work it has undertaken and the matters considered during the year ended 31 December 2025. The role of the Committee is vital to ensuring that the Company has a strong Board with a broad range of skills, experience and diversity. During the year, the Committee engaged in a successful recruitment process to appoint a new independent Non-Executive Director, Martyn Coffey, who was appointed to the Board on 9 December 2025. Martyn is envisaged to succeed Tim Surridge as Chair of the Remuneration Committee in due course. Tim has kindly agreed to continue as a member of the Board to allow for a smooth handover of the role of Chair of the Remuneration Committee. This is referred to later in this report.

Board Diversity and Inclusion Policy

The Board Diversity and Inclusion Policy ("Policy") is reviewed annually and was reviewed by the Committee in December 2025.

Following the Board's review, the targets and objectives of the Policy were not updated in 2025. In accordance with the Policy, the Board must address diversity and inclusion as part of its recruitment process for Directors and promote diversity and inclusion in the Company's culture. For further information on diversity and how this is embedded in Company culture see page 52.

With the appointment of Martyn Coffey during the year, female representation on the Board has decreased by 4.2 percentage points to 33.3%. The date for the achievement of the target of having one Director from an ethnic minority on the Board and for having a female in one senior Board position remains at 2030.

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Governance

Nomination Committee Report continued

Gender balance of senior management and direct reports

Table for reporting on gender identity or sex¹

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Male	6	66.7%	4	15	83.3%
Female	3	33.3%	—	3	16.7%
Not specified/ prefer not to say	—	—	—	—	—

Table for reporting on ethnic background²

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	100%	4	17	94.4%
Mixed/Multiple Ethnic Groups	—	—	—	—	—
Asian/Asian British	—	—	—	1	5.6%
Black/African/ Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	—	—	—	—	—
Not specified/ prefer not to say	—	—	—	—	—

1. The reference date for the Annual Report diversity disclosures is 31 December 2025. The method for collating the data was self-reporting and facilitated by the Company Secretary. The Company has not met the targets prescribed by UKLR 6.6.6R(9) ("Targets"). The Targets will be considered as part of the recruitment process for the new Non-Executive Directors in 2026.

2. The reference date for the Annual Report ethnic minority disclosures is 31 December 2025. The method for collating the data was self-reporting and facilitated by the Company Secretary. The Company has not met the target prescribed by UKLR 6.6.6R(9) ("Target"). The Target will be considered as part of the recruitment process for the new Non-Executive Directors in 2026. The Board's Policy prescribes that the Company will aim to achieve all targets by 2030.

Diversity disclosures in accordance with UK Listing Rule 6.6.6R(9)

The UK Listing Rules require listed companies to disclose annually their position against the following Board diversity targets:

- At least 40% of women on the Board
- At least one woman in the position of the Chair, Senior Independent Director, Chief Executive or Chief Financial Officer
- At least one Director from an ethnic minority background

The Company's compliance with these targets is set out in the table opposite. During periods of change in Board composition, the balance may not be maintained during temporary periods when Board membership is transitioning.

Board appointments

Martyn Coffey was appointed as a Non-Executive Director of the Board on 9 December 2025. Martyn is a member of the Remuneration Committee and is envisaged to succeed Tim Surridge as Chair of the Remuneration Committee. Martyn brings a breadth of industry experience and has held Board roles at FTSE 250 companies.

Recruitment process

There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board, including a review of the other significant commitments Directors may have.

The Board appointed Russell Reynolds Associates to assist with the Non-Executive Director recruitment process during the period under review. Russell Reynolds Associates do not have any other direct association with the Company or any of its Directors.

Giles Brand is a Managing Partner of EPIC Investment Partners LLP and a director of its subsidiary, EPIC Investment Partners (UK) Limited (together the "EPIC Group"). The EPIC Group has engaged Russell Reynolds Associates to provide recruitment services in the past.

In the financial year, the Company undertook a thorough and structured recruitment process to appoint a new Non-Executive Director.

The recruitment was guided by a clear set of search criteria, which emphasised the need for a candidate with relevant industry experience, particularly in the manufacturing and industrial sectors, to ensure that the new Non-Executive Director could bring valuable insights and expertise to the Board. The leadership capability of candidates was also a critical factor in the selection process, ensuring that the chosen individual would be able to contribute effectively to the strategic direction of the Company.

To identify the best individual, a number of candidates were selected by Russell Reynolds, of which two were interviewed by the Group through a comprehensive four-stage process. This included initial screenings by the agency followed by interviews, where all Directors had the opportunity to meet and engage with the candidates. This collaborative approach ensured that the Board reached a consensus on the appointment, ultimately strengthening the governance and oversight of the Company. Following the conclusion of the recruitment process, the Committee was delighted to recommend that the Board appoint Martyn Coffey as an independent Non-Executive Director of the Company.

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Nomination Committee Report continued

Induction process

Each Director, upon appointment, receives a comprehensive and tailored induction to the Company. Martyn Coffey's induction included:

- In-person and virtual meetings with the other Directors
- A comprehensive induction pack supplied by the Company Secretary and an overview of the Board's operations and Committee functions
- Meetings with members of the management team to understand the Group's strategy, structure, financial and legal position, corporate governance, risk profile and risk management procedures

Board review process

The 2025 Board review ("2025 Review") was undertaken internally by way of a questionnaire, a method appropriate and proportionate to the Company, and which yields useful results. The 2025 Review considered the composition, balance of skills, experience, knowledge and collaboration on the Board, as well as other factors including diversity, ethnicity and environmental, social and governance ("ESG") factors.

Results of the 2025 Review were prepared by the Company Secretary and reviewed by the Chair. The evaluation of the Chair was reviewed by the Senior Independent Director. An overview of the results was then presented and discussed by all Directors at the January 2026 Board meeting.

The main themes discussed at the 2025 Review were:

- Strategic focus and skills gaps
- Board consensus on governance and risk
- Training and succession planning with a renewed push to focus on AI and risks associated with offshore factories
- Cyber security and the need to ensure the Board is across the risks arising from AI
- Culture and how this aligns with the Company's strategy and diversity objectives

Some of the outcomes arising from the 2025 Review included:

- Clarity on strategy and how this would be presented to the Board
- A renewed focus on ensuring the Board covers all agenda items in a timely and efficient manner
- Further representation on the Board, with skills in Energy Transition, distribution and manufacturing to be factored into future succession planning and it was agreed that the appointment of Martyn Coffey would bring deep expertise of supply chain and the Company's customer base

In line with best practice, it is intended that the Board will consider whether an external review will be undertaken in 2026.

Board composition

Each year the Committee formally reviews the size, composition and capabilities of the Board, including its diversity, as part of the annual Review of Board Effectiveness. The Committee concluded in the 2025 Review that the Board had the appropriate mix of skills and experience to provide strong and effective leadership. Composition of the Committee was reviewed and it was noted that this had been strengthened through the appointment of Martyn Coffey. As mentioned earlier in this report, it is envisaged that Martyn will succeed Tim Surridge as the Chair of the Remuneration Committee. Tim was appointed to the Board in September 2016 and therefore his nine-year tenure as a Non-Executive Director should have ended in September 2025. However, the Committee has recommended to the Board that Tim continue as a Non-Executive Director in order to ensure a smooth transition of the role of Chair of the Remuneration Committee to Martyn. Accordingly, the Board will be asking shareholders to re-elect Tim at the Company's AGM to be held on 19 May 2026.

Caroline Brown was appointed to the Board in September 2016 and although Caroline's nine-year tenure ended in September 2025, the Committee considered it was in the best interests of the Company for Caroline to continue as a member of the Board for a short period. Caroline will however not be standing for re-election at the forthcoming AGM. The standing Board Committees were also considered, and it was agreed that the composition of each was appropriate and balanced. Informed by this review and ongoing monitoring, the Committee will continue to oversee the refreshment of the Board and Committees and to maintain an appropriate balance of skills, commercial expertise and diversity to satisfy the evolving needs of the Group.

The Board and the Committee have spent a significant amount of time considering Board succession during the year to ensure that the Board has the right mix of skills and experience, as well as the capability to provide effective challenge and promote diversity in line with the targets adopted by the Board in the recently amended Policy.

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Nomination Committee Report continued

Succession planning

The Board has delegated responsibility to the Committee for leading the process for identifying and nominating Board candidates, as well as keeping the diversity of the Board under review. When making a Board appointment, the Committee seeks to identify an individual with the skills, knowledge and experience required to fulfil the role, within this context taking account of the added value that the individual brings to the Board in terms of creating a diverse, and therefore more effective, decision-making body. As mentioned, an external recruitment process will also now adopt and implement the external guidelines prescribed by the Policy.

The Committee identified the following succession planning objectives and considerations for 2026:

- Recruitment for a Non-Executive Director to replace Tim Surridge, who exceeded his nine-year tenure in 2025

In order to meet these objectives, the Committee has taken the following into account:

- Board membership to be aligned with the current and the future five-year strategy of the Company
- Current tenures of the Board compared to average tenures and balancing the advantages of continuity and freshness of approach
- Directors' plans
- Diversity, including and beyond gender or ethnicity, but also in terms of outlook and approach and cognitive skills

In addition to ensuring the Board achieves its diversity and inclusion targets, the Committee also oversees the development of a diverse pipeline of potential senior managers. This is supported by the Group's Policy, described on page 52, which ensures that all employees, regardless of gender, ethnicity, age or other factors, are provided with the opportunity to progress within the organisation, supported by an inclusive culture underpinned by fair and equitable practices and procedures.

The Committee believes that this is an appropriate and balanced approach to facilitating the development of a diverse pipeline.

All Non-Executive Directors are appointed for initial terms of three years and may be terminated by either party upon one month's notice or by shareholder vote at the AGM. The Non-Executive Directors do not have any entitlement to compensation (or payment in lieu of notice) if they are not re-elected by shareholders following any retirement.

Full details of the remuneration of the Non-Executive Directors can be found on pages 104 to 106 of this document in the Directors' Remuneration Report.

Annual review of the Nomination Committee

As part of the Review of Board Effectiveness conducted during 2025, the Committee undertook an evaluation of its own effectiveness and considered the structure, size and composition of the Board and its Committees as well as reviewing its terms of reference.

Ultimately, the Committee concluded that it was operating effectively; however, it noted that the Committee would need to focus on recruitment of a Non-Executive Director in 2026. Details of the full 2025 Review, including how it was conducted and the actions taken as a result, can be found on page 83.

Directors' performance

The Directors' biographies are set out on pages 74 and 75. The Committee has considered the performance of each Director and concluded that they continue to demonstrate the necessary knowledge and commitment to contribute effectively to the Board, noting that Caroline Brown is due to retire at the 2026 AGM. As part of this process, the Committee reviews each Director's other commitments and asks each Director to confirm they have sufficient time to fulfil their duties to the Company.

Priorities for 2026

During the forthcoming year, the Committee will be considering what, if any, further appointments to the Board are required, taking into account recent and upcoming changes to Board membership. The Committee will remain focused on continuing to strengthen the mix of skills, diversity and experience on the Board and the Company's five-year strategy.

Giles Brand
Nomination Committee Chair

24 March 2026

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Audit Committee Report

Committee members

Chair: Janet Ryan

Other members: Pim Vervaat, Julia Hendrickson and Tim Surridge

Janet Ryan replaced Tim Surridge as Chair of the Audit Committee on 21 July 2025, with Tim continuing to be a member of the Committee.

Key responsibilities

The Committee's main responsibilities, as outlined in its terms of reference, include:

- Recommending the half and full-year financial results to the Board following detailed review of those matters set out in the Committee's terms of reference
- Maintaining the integrity of all financial and non-financial reporting
- Monitoring the Group's internal financial controls and risk management systems
- Overseeing the relationship with the external auditor and reporting the findings and recommendations of the auditor to the Board

The Committee's terms of reference are available on the Company's website. The Committee met three times throughout the year and details of attendance are set out on page 73.

Key activities during the year

● March

- Reviewed its terms of reference and the Non-Audit Services Policy
- Review of Spain and Mexico controls effectiveness completed
- Reviewed the Annual Report and Financial Statements for the year ended 31 December 2024

● September

- Reviewed preparations for meeting Provision 29 requirements
- Reviewed the 2025 Interim Results
- Considered guidance paper on Failure to Prevent Fraud offence

● October

- Engaged Ernst & Young to undertake a detailed verification of controls effectiveness at the Group's operations in China
- Ongoing engagement on Provision 29 requirements
- Reviewed and approved the audit plan and scope of work for the year ended 31 December 2025

1. The Chair of the Board, Chief Executive Officer, Chief Financial Officer, senior finance team members and the external auditor are routinely invited to Committee meetings at the Committee's request. The Committee also meets separately with the external auditor without management present.

In 2025, the Committee worked to further strengthen the Company's internal controls and risk management framework by providing independent challenge and oversight

Janet Ryan

Audit Committee Chair

Dear Shareholder,

I am pleased to present the report of the Audit Committee ("Committee") for the year ended 31 December 2025. Last year we reported on the steps we had taken to review and strengthen the Company's internal controls environment, which led to us engaging Ernst & Young ("EY") to assist with reviews of our Mexico and Spain businesses. Building on this initiative, we subsequently engaged EY to help with reviews of our businesses in China and conducted standard internal follow-up work in Spain. Planning for Provision 29 has been ongoing throughout 2025 to ensure the material risks are appropriately identified and assured before 1 January 2026. This will be a key workstream in 2026.

Significant issues

The significant issues that were considered by the Committee in 2025 and early 2026 are set out below. These were addressed through reporting and discussion with all Committee meeting attendees, including the Chief Executive Officer, Chief Financial Officer and KPMG.

KPMG has set out its audit approach and the work it performed to satisfy its audit requirements in these areas in its Independent Auditor's Report on pages 122 to 129.

Summary of principal activities and focus in 2025

Matters discussed by the Committee during the year included:

- Consideration of budget forecasts as part of the viability and going concern reviews
- The internal audit programme for 2025 and evaluation of the Board's risk appetite
- Review of adequacy and effectiveness of internal controls and risk management systems
- Inventory valuation provision
- Receivables ageing and provision
- Delivering working capital via effective stock control
- Consideration of the impact of the Corporate Governance Code 2024 ("Code") (effective from 1 January 2025) and Provision 29 (effective from 1 January 2026)

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Governance

Audit Committee Report continued

- Summary of principal activities and focus in 2025** continued
- Adjustments including intangibles and acquisition-related costs
 - Transfer pricing
 - Review of whistleblowing reports
 - Acquisition accounting for D-Line and CMD and integration of acquired businesses
 - Evaluation of the effectiveness of the external audit
 - Consideration of the impact of the new “failure to prevent fraud” legislation introduced in the UK under the Economic Crime and Corporate Transparency Act 2023 (“the ECCTA”)
 - Review of the rollout of key compliance training via online training across the Group
 - The Group’s use of alternative performance measures
 - Review of the Committee’s terms of reference
 - Annual review of the Company’s requirement for an internal audit function

- Financial statements**
- The Committee considered in particular the following matters, as identified by the auditor, in relation to the Group’s half-year and full-year financial statements:
- Inventory valuation, provisions and average costing methodology
 - Accounting updates including the application of accounting standard IFRS 17
 - Research and development capitalisation
 - Tax rate changes in the UK and China
 - Acquisition accounting
 - Goodwill assessment
 - Recoverability of intra-group debt
 - Going concern disclosure quality
 - Transfer pricing relating to overseas subsidiaries
 - Revenue recognition
 - Management override of controls
- The Committee confirms that it is satisfied that the presentation of the financial statements for the year ended 31 December 2025 is appropriate and in accordance with the Group’s accounting policies. An explanation of the application of the Company’s accounting policies can be found on page 136.

Summary of key Committee activities during 2025			
Activity	March 2025	September 2025	October 2025
Financial reporting			
Reviewed year-end matters including the draft 2024 Annual Report and Financial Statements, key accounting judgements and the going concern statement	●		
Reviewed the draft half-year statement, including accounting judgements, materiality and the external auditor’s report		●	
Reviewed accounting judgements and changes to accounting standards in preparation for year-end reporting	●		●
Corporate governance			
Reviewed its terms of reference	●		
Discussed Provision 29 of the 2024 Code	●	●	●
Discussed the impact of legislation on corporate “failure to prevent fraud” offence		●	●
External audit			
Recommended to the Board the re-appointment of KPMG as external auditor	●		
Reviewed KPMG’s plan for the scope of the audit of the 2025 Annual Report and Financial Statements, including key audit risks and progress of the audit			●
Disclosed relevant audit information to the external auditor with supporting evidence	●		●
Conducted a review of the effectiveness of the year-end external audit process and reporting outcome for 2024	●		
Reviewed and approved the external auditor’s Non-Audit Services Policy	●		
Internal control and risk management			
Reviewed risk management and internal control systems, including risk management framework	●	●	●
Reviewed overall process of assessing business risks and managing their impact on the Group	●		
Reviewed overall approach to setting risk appetite, tolerance levels, risk exposure and any changes to the risk management framework	●		
Reviewed and challenged going concern assumptions, the Viability Statement and the period of assessment	●	●	

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Governance

Audit Committee Report continued

Summary of principal activities and focus in 2025 continued

Going concern

In preparation for publication of the 2025 Annual Report, the Committee and Board conducted a comprehensive review of the Company's 12-month going concern position in March 2026. Management considered the 12-month assessment of going concern, together with sensitivity analysis results covering the period December 2026 to December 2028 with respect to the Viability Statement. The full Board discussed the results in detail, including: the practicalities of the sensitivity testing process, the rationale behind the choice of risks subject to sensitivity testing and the treatment of one-off versus recurring risks.

Internal controls

The Group conducts a rolling programme of internal control reviews across its worldwide operations. The scope of the programme is approved by the Committee each year. This year's programme included work done on the Committee's behalf by Ernst & Young UK in China and the results from the Spain and Mexico operations.

Governance

During the year, the Committee received regular updates from the Company Secretary on corporate governance and legal developments.

In September 2025 and October 2025, the Committee received advice regarding the application of:

- The 2024 Code, which was released in January 2024, and the implications that this would have on the Company, including specifically in relation to the new internal controls declaration (due to come into effect in 2026) requiring the Audit Committee to include a statement about the effectiveness of material controls including financial, operational, reporting and the Company's compliance framework
- The changes implemented by the ECCTA including, among other things, criminal liability being attributed to a failure to prevent fraud

Internal financial controls and risk management systems

The Board is responsible for the Group's risk management framework and the Committee has been delegated the responsibility to review the overall process of assessing business risks and managing the impact on the Group. The Board retains overall responsibility for the level of risk that the Group is willing to take and for allocating sufficient resource to the management of business risk. The risk management process is detailed on page 62.

The Group operates its system of internal control by using the following key elements:

- Regular review meetings of various groups, including business functions, senior management, sub-committees and the Board, to discuss key issues
- A detailed business planning process, combining top-down and bottom-up approaches, with outputs reviewed by the Directors

- A system of financial controls, including preventative controls and a review process
- Ongoing dialogue with Directors, including financial reports and trading updates
- Conducting root and branch reviews of internal control systems at companies targeted for acquisition as part of the due diligence process

The Committee, on behalf of the Board, has reviewed the effectiveness of the internal control systems and risk management processes in place during the year, taking account of any material developments since the year end. The Group's rolling programme of internal controls reviews is conducted using a standardised risk-based testing approach introduced in 2022.

No significant failings or weaknesses were identified in respect of the year ended 31 December 2025 and up to the date of the Annual Report.

Provision 29 readiness activities

A recurring item for the Committee has been the Group's readiness activities relating to changes brought by the new 2024 Code, specifically the way in which to achieve compliance with Provision 29.

Management provided an update on Provision 29 at each Committee meeting throughout the year focusing on the following:

1. In March 2025, the Committee was presented with a timeline for work to be undertaken by management on Provision 29, training to be provided across the Group on key policy areas and an internal control review to be conducted in respect of the Group's offshore factories.

2. In September 2025 and October 2025, the Director of Finance delivered presentations to the Committee on the current strategy and progress towards achieving compliance with Provision 29. The presentations also set out year-end planning for the Group.

Review of half and full-year financial results

The Board is ultimately responsible for reviewing and approving the Annual Report and Financial Statements and the half-yearly reports.

At the Board's request, the Committee has reviewed the Annual Report and Financial Statements and is satisfied that the information contained therein is fair, balanced and understandable and provides shareholders with the necessary information to assess the Group's position and performance, business model and strategy.

Principal risks and uncertainties

In March 2026, the Committee reviewed the Company's risk register. The Committee considered the impact of risks associated with the following eight areas:

- Concentration risks relating to operations
- Concentration risks associated with customers and products
- Macroeconomic, political and environmental
- Loss of IT/data
- Loss of key employees
- Acquisitions
- Legal and regulatory
- Finance and treasury

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Audit Committee Report continued

Principal risks and uncertainties continued

The principal risks and uncertainties of the Group and their mitigation are included on pages 62 to 66. The crystallisation of these risks has been considered in the Viability Statement on pages 67 and 68 and going concern assessment on page 67.

External auditor (external audit process and effectiveness)

Following a comprehensive tender process, KPMG was re-appointed by shareholders at the 2025 AGM as the Company's external auditor. KPMG has been the Company's external auditor since 2016 when the Company listed on the London Stock Exchange. The Audit Partner is Gordon Docherty, who has held the role since 2024.

The Committee regularly considers the independence and objectivity of the auditor, taking into consideration relevant UK professional and regulatory requirements. As in previous years, a review of KPMG's performance in relation to the audit of the full-year results for 2025 was performed. No issues were raised with regard to KPMG's, performance, independence or objectivity during the audit process.

The Committee reviews an annual statement from the auditor detailing its independence, policies and safeguards and confirming its independence, also taking into account the Group's External Auditor Independence Policy, which incorporates the Group's Non-Audit Services Policy and relevant ethical guidance regarding the provision of non-audit services by the external auditor.

The Committee has considered and approved the terms of engagement and fees of the external auditor for the year ending 31 December 2026. Audit fees payable by the Group to KPMG in 2025 totalled £0.7m (2024: £0.7m). There were no contingent fee arrangements. The Committee reviewed the level of non-audit services and fees provided by KPMG in respect of the year ended 31 December 2025; these were £nil (2024: £0.1m) and related to the prior year 2024 review of interim financial information and providing verification of interim profits. The Committee determined that KPMG were best placed to undertake this work in view of their historical knowledge of the Group's global operations. The ratio of non-audit fees to audit fees for the year was £nil (2024: 1:8).

The Committee has agreed that this does not pose a threat to the auditor's independence, taking into account the absolute level of fees incurred by the Company in relation to KPMG revenues as a whole.

The Committee oversees the Group's relationship with its external auditor and makes recommendations to the Board concerning the appointment, re-appointment and remuneration of the auditor. The Committee reviewed the effectiveness and quality of the external audit process by reviewing the audit plan, receiving reports on the results of the audit work performed and questioning the auditor about their findings.

The Committee considers that the relationship with KPMG is well established and is satisfied with the effectiveness of the overall external audit process.

Based on this evaluation, the Committee recommended to the Board and is recommending to shareholders at the 2026 AGM that KPMG should continue as external auditor to the Company.

Internal audit

During the year, the Group did not have an internal audit function as it was agreed in 2024 that the Group's size and activities were such that internal assurance was achievable through other means. In addition to reports from and discussions with management, further assurance was provided during the year as described on page 87 under "Internal financial controls and risk management systems".

In October 2025, the Committee considered, as it does annually, whether the Group had a need for an internal audit function for the financial year ending 31 December 2026. The Committee unanimously determined that given that external outsourcing of internal controls was necessary for operations in China, it was beneficial for a third party to carry out this process for the entire Group rather than forming an internal audit function for the period. The Committee concluded that given the size and complexity of the Group, a permanent internal audit function was therefore not required at this point in time; however, the matter would continue to be reviewed annually.

Annual review of the Audit Committee

As part of the Review of Board Effectiveness conducted during 2025, the Committee undertook an evaluation of its own effectiveness and concluded that it was operating effectively.

The Board has satisfied itself that Tim Surridge, Pim Vervaat, Julia Hendrickson and Janet Ryan have recent and relevant financial experience and that the Committee as a whole has competence relevant to the sectors in which the Company operates.

There were no suggested areas of improvement arising from the review; however, the Committee acknowledged that AI and cyber security opportunities and risks would be an area of focus for the Committee and the Board in 2026. Details of the full 2025 Review, including how it was conducted and the actions taken as a result, can be found on pages 71 and 72.

Priorities for 2026

During the forthcoming year the Committee will be focused on embedding the regulatory changes that have arisen due to the 2024 Code and the ECCTA. In particular, working with management, with input from advisers, to set out a plan to enable it to monitor the risk management and internal control framework to ensure the Board is able to make the required declaration on the effectiveness of its internal controls in 2026, in accordance with Provision 29 of the 2024 Code.

The Committee will also continue to bring increased focus to the risks associated with climate change and the impact of such risks on the financial statements through evolving environmental, social and governance reporting requirements.

Janet Ryan
Audit Committee Chair

24 March 2026

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Governance

Remuneration Committee Report

Committee members

Chair: Tim Surridge

Other members: Caroline Brown, Pim Vervaat, Julia Hendrickson and Martyn Coffey

The Chair of the Board and other Board members and advisers also attend Committee meetings at the invitation of the Remuneration Committee Chair.

Key responsibilities

The Committee's main responsibilities, as outlined in its terms of reference, are:

- Setting the principles, parameters and governance framework to provide a transparent Remuneration Policy that aligns with the long-term strategy of the business
- Determining the individual remuneration and benefits package of each of the Executive Directors, considering the interests of relevant stakeholders
- Approving the level and structure of remuneration of senior management in conjunction with the Executive Directors
- Reviewing the implementation and operation of any Group share option schemes, bonus schemes and long-term incentive plans

The Committee's terms of reference are available on the Company's website. The Committee met three times throughout the year and details of attendance are set out on page 73.

Key activities during the year

March

- Evaluated performance against 2024 targets and objectives and approved the 2024 bonus
- Reviewed performance of PSP awards due to vest in 2024
- Confirmed the implementation of the Executive Remuneration Policy for 2025, and agreed targets for the 2025 bonus and LTIP awards

June

- Discussed paper on latest market practice and shareholder guidance, reviewed wider workforce pay and policies
- Undertook an initial review of the Remuneration Policy ahead of the 2026 AGM where it will be put to shareholders

December

- Held initial discussion regarding performance against the 2025 annual bonus targets and PSP awards due to vest in 2026
- Held initial discussion regarding 2026 bonus and LTIP targets
- Agreed on the approach to the Remuneration Policy to be submitted to shareholders at the 2026 AGM
- Performed the annual review of the Committee's terms of reference

The Committee sets the principles, parameters and governance framework to provide a transparent Remuneration Policy that aligns with the long-term strategy of the business

Tim Surridge

Remuneration Committee Chair

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Committee's report on remuneration for the year ended 31 December 2025.

Driven by further strategic progress, exceptional dedication of the team and despite some mixed markets, the Group has delivered another strong financial performance in 2025.

The Group achieved revenue growth of 11.9%, which included like-for-like growth of 4.6%. Energy Transition products were a key driver, demonstrating very strong revenue growth of 84.7%. Top-line growth combined with the Group's lean vertically integrated manufacturing model powered a 50bps enhancement in Adjusted Operating Margin and grew Adjusted Operating Profit to £33.8m (2024: £29.0m). As a result, after careful treasury and tax planning, the Group delivered Adjusted Profit After Tax¹ of £22.6m (2024: £19.7m). Furthermore, Adjusted EPS 3-year CAGR of 10.6% reflects strong progress over a sustained period as a consequence of the key strategic decisions the team have made.

As planned, Adjusted Free Cash Flow also showed significant improvement in the year, delivering £30.4m (2024: £3.5m) following the normalisation of supply chain constraints. The balance sheet remains robust, with a Bank Net Debt leverage ratio of 1.2x, comfortably within the target range. This provides significant headroom for continued organic investment and strategic M&A, aligning with our capital allocation policy.

Further progress has been made against the Group's strategic priorities. The Energy Transition product offering continues to expand and the integration of the CMD and D-Line acquisitions is progressing well, delivering valuable synergies. Operational efficiency across our manufacturing centres also continues to improve.

The Group remains committed to its sustainability agenda, making continued progress towards its Science Based Targets initiative validated targets. Operations remain carbon neutral, and the range of low carbon products has been enhanced.

1. Adjusted Profit After Tax for 2025 reflects the full-year impact of the CMD acquisition, whilst 2024 has been adjusted to exclude CMD (acquired during the year).

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Governance

Remuneration Committee Report continued

The Group is well positioned for sustained above-market growth, underpinned by structural electrification opportunities, sustainable competitive advantages and a clear strategy. I extend my sincere thanks to our management team and all employees for their hard work and commitment.

Directors' Remuneration Policy review

In accordance with remuneration reporting regulations, and as our current Directors' Remuneration Policy was last approved by shareholders at the 2023 AGM, we will be seeking re-approval for a refreshed Policy at the 2026 AGM. Consequently, the Committee undertook a comprehensive review of the Policy during the year. We concluded that the overarching framework, comprising an annual bonus plan and a performance share plan, continues to be effective in incentivising management to deliver long-term sustainable performance and value for shareholders. Therefore, no fundamental changes to the overall structure are being proposed.

A key aspect of our review involved evaluating the maximum potential awards under our incentive plans to ensure they remain competitive and commensurate with the Group's size and complexity. While we found that current opportunities are broadly appropriate for our existing reward strategy, it was identified that the maximum annual bonus opportunity of 100% of salary was at the lower end of the typical range for companies of a similar scale.

To address this, we propose increasing the overall maximum for the annual bonus within the Policy from 100% to 150% of salary to provide flexibility for the future.

We do not intend to make any changes to the annual bonus opportunity for 2026 with the maximum opportunity for the CEO and CFO remaining at 100% of base salary. We would intend to consult with major shareholders before utilising this increased headroom.

The current Performance Share Plan rules are scheduled to expire in 2027; it is proposed that these rules be renewed in 2026 on broadly similar terms.

Approach to remuneration for 2026

Executive Directors' remuneration arrangements for 2026 will be largely unchanged from prior years. Salaries have been increased by 2.6% from 1 January 2026. This increase was determined on the same basis as for the wider workforce. The CEO's salary is therefore £448,619 and the CFO's salary is £382,902.

Will Hoy will receive a pension contribution of 6% of salary. This represents a 1% increase on 2025, in line with the increased pension opportunity for the UK workforce.

As discussed above, the maximum annual bonus opportunity will continue to be 100% of salary and be based on the same metrics as last year: 40% on Adjusted Profit After Tax, 40% on Adjusted Free Cash Flow and 20% on individual strategic objectives.

PSP awards will continue to be 150% of salary with vesting again based 50% on TSR performance compared to the FTSE SmallCap index over three years from the date of grant and 50% based on Adjusted EPS performance for the financial year ending 31 December 2028. Further detail on the targets set for each component is available on page 110.

For Non-Executive Directors, the Chair's fee was increased by 2.8% and the NED base fee by 3.4%. Additional fees for chairing committees and the Senior Independent Director ("SID") were increased by 2.5%. These increases were determined on the same basis as for the wider workforce.

Remuneration paid for 2025

The approach to remuneration for 2025 has been reviewed in the context of the Group's strong financial performance and significant progress against its strategic priorities over the year.

The annual bonus targets for 2025 were based on Adjusted Profit After Tax, Adjusted Free Cash Flow and individual strategic objectives, including measures linked to our ESG strategy.

Recap on 2025 performance

Adjusted Profit After Tax¹
£22.6m
(2024: £19.7m)

Adjusted Free Cash Flow
£30.4m
(2024: £3.5m)

Adjusted EPS 3-year CAGR
10.6%
(2024: -14.8%)

TSR 3-year performance²
50%
(2024: -56%)

- Adjusted Profit After Tax for 2025 reflects the full-year impact of the CMD acquisition, whilst 2024 has been adjusted to exclude CMD (acquired during the year).
- TSR performance for 2025 has been calculated over the three-year period between 1 January 2023 and 31 December 2025.

Adjusted Profit After Tax performance was £22.6m and Adjusted Free Cash Flow was £30.4m. Adjusted Profit After Tax was between the target set and the maximum as a result of strong growth in the year and successful leveraging of the Group's lean operating model to expand margins. Adjusted Free Cash Flow exceeded the maximum payout set, through careful working capital management throughout the year.

The CEO and CFO both performed strongly during the year and delivered good progress against their strategic objectives (further details are set out on page 108). For 2025, the Committee assessed the CEO and CFO against their objectives and determined a payout of 12% out of a maximum of 20% for the CEO and 12% out of a maximum of 20% for the CFO for this element.

The overall bonus payable to the CEO is therefore 87.2% of maximum, and the overall bonus payable to the CFO is 87.2% of maximum. The Committee believes that this level of bonus is appropriate, reflecting the strong financial performance in a challenging market and the significant strategic progress made during the year.

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Governance

Remuneration Committee Report continued

Recap on 2025 performance

continued

The CEO and CFO were granted PSP awards in April 2023. These awards were based 50% on CAGR Adjusted EPS performance in the three-year period ended 31 December 2025 and 50% on TSR performance over a three-year period from the date of grant. CAGR Adjusted EPS was 10.6% which meant a payout of 66.7% of maximum for this element. TSR performance will be assessed to the third anniversary of the date of award and we will confirm performance in next year's report. TSR performance is currently tracking between the median and upper quartile and is expected to vest at c.56.9%.

Based on the performance against the CAGR Adjusted EPS and TSR targets, it is expected that c.61.8% of maximum, of the total award, will vest.

The Committee believes that the incentive outcomes are a fair reflection of our one-year and three-year performance and therefore the Committee has not exercised discretion in relation to incentive outcomes during the year.

TSR performance for the 2022 PSP award was assessed over three years to the date of vesting. In the 2024 report, we estimated that total vesting for the 2022 PSP award would be 0% of maximum, based on CAGR Adjusted EPS performance to 31 December 2024 of -14.8% and TSR performance below median to 30 November 2024. At the date of vesting, Luceco's TSR performance remained below median, resulting in 0% of the TSR element of this award vesting. The overall vesting of the award was therefore 0% of maximum.

Wider workforce engagement

A Group-wide employee engagement survey was conducted in the year, the findings of which are summarised on page 54.

Our Non-Executive Director responsible for workforce engagement, Julia Hendrickson, also conducted meetings with employees from across the business to understand their feedback. Her findings are summarised on page 78.

Shareholder engagement

Shareholder views, whether directly or indirectly expressed, together with relevant guidance and emerging trends, are carefully considered when reviewing reward design and outcomes.

We engaged with major shareholders concerning the proposed Remuneration Policy in advance of the 2026 AGM.

As Remuneration Committee Chair, I continue to be available to engage with shareholders who wish to discuss the Group's approach to remuneration, or any of the content set out in this report.

I look forward to receiving your support for our Annual Remuneration Report and Remuneration Policy at the AGM.

Tim Surridge

Remuneration Committee Chair

24 March 2026

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Governance

Remuneration Committee Report continued

Our approach to remuneration supports our strategy to **innovate, grow and deliver long-term sustainable performance** for the benefit of all our stakeholders.

2025 Remuneration at a glance

Performance and remuneration outcomes

Adjusted Profit After Tax¹

£22.6m

2024: £19.7m

Adjusted Free Cash Flow

£30.4m

2024: £3.5m

Adjusted EPS 3-year CAGR

10.6%

2024: -14.8%

TSR 3-year performance²

50%

2024: -56%

1. Adjusted Profit After Tax for 2025 reflects the full-year impact of the CMD acquisition, whilst 2024 has been adjusted to exclude CMD (acquired during the year).
2. TSR performance for 2025 has been calculated over the three-year period between 1 January 2023 and 31 December 2025.

Salary increases

Executive Directors

2.5%

2024: 4.0%

All Luceco employees

2.5%

2024: 4.0%

Alignment with employee rewards

Number of employees eligible to participate

689

2024: 595 | ↑ 15.8%

Share incentive plans granted to employees

850,494

2024: 628,236 | ↑ 35.4%

Executive Directors' annual bonus incentive outcomes

Performance measures

Adjusted Profit After Tax¹ (40% weighting)

	Threshold 0% payout	Target 50% payout	Maximum 100% payout
Actual	£18.9m	£21.0m	£23.1m
	£22.6m		

Adjusted Free Cash Flow (40% weighting)

	Threshold 0% payout	Target 50% payout	Maximum 100% payout
Actual	£16.4m	£18.2m	£20.0m
	£30.4m		

Strategic objectives

CEO (20% weighting)

	Maximum payout
Actual	12%
	20%

CFO (20% weighting)

	Maximum payout
Actual	12%
	20%

Total incentive

CEO overall bonus outcome

	Maximum payout
Actual	87.2%
	100%

CFO overall bonus outcome

	Maximum payout
Actual	87.2%
	100%

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Remuneration Committee Report continued

Summary of Remuneration Policy and implementation in 2025 and for 2026

Key component	Summary	How we implemented in 2025		Implementation in 2026
Base salary	Normally reviewed annually. 2.5% increase with effect from 1 January 2025, in line with the increases received by the wider workforce and typical approach.	John Hornby – CEO £437,214 per annum	Will Hoy – CFO £373,100 per annum	From 1 January 2026: John Hornby – £448,619 Will Hoy – £382,902 This represents a 2.6% increase, which was determined on the same basis as for the wider workforce.
Pension	Directors receive a contribution to a defined contribution scheme or a cash allowance in lieu of pension. The CEO does not receive a pension allowance. The CFO received a pension allowance of 5% of salary, in line with the wider UK workforce rate.	n/a	£18,655 for 2025	John Hornby does not participate in any pension arrangement. Will Hoy will receive a pension contribution of 6% of salary. This represents a 1% increase on 2025, in line with the increased pension opportunity for the UK workforce.
Benefits	Benefits included car allowance/company car, mobile phone, life insurance and private medical insurance (may participate in all employee share plans).	£7,683	£13,858	No change to operation.
Annual bonus	Maximum opportunity of 100% of salary in 2025. Under the proposed Policy, overall maximum will be 150% of salary, to allow flexibility. Performance measures for the 2025 bonus were as follows: 40% Adjusted Profit After Tax 40% Adjusted Free Cash Flow 20% individual strategic objectives If not on course to meet shareholding guideline, will invest 50% of their bonus into shares.	Outturn as a percentage of maximum: 87.2% £381,251	Outturn as a percentage of maximum: 87.2% £325,343	No change to operation, maximum opportunity level or performance measures from 2025. Performance measures are as follows: 40% on Adjusted Profit After Tax 40% on Adjusted Free Cash Flow 20% on individual strategic objectives Bonus targets are commercially sensitive and therefore have not been disclosed. It is intended that targets will be disclosed in full in the 2026 Directors' Remuneration Report.

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Remuneration Committee Report continued

Summary of Remuneration Policy and implementation in 2025 and for 2026 continued

Key component	Summary	How we implemented in 2025	Implementation in 2026				
PSP	An award of 150% of salary was made to the CEO in 2023 and 150% for the CFO (pro-rated based on start date to 125%). Policy maximum of 150% of salary. Performance measures for the 2023 award were as follows: 50% TSR relative to the FTSE SmallCap, excluding investment trusts 50% CAGR Adjusted EPS Subject to a two-year holding period.	2023 Award: - The CAGR Adjusted EPS was 10.6% which meant a payout of 66.7% of maximum - TSR performance will be assessed to the third anniversary of the date of the award and we will confirm performance in next year's report. TSR performance is currently tracking between the median and upper quartile and is expected to vest at c.56.9% - Based on the performance against the CAGR Adjusted EPS and TSR targets, it is expected that c.61.8% of maximum, of the total award, will vest 2025 Award: A PSP award of 150% of salary was made to the CEO and CFO during the year, based equally on EPS and TSR	No change to approach. Performance measures are as follows: 50%: TSR relative to the FTSE SmallCap index excluding investment trusts, 25% vests for median TSR, with 100% vesting for upper quartile TSR 50%: compound annual growth rate ("CAGR") of Adjusted Earnings Per Share ("EPS") performance for the financial year ending 31 December 2028. 25% of this portion vests for 5%, with 100% vesting if the CAGR in Adjusted EPS is 12.5%				
Shareholding requirements	200% of salary – expected to maintain for two years following stepping down from Board.	<table><tr><td>John Hornby – CEO</td><td>Will Hoy – CFO</td></tr><tr><td>7,876% of salary</td><td>110% of salary</td></tr></table>	John Hornby – CEO	Will Hoy – CFO	7,876% of salary	110% of salary	No change to operation.
John Hornby – CEO	Will Hoy – CFO						
7,876% of salary	110% of salary						
Non-Executive Directors	Directors receive a basic Board fee, with additional fees for the Senior Independent Director and Committee Chairs; all fees are paid in cash, and the Group reimburses business travel costs and covers any associated tax liabilities.	From 1 January 2025, fees were as follows: - Chair – £145,000 (+11.5%) - NED base fee – £50,225 (+2.5%) - SID, Audit and Remuneration Committee Chair fee – £11,200 (no change)	From 1 January 2026, fees will be as follows: - Chair – £149,100 (+2.8%) - NED base fee – £51,955 (+3.4%) - SID, Audit and Remuneration Committee Chair fee – £11,480 (+2.5%) These increases were determined on the same basis as for the wider workforce.				

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Remuneration Committee Report continued

2026 Directors' Remuneration Policy

The following table sets out our Remuneration Policy for Directors ("Policy"). This Policy will be put forward to shareholders for their binding approval at the AGM on 19 May 2026 and will apply to payments made from this date.

Policy table

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary To ensure that the Company is able to attract and retain talented Executive Directors to deliver the strategy of the business.	The Committee sets and reviews base salary taking into account: • The individual's skills, experience and their performance • Salary levels at other companies of a similar size and complexity • Pay and conditions elsewhere in the Group Any salary increases are normally effective from 1 January but may be effective at other times if considered appropriate.	Whilst there is no maximum salary, increases will normally be in line with or below the increases awarded to other employees in the Group. However, the Committee has discretion to consider increases above this level in certain circumstances such as: • Where an Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role, larger increases may be awarded to move salary positioning closer to typical market level as the Executive Director gains experience • Where an Executive Director has been promoted or has had a change in responsibilities • Where there has been a significant change in market practice • Where there has been a change in the size and complexity of the organisation • Other exceptional circumstances	Business and individual performance are both considerations in setting base salary.

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Remuneration Committee Report continued

Policy table continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Pension To provide appropriate levels of retirement benefit for Executive Directors.	Executive Directors generally receive a contribution to a defined contribution pension scheme (or equivalent) or a cash allowance in lieu of a pension.	The maximum annual pension contribution or cash allowance is in line with the rate received by the majority of the workforce in the UK, which is currently 6% of base salary.	n/a
Benefits To ensure that the benefits offered by the Company remain competitive in the markets in which it operates and are in line with those provided to other Group employees in a position of management or responsibility.	Current benefits include a car allowance, mobile phone, life insurance and private medical insurance. Executive Directors may participate in the Share Incentive Plan and any other all-employee plans on the same basis as other employees, up to HMRC approved limits. The Committee may introduce other benefits if it is considered appropriate to do so. Executive Directors shall be reimbursed for all reasonable expenses and the Company may settle any tax incurred. Where an Executive Director is required to relocate to perform their role, the appropriate one-off or ongoing expatriate benefits may be provided (e.g. housing, schooling etc).	There is no maximum level of benefit.	n/a
Annual bonus The role of the annual bonus is to incentivise and reward Executive Directors for the delivery of the Group's strategy and objectives.	Bonuses are normally paid in cash following the year end. Where an Executive Director has not met the shareholding guideline set out, they will normally be expected to invest 50% of their post-tax annual bonus into Company shares. The Committee may determine that this requirement shall not apply where it deems that the Executive Director is already on course to meet their shareholding guideline. Bonuses are not pensionable. Bonuses are based on annual performance targets. Malus and clawback provisions apply, detailed on page 99. The Committee may, in its discretion, adjust annual bonus payments upwards or downwards, if it considers that the outcome does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period or that such payout level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. When making this judgement, the Committee may take into account such factors as it considers relevant.	Maximum annual bonus opportunity of 150% of base salary. Normally 50% of the bonus shall pay out for on-target levels of performance. The annual bonus normally starts to accrue for meeting threshold levels of performance. Up to 20% of the maximum bonus may be payable for threshold performance. The Committee may determine that an alternative vesting schedule may apply.	The Committee shall determine performance measures for the bonus each year. These may include financial measures (for example, profitability and cash flow) and non-financial metrics linked to the delivery of business or ESG strategies or personal objectives. Typically, no less than 50% of the annual bonus will be based on financial measures. The Committee has the discretion in exceptional circumstances to adjust the performance targets or set different measures if events occur outside of management's control or where the target no longer satisfies its original purpose to ensure that pay is aligned with performance.

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Remuneration Committee Report continued

Policy table continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
PSP The PSP aligns the Executive Directors and participating employees with shareholder interests, incentivising them to achieve specified performance measures normally over a three-year period. The PSP award also supports retention and shareholder alignment.	Awards can be in the form of conditional shares or nil-cost options or in such other form that the Committee determines has the same economic effect. Where awards are in the form of nil-cost options, participants may have up to ten years from grant to exercise awards. Awards may also be granted in conjunction with a tax-advantaged Company Share Option Plan ("CSOP") up to the HMRC limits as an "Approved PSP Award". The vesting of an Approved PSP Award will be scaled back to take account of any gain made on exercise of the associated CSOP option. An Approved PSP Award will enable the Executive Director and the Company to benefit from tax advantaged treatment on part of their PSP award without increasing the pre-tax value delivered to the Executive Director or cost to the Company. Awards normally vest based on performance assessed over a period not shorter than three years. Awards will normally be subject to a post-vesting holding period for two years following the end of the performance period. The Committee may in its discretion adjust PSP vesting levels upwards or downwards, if it considers that the outcome does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period or that such vesting level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. When making this judgement, the Committee may take into account such factors as it considers relevant. Malus and clawback provisions apply, as detailed on page 99.	The maximum award in respect of a financial year is 150% of base salary. Normally 25% of awards vest for threshold levels of performance.	The Committee shall determine performance measures for awards granted each year. These may include share price related measures, financial measures (for example, profitability and cash flow) or other metrics linked to the delivery of the business or ESG strategies.

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Remuneration Committee Report continued

Policy table continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Company Share Option Plan It is not intended that awards will be made to Executive Directors under this plan during the life of the Policy. The CSOP aligns participating employees with shareholder interests, incentivising them to achieve specified performance measures over a three-year period. The CSOP also acts as a retention tool.	Awards can take the form of market value share options. Awards would be subject to performance assessed over a period of no less than three years. The Committee retains the discretion to adjust the final vesting level if it does not consider that it reflects the underlying performance of the Company. Awards may be exercised once vested for up to ten years following the date of grant. Options can be granted in the form of unapproved options or HMRC approved options up to the HMRC limit at the date of grant. Malus and clawback provisions apply, as detailed on page 99.	The maximum annual award is 100% of salary. Normally 25% of awards vest for threshold levels of performance.	If this plan were operated, appropriate performance conditions would be determined by the Committee at the time of award and disclosed in the Remuneration Committee Report for that year.
Share ownership guidelines Aligns the interests of Executive Directors and shareholders and encourages long-term shareholding and commitment to the Company both in and post employment.	The Company encourages its Directors to hold shares in the Group to strengthen their commitment to the organisation in terms of delivering the strategic objectives. Executive Directors are expected to build and maintain a holding of Luceco shares equal to at least 200% of base salary. Executive Directors are expected to retain 50% of any post-tax shares that vest under any share incentive plans until this shareholding is reached. The Committee also has a policy to promote interests in share awards following cessation of employment to enable former Executive Directors to remain aligned with the interests of shareholders for an extended period after leaving the Company. Following stepping down from the Board, Executive Directors will normally be expected to maintain a minimum shareholding of 200% of salary (or actual shareholding if lower) for the first 12 months following departure from the Board and 100% of salary (or actual shareholding if lower) for the subsequent 12 months. The Committee retains discretion to waive this guideline if is not considered to be appropriate in the specific circumstance.	n/a	n/a

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Remuneration Committee Report continued

Malus and clawback

Annual bonus payments may be clawed back for a period of three years from the date of payment. Malus and clawback provisions apply under the PSP and CSOP from award to the fifth anniversary of the grant date. The Committee considers this period is appropriate as it could reasonably be expected that issues would come to light during this timeframe. These periods also reflect typical market practice. The circumstances in which malus/clawback may apply are a material misstatement of financial results, an error in assessing performance or in the information/assumptions used, a material failure of risk management, serious reputational damage, serious misconduct by the participant, or any other similar circumstances.

Share plan operation

Awards under any of the Company's share plans may:

- Have any performance conditions applicable to them amended or substituted by the Committee in circumstances where the Committee determines an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy
- Incorporate the right to receive an amount equal to the value of dividends which would have been paid on the shares under an award that vests up to the time of vesting. This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis. This provision does not apply to the CSOP

- Be settled in cash at the Committee's discretion. For Executive Directors, this provision will only be used in exceptional circumstances such as where for regulatory reasons it is not possible to settle awards in shares
- Be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price

Summary of decision-making process and changes to policy

During the year, the Committee undertook a review of the Directors' Remuneration Policy and its implementation to ensure that the Policy supports the execution of strategy and the delivery of sustainable long-term shareholder value. The Committee discussed the content of the Policy at Remuneration Committee meetings during the year. Throughout the review process, the Committee took into account the Code, wider workforce remuneration and emerging best practice in relation to Executive Director remuneration. The Committee also considered input from management and our independent advisers. The Committee considers that the overall remuneration framework – based on an annual bonus plan plus a performance share plan – remains appropriate to continue to incentivise management to drive long-term sustainable performance for shareholders. As such, no significant changes are proposed to the Policy. Minor changes have been made to the wording of the Policy to aid operation and to increase clarity.

Approved payments

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed (i) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person. For these purposes, "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" no later than at the time the award is granted.

Selection of performance measures
Annual bonus

The annual bonus performance measures are intended to incentivise Executive Directors to achieve the financial objectives of the Group and deliver the business strategy. The particular bonus metrics are selected by the Committee each year to ensure that Executive Directors are appropriately focused on the key objectives for the next 12 months.

Performance Share Plan

Our long-term strategic objective is to provide long-term sustainable returns for all of our shareholders. It is intended that awards made in 2026 will be based on relative TSR performance and Adjusted EPS growth. The Committee believes the measures are aligned with our strategy and will incentivise Executive Directors to deliver enhanced shareholder value.

Performance targets for both the annual bonus and PSP are set taking into account internal budget forecasts, external expectations and the need to ensure that targets remain motivational.

Remuneration arrangements throughout the Group

Remuneration arrangements are determined throughout the Group based on the same principle: that the remuneration policies and practices should be aligned to Company purpose and values, support the delivery of the strategy and promote long-term sustainable success.

In determining salary increases across the wider workforce, the Company takes into consideration Company performance and other market metrics as necessary. When determining salary increases for Executive Directors, the Committee takes into consideration salary increases throughout the Group as a whole.

We ensure that our remuneration policies and practices are aligned to our purpose and values, support the delivery of the Group's strategy and promote long-term sustainable success. We periodically benchmark employee pay against the external market to ensure it is fair throughout the Group and we reward achievement with opportunity.

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Remuneration Committee Report continued

Remuneration arrangements throughout the Group continued

All UK employees are encouraged to participate in the Company's performance through our Share Incentive Plan ("SIP"), helping them feel part of the business and allowing them to share in the Group's success.

The senior management team, managers and members of the sales teams are eligible to earn bonuses subject to delivering against specific performance measures. Employees have access to healthcare provisions in proportion to their seniority. Other benefits may be provided and are limited to the grade, seniority and role performed by the employee. The Company also contributes to employee pensions either through its defined contribution pension scheme or through The People's Pension depending on the grade of the employee.

Remuneration outcomes in different performance scenarios

The charts below set out an illustration of the Policy for 2026. The charts provide an illustration of the proportion of total remuneration made up of each component of the Remuneration Policy and the value of each component.

Four performance scenarios have been illustrated for each Executive Director:

Minimum

- Fixed remuneration
- No annual bonus payout
- No vesting under the PSP

On-target performance

- Fixed remuneration
- 50% annual bonus payout
- 50% vesting under the PSP

Maximum performance

- Fixed remuneration
- 100% annual bonus payout
- 100% vesting under the PSP

Maximum performance plus 50% share price growth

- Fixed remuneration
- 100% annual bonus payout
- 100% vesting under the PSP + 50% share price growth

The charts have been prepared on the following basis:

Fixed pay

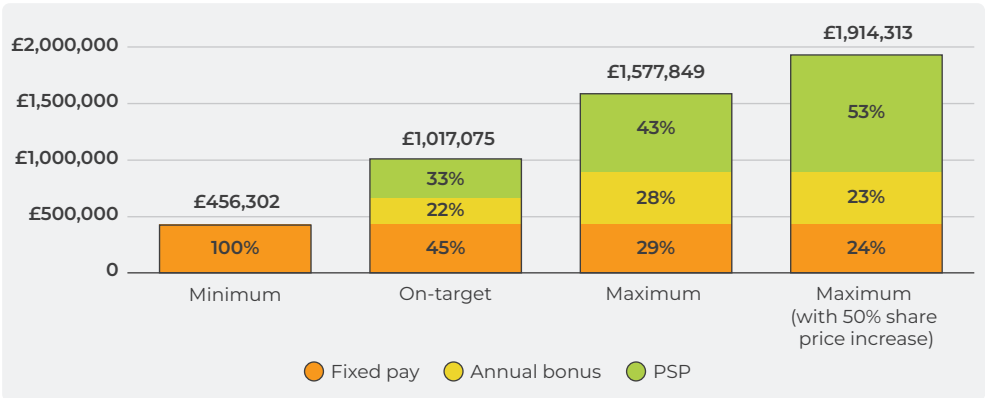
- Base salary – the base salary used for the CEO and CFO is as at 1 January 2026
- Benefits – based on the disclosed benefits value in the single figure for 2025
- Pensions – based on a contribution of 6% of base salary for the CFO. The CEO does not receive any pension benefit

Variable pay

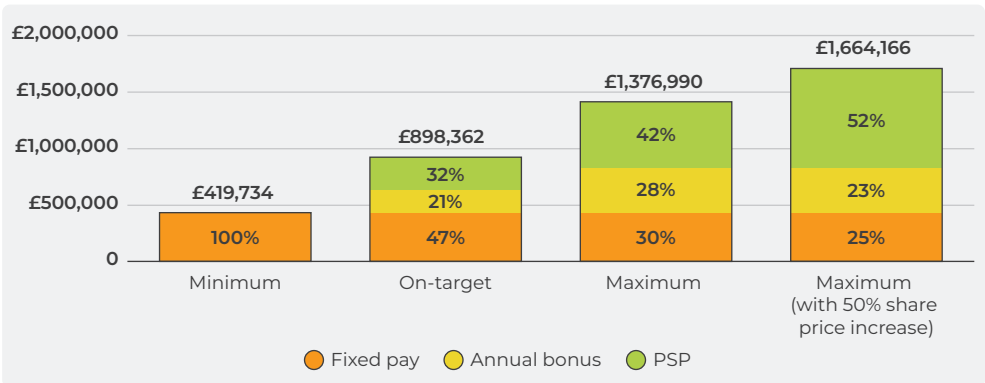
- Bonus – based on an award of 100% of base salary
- PSP – based on the maximum award of 150% of base salary

No payment of dividend equivalents has been assumed. Potential benefits under all-employee plans have not been included. No share price growth has been assumed other than where stated.

CEO



CFO



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Remuneration Committee Report continued

Remuneration Committee discretions

The Committee operates the annual performance bonus plan, LTIP and all-employee plans in accordance with their respective rules, the Listing Rules and HMRC rules (or overseas equivalent) where relevant. The Committee retains discretion, consistent with market practice, over a number of areas relating to the operation and administration of these plans.

These include, but are not limited to:

- entitlement to participate in the plan;
- when awards or payments are to be made;
- size of award and/or payment (within the rules of the plans and the approved Policy);
- determination of a good leaver for incentive plan purposes and the appropriate treatment based on the rules of each plan;
- discretion as to the measurement of performance conditions and pro-rating in the event of a change of control;
- any adjustment to awards or performance conditions for significant events or exceptional circumstances; and
- the application of recovery and withholding provisions.

Remuneration Policy for newly appointed Directors

When determining the remuneration package for a newly appointed Executive Director, the Committee would seek to apply the following principles:

- The package should be market competitive to facilitate the recruitment of individuals of sufficient calibre to lead the business. At the same time, the Committee would intend to pay no more than it believes is necessary to secure the required talent
- New Executive Directors will normally receive a base salary, benefits and pension contributions in line with the Policy described on pages 95 to 98 and would also be eligible to receive awards under the bonus and share incentive plans up to the limits set out in the Policy
- In addition, the Committee has discretion to include any other remuneration component or award which it feels is appropriate taking into account the specific circumstances of the recruitment, subject to the limit on variable remuneration set out below. The key terms and rationale for any such component would be disclosed as appropriate in the Remuneration Report for the relevant year
- Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment, the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities

- When determining any such “buyout”, the guiding principle would be that awards would generally be on a “like-for-like” basis unless this is considered by the Committee not to be practical or appropriate
- The maximum level of variable remuneration which may be awarded (excluding any “buyout” awards referred to above) in respect of recruitment is 300% of salary, which is in line with the current maximum limit under the annual bonus and PSP
- Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide assistance with relocation (either via one-off or ongoing payments or benefits)
- In the event that an internal candidate is promoted to the Board, or an Executive Director joins as a result of a transfer of an undertaking, merger, reconstruction, or similar reorganisation, legacy terms and conditions would normally be honoured, including any outstanding incentive awards, though ongoing pension contributions will be aligned with the rate paid to the majority of the UK workforce

To facilitate any “buyout” awards outlined above, in the event of recruitment, the Committee may grant awards to a new Executive Director relying on the exemption in the Listing Rule 9.3.2(2) which allows for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director without seeking prior shareholder approval or under any other appropriate Company incentive plan.

The remuneration package for a newly appointed Non-Executive Director would normally be in line with the structure set out in the policy table for Non-Executive Directors on page 104.

Executive Directors' service contracts and leaving policy

When determining leaving arrangements for an Executive Director, the Committee takes into account any contractual agreements including the provisions of any incentive arrangements, typical market practice and the performance and conduct of the individual.

The service contracts are available for inspection at the AGM and at the Company's registered office. For new appointments, notice will normally be limited to nine months on either side.

In the event of early termination of the employment, a payment in lieu of notice may be made based on base salary, pension and contractual benefits only for the outstanding notice period. Payments in lieu of notice will be paid at the Committee's discretion, either in monthly instalments or in a lump sum. Payments will normally be subject to mitigation by the Executive Director being required to take reasonable steps to find an alternative position.

The Committee may make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment.

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Remuneration Committee Report continued

Executive Directors' service contracts and leaving policy continued

Any such payments may include, but are not limited to, paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with their cessation of office or employment.

The service contracts of the Executive Directors contain restrictive covenant clauses for a period of 12 months post-employment relating to non-competition, non-engagement and non-solicitation of the Group's customers, suppliers and employees and confidentiality undertakings. In addition, they provide for the Group to own any intellectual property rights created by the Directors in the course of their employment.

Executive Directors' service contracts

John Hornby's service contract is dated 14 October 2016. Will Hoy's service contract is dated 20 February 2024. These are rolling service contracts with no fixed expiry date. The service contract of the CEO is terminable on nine months' written notice by either party. The service contract of the CFO is terminable on six months' written notice by either party. Copies of the service contracts are held at the Company's registered office address and are available for inspection on request.

Annual bonus

For Executive Directors deemed "good leavers", the Committee may determine that they remain eligible to receive a bonus for the financial year. The level of bonus will be determined by the Committee, normally pro-rated for the period of employment and taking into account performance, unless the Committee determines otherwise. In other circumstances an annual bonus would not normally be paid.

Share plan leaver rules

The treatment of leavers under the Company's long-term incentive plans is determined by the rules of the relevant plans.

Good leavers¹

Performance Share Plan

If a participant dies, their PSP award will vest to the extent determined by the Committee, taking into account the extent to which the performance conditions have been met and, unless the Committee determines otherwise, the proportion of the performance period that has elapsed.

If the participant ceases to be an officer or employee of the Group for any other "good leaver" reason, their award will vest on the original vesting date, or, if the Committee so determines, as soon as practicable after the date of cessation. The extent to which awards vest in these circumstances will be determined by the Committee, taking into account the extent to which the performance conditions have been satisfied, and, unless the Committee determines otherwise, the proportion of the performance period that has elapsed.

The two-year holding period on outstanding LTIP awards would typically continue to apply. However, the Committee retains the discretion to determine that all holding periods should end on the earlier.

Participants have six months to exercise awards (12 months in the case of death) from the cessation of employment.

1. Death, ill-health, injury, disability, retirement or the sale of their employing entity out of the Group, or for any other reason at the Committee's discretion.

Leavers in other circumstances

Awards lapse. Participants have six months from the cessation of employment to exercise vested options.

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Remuneration Committee Report continued

Executive Directors' service contracts and leaving policy continued

Share plan leaver rules

Good leavers ¹	Leavers in other circumstances
Company Share Option Plan A participant's CSOP award will vest to the extent determined by the Committee, taking into account the extent to which the performance conditions have been met and pro-rata to the proportion of the vesting period elapsed since grant, unless the Committee determines the performance conditions should be waived. Participants have six months to exercise their awards (12 months in the case of death) from the cessation of employment.	Awards lapse. Participants have six months from the cessation of employment to exercise vested options.
SIP Leaver provisions are determined in accordance with HMRC-approved provisions.	

1. Death, ill-health, injury, disability, retirement or the sale of their employing entity out of the Group, or for any other reason at the Committee's discretion.

In the event that any payment is made in relation to the loss of office for an Executive Director, this will be fully disclosed in the following Directors' Remuneration Report. A timely announcement with respect to the termination of any Director's appointment will be made to the regulatory news service and posted on the Company's corporate website.

Change of control

In the event of a takeover or winding up of the Company, share awards may vest early. The extent to which CSOP awards vest will be determined by the Committee by reference to, unless the Committee determines otherwise, the performance conditions and the proportion of the vesting period that has elapsed. The extent to which PSP awards vest will be determined by the Committee taking into account the extent to which the performance conditions have been satisfied and, unless the Committee determines otherwise, the proportion of the performance period that has elapsed. The Committee may decide that the end of any bonus year should be accelerated to the date of the event with appropriate pro-rating of any payment unless the Committee decides otherwise. Any bonus may be paid entirely in cash with no deferral.

In the case of a demerger, special dividend or similar circumstances, awards may, at the Committee's discretion, vest early on the same basis as for a takeover.

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Remuneration Committee Report continued

Remuneration Policy table for Non-Executive Directors

Purpose and link to strategy	Operation	Maximum value
Fees To enable the Company to attract and retain experienced, skilled Non-Executive Directors that are capable of advising and supporting the Executive Directors.	Paid in cash. Fees for the Non-Executive Chair and Non-Executive Directors are set taking into account the time commitment required to fulfil the role and typical practice at other similar companies. Our Non-Executive Director fee policy is to pay a basic fee for membership of the Board, and additional fees for the SID and chairmanship of a Committee to take into account the additional responsibilities and time commitment of these roles. Fees are normally paid in cash but may be delivered in shares. Additional fees may be paid to reflect additional Board or Committee responsibilities as appropriate.	Fees paid to Non-Executive Directors, including the Non-Executive Chair, are subject to consideration and approval by the Board (in the case of NEDs) and the Committee (in the case of the Chair). No maximum value is specified in the Company's Articles.
Benefits and expenses To provide suitable arrangements to allow Non-Executive Directors to discharge their duties effectively.	Reasonable costs in relation to travel and accommodation for business purposes are reimbursed to the Chair and Non-Executive Directors. The Company may meet any tax liabilities that may arise on such expenses. The Chair and Non-Executive Directors are not entitled to participate in any of the Group's incentive plans or pension plans. Additional benefits may be introduced if considered appropriate.	n/a

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Remuneration Committee Report continued

Non-Executive Director terms of appointment

The dates of appointment for the Chair and Non-Executive Directors are shown in the table below:

Non-Executive Director	Date of appointment
Giles Brand	1 May 2010
Caroline Brown	27 September 2016
Tim Surridge	27 September 2016
Pim Vervaat	1 September 2020
Julia Hendrickson	1 June 2022
Janet Ryan	1 July 2024
Martyn Coffey	9 December 2025

Terms and conditions for the Chair and Non-Executive Directors

The Chair and Non-Executive Directors serve the Group on the basis of renewable letters of appointment which can be terminated by written notice by either party. The Chair's appointment is subject to three months' notice and the other Non-Executive Directors are subject to one month's notice. No compensation is awarded on termination. Copies of the Non-Executive Directors' letters of appointment are held at the Company's registered office address and are available for inspection on request. In accordance with the principles of the Code, the Chair, the Non-Executive Directors and the Executive Directors are subject to voluntary re-election by shareholders. Their appointments may be terminated in the event of them not being re-elected by shareholders or otherwise in accordance with the Articles.

Consideration of conditions elsewhere in the Company

The Committee does not consult with employees specifically on its Remuneration Policy for Executive Directors. However, the Committee is mindful of the salary increases and benefits applying across the whole business when considering the remuneration package of Executive Directors. The Company has an open and collaborative management structure which provides a number of channels for employees to raise their views, including via our employee representative Non-Executive Director.

Consideration of shareholder views

The Committee will consider shareholder views received throughout the year and at the AGM in shaping the Remuneration Policy and when it undertakes the annual remuneration review. It is the Committee's intention to consult with major shareholders in advance of making any material changes to remuneration arrangements.

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Governance

Remuneration Committee Report continued

Annual Remuneration Report

The Directors' Remuneration Report that follows has been prepared in accordance with the provisions of the Code, the Listing Rules, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Companies Act 2006.

Implementation of Remuneration Policy during 2025

Single figure of total remuneration (audited)

The table below sets out the single figure of total remuneration received by the Executive and Non-Executive Directors for the years ended 31 December 2025 and 2024.

Director (£'000)	Year	Basic salary/fees	Benefits	Pension	Total fixed	Annual bonus	Long-term incentives	Total variable	Total
John Hornby	2025	437	8	—	445	381	448 ¹	829	1,274
	2024	426	5	—	431	151	— ²	151	582
Will Hoy	2025	373	14	19	406	325	318 ¹	643	1,049
	2024	364	12	18	394	138	—	138	532
Giles Brand	2025	145	—	—	145	—	—	—	145
	2024	130	—	—	130	—	—	—	130
Caroline Brown	2025	50	—	—	50	—	—	—	50
	2024	49	—	—	49	—	—	—	49
Tim Surridge ³	2025	68	—	—	68	—	—	—	68
	2024	71	—	—	71	—	—	—	71
Pim Vervaat	2025	61	—	—	61	—	—	—	61
	2024	60	—	—	60	—	—	—	60
Julia Hendrickson	2025	50	—	—	50	—	—	—	50
	2024	49	—	—	49	—	—	—	49
Janet Ryan ³	2025	55	—	—	55	—	—	—	55
	2024	25	—	—	25	—	—	—	25
Martyn Coffey ⁴	2025	3	—	—	3	—	—	—	3

1. John Hornby and Will Hoy were granted a PSP award in April 2023. The award was based 50% on CAGR Adjusted EPS performance in the three-year period ended 31 December 2025 and 50% on TSR performance over a three-year period from the date of grant. Adjusted EPS target performance will vest at 66.8% of maximum. TSR performance will be assessed to the third anniversary of the date of award (6 April 2026) and we will confirm performance in next year's report. TSR performance is currently tracking between the median and upper quartile and is expected to vest at c.56.9%. Based on the performance against the CAGR Adjusted EPS and TSR targets, it is expected that c.61.8% of maximum, of the total award, will vest. The Committee will assess the impact of share price appreciation, including the value attributable to share price movement, and will report on this in next year's report.

2. TSR performance for the 2022 PSP award was assessed to the date of vesting. In the 2024 report, we estimated that total vesting for the 2022 PSP award would be 0% of maximum, based on CAGR Adjusted EPS performance to 31 December 2024 of -14.6% and TSR performance below median to 30 November 2023. At the date of vesting, Luceco's TSR performance remained below median, resulting in 0% of the TSR element of this award vesting. The overall vesting of the award was therefore 0% of maximum.

3. Janet Ryan joined the Board on 1 July 2024 and fees are shown from this date. Janet succeeded Tim Surridge as Chair of the Audit Committee on 21 July 2025.

4. Martyn Coffey joined the Board on 9 December 2025 and fees are shown from this date.

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Remuneration Committee Report continued

Explaining the single figure

Salary

For 2025, our approach was to increase Executive Directors' salaries by 2.5%, in line with the increases received by the wider workforce. John Hornby's salary was increased from £426,550 to £437,214 and Will Hoy's salary was increased from £364,000 to £373,100.

Benefits

Benefits for the year included private medical insurance, life insurance and a fully expensed car or cash equivalent.

Pension

Will Hoy received pension contributions of 5% of base salary during the year. This is in line with the contribution levels available to other employees in the UK. John Hornby did not receive a pension contribution from the Group.

Annual bonus

For the year ended 31 December 2025, the maximum annual performance bonus was 100% of base salary. The annual bonus was based on the following measures:

Measure	Rationale	Weighting
Adjusted Profit After Tax	To incentivise executives to continue to grow the business and improve profit performance	40%
Adjusted Free Cash Flow	To continue to focus executives on operational efficiencies and the generation of cash to fund growth	40%
Strategic objectives, including ESG metrics	To incentivise executives to achieve specific operational and strategic business objectives	20%
Total		100%

Performance during 2025 against financial targets set was as follows:

Measure	Threshold 0% payout	Target 50% payout	Maximum 100% payout	Achievement for 2025	Percentage of bonus payable
Adjusted Profit After Tax (40% weighting)	£18.9m	£21.0m	£23.1m	£22.6m	88.1%
Adjusted Free Cash Flow (40% weighting)	£16.4m	£18.2m	£20.0m	£30.4m	100%

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Remuneration Committee Report continued

Explaining the single figure continued

Strategic objectives

These objectives were set at the start of 2025 and are set out in the table below.

Overview of performance against strategic objectives

CEO

Working capital management

- **Trade working capital:** Working capital as a percentage of sales improved 3.6% at year end, representing progress against this objective
- **Inventory:** Inventory as a percentage of sales deteriorated throughout the period, falling short of the objective set for the year

Lighting business integration

- **Adjusted Operating Margin:** The Adjusted Operating Margin of the lighting business improved in 2025, exceeding the objective set for the year
- **Integration:** DW Windsor, KFL and CMD are now operating on Group standard systems, with leadership integrated across the businesses where appropriate
- **Internal sales team:** An internal sales team has been successfully established, utilising KFL personnel

Acquisition integration

- **Adjusted Operating Margin:** The target Adjusted Operating Margin was achieved at two of the three acquired businesses
- **Cost savings:** Progress was made on cost savings across the acquired businesses, with the underlying cost base reducing year-on-year
- **EV sales growth:** EV sales grew significantly ahead of the 50% growth target set for the year

Health and safety

- **Accident frequency rate ("AFR"):** The AFR reduced year-on-year across the Group's manufacturing sites
- **Unsafe condition notifications:** A significant increase in unsafe condition notifications was recorded at Jiaxing, reflecting a strong improvement in proactive safety reporting culture
- **External review:** An external health and safety consultancy review was completed during the year, with an "excellent" assessment received

Supply chain review

- Progress was made during the year in reviewing the approach to the supply chain

CFO

Working capital management

- **Trade working capital:** Working capital as a percentage of sales improved 3.6% at year end, representing progress against this objective
- **Overdue receivables:** Group overdue receivables deteriorated marginally year-on-year, both as a percentage of total receivables and in absolute terms

Minimise group costs

- **Adjusted Corporate Tax Rate:** Reduced year-on-year, representing a meaningful improvement in the Group's overall tax efficiency
- **Group central costs:** An improvement in maintainable central costs was achieved year-on-year
- **Foreign exchange hedging:** Good progress was made on the Group's foreign exchange hedging programme

Health and safety

- **Accident frequency rate:** The AFR reduced year-on-year across the Group's manufacturing sites
- **Unsafe condition notifications:** A significant increase in unsafe condition notifications was recorded at Jiaxing, reflecting improvement in proactive safety reporting culture
- **External review:** An external health and safety consultancy review was completed during the year, with an "excellent" assessment received

Supply chain review

- Progress was made during the year in reviewing the approach to the supply chain

Committee's assessment of performance

The Committee judged that overall, performance had been strong in the year, noting the significant progress and accomplishment across the outlined objectives.

As a result, it was determined that:

- 12% out of a maximum of 20% should be paid for this element for the CEO
- 12% out of a maximum of 20% should be paid for this element for the CFO

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Remuneration Committee Report continued

Explaining the single figure continued

Strategic objectives continued

Overview of performance against strategic objectives continued

This performance against targets set therefore resulted in an overall bonus of 87.2% of maximum for John Hornby and 87.2% of maximum for Will Hoy. Bonus payments are therefore as follows:

John Hornby: £381,251

Will Hoy: £325,343

The Committee also considered the underlying financial performance of the Company during 2025, taking into account performance against key financial and strategic performance indicators as well as the experience of shareholders and other stakeholders during the period. The Committee also considered whether there had been a significant negative event (such as an ESG event) which would warrant an adjustment. The Committee concluded that the proposed outcomes were appropriate and no discretion was applied.

John Hornby has met the shareholding guidelines, so his bonus was paid in cash. The Committee reviewed Will Hoy's progress against the shareholding guidelines and was satisfied that sufficient steps had been made in the year. Therefore, Will Hoy's bonus was also paid fully in cash with no obligation to invest into shares.

Overall, the Committee judged that the annual bonus outcomes were a fair reflection of the performance during the year and that they align with the shareholder experience.

Long-term incentives

John Hornby and Will Hoy were granted a PSP award in April 2023. This award was based 50% on CAGR Adjusted EPS performance in the three-year period ended 31 December 2025 and 50% on TSR performance over a three-year period from the date of grant. CAGR Adjusted EPS for the three-year period year ended 31 December 2025 is 10.6%. The TSR performance period is not yet completed and we will provide details of final vesting in the 2026 Annual Report. TSR performance is currently tracking between the median and upper quartile and is expected to vest.

Based on this, the 2023 PSP award is expected to vest at c.61.8% of maximum.

Measure	Weighting	Threshold	Maximum	Achievement	Element vesting
CAGR Adjusted EPS in the three-year period ended 31 December 2025	50%	5%	15%	10.6%	66.7%
TSR relative to the FTSE SmallCap excluding investment trusts	50%	Median	Upper quartile	TSR measured over three years to 6 April 2026	56.9% (expected)

Therefore the vesting of the award shall be as follows:

Executive Director	Date of grant	Number of awards granted	Number of shares vesting based on estimated performance	Dividend equivalents (number of shares)	Total number of shares vesting	Total estimated value of award vesting ¹
John Hornby	6 April 2023	492,956	304,647	31,103	335,750	£447,809
Will Hoy		350,561	216,647	22,119	238,766	£318,456

1. The value of the award vesting is based on the average share price over the last three months of the financial year ended 31 December 2025 being 133.4p. The estimated value of the vesting awards has been included within the "single figure of total remuneration" table on page 106.

Overall, the Committee considers that the Remuneration Policy has operated as it intended during 2025 and that the pay outcomes are aligned with the experience of shareholders and other stakeholders.

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Remuneration Committee Report continued

Share interests awarded during the year as long-term incentives (audited)

The following awards were granted under the PSP during the year.

Executive Director	Role	Form of award	Date of award	Number of shares awarded	Face value of award ¹	Percentage vesting for achieving minimum performance	Performance period
John Hornby	Chief Executive Officer	Nil-cost option over ordinary shares of 0.05p	8 April 2025	544,400	£655,821	25%	See below
Will Hoy	Chief Financial Officer			464,568	£559,650	25%	See below

1. Calculated based on a share price of 120p, being the average of the closing price for the three dealing dates preceding the date of award.

The awards will vest 50% subject to the Group's Adjusted EPS and 50% subject to TSR performance relative to the FTSE SmallCap excluding investment trusts as outlined below.

Performance condition

CAGR Adjusted EPS in the three-year period ending 31 December 2027	Rank of the Group's TSR compared to the comparator group	Extent to which the relevant portion of the award vests
15%	Upper quartile or above	100%
Between 5% and 15%	Between median and upper quartile	On a straight-line basis between 25% and 100%
5%	Median	25%
Less than 5%	Below median	0%

TSR performance will be assessed based on performance over a three-year period from the date of grant of awards. TSR is assessed based on the three-month average at the beginning and end of the performance period.

Shareholding guidelines

The Group encourages its Directors and employees to hold shares in the Group to strengthen their commitment to the organisation in terms of delivering the strategic objectives. Executive Directors are expected to build and maintain a holding of Luceco shares equal to at least 200% of base salary. Executive Directors are expected to retain 50% of any shares that vest under any share incentive plans until this shareholding is reached. Where a Director has not met, or is not on course to meet, their shareholding guideline they will also be expected to invest at least 50% of any post-tax annual bonus earned into Luceco shares.

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Governance

Remuneration Committee Report continued

Directors' shareholdings and share interests (audited)

The beneficial interests of the Directors in the ordinary shares of the Group are set out below. None of the Directors had any interest in the shares of any subsidiary company.

Executive Directors

	Ordinary shares held at 20 March 2026	Ordinary shares held at 31 December 2025	Ordinary shares held at 31 December 2024	Nil cost options subject to performance measures ¹	Nil cost options not subject to performance measures	Market value options subject to performance measures	Shareholding requirement (% of salary)	Shareholding held at 31 December 2025 ²	Requirement met?
John Hornby	26,125,624	26,125,624	26,021,796	1,388,237	—	—	200%	7,876%	Yes
Will Hoy	311,284	311,284	307,456	1,136,914	—	—	200%	110%	No

Note: Includes shares accrued to date in respect of dividend equivalents on unvested LTIP awards.

- Options from the PSP award granted in April 2023 have been adjusted for the current expected vesting rate of c.61.8%.
- Shareholding as a percentage of salary.

Shares beneficially held count towards Executive Directors' shareholding guidelines. Any unvested shares or unexercised nil cost options which are not subject to performance conditions may count towards the guideline on a net-of-tax basis. The value of Executive Directors' shareholding has been calculated using the share price on 31 December 2025 of 131.8p.

Non-Executive Directors

	Ordinary shares held at 20 March 2026	Ordinary shares held at 31 December 2025	Ordinary shares held at 31 December 2024
Giles Brand ¹	9,466,919	9,466,919	9,466,919
Caroline Brown	—	—	—
Tim Surridge	63,041	63,041	63,041
Pim Vervaat	150,000	150,000	150,000
Julia Hendrickson	—	—	—
Janet Ryan ²	—	—	—
Martyn Coffey ³	12,000	—	—

- Giles Brand is a Managing Partner of EPIC Investment Partners LLP and a director of its subsidiary, EPIC Investment Partners (UK) Limited. EPIC Investment Partners (UK) Limited is the investment manager of ESO Investments 2 Limited. ESO Investments 2 Limited owns 35,564,260 shares in the Group.
- Janet Ryan joined the Board on 1 July 2024.
- Martyn Coffey joined the Board on 9 December 2025.

Payments to former Directors (audited)

There were no payments made to former Directors during the year.

Payments for loss of office (audited)

There were no payments made for loss of office during the year.

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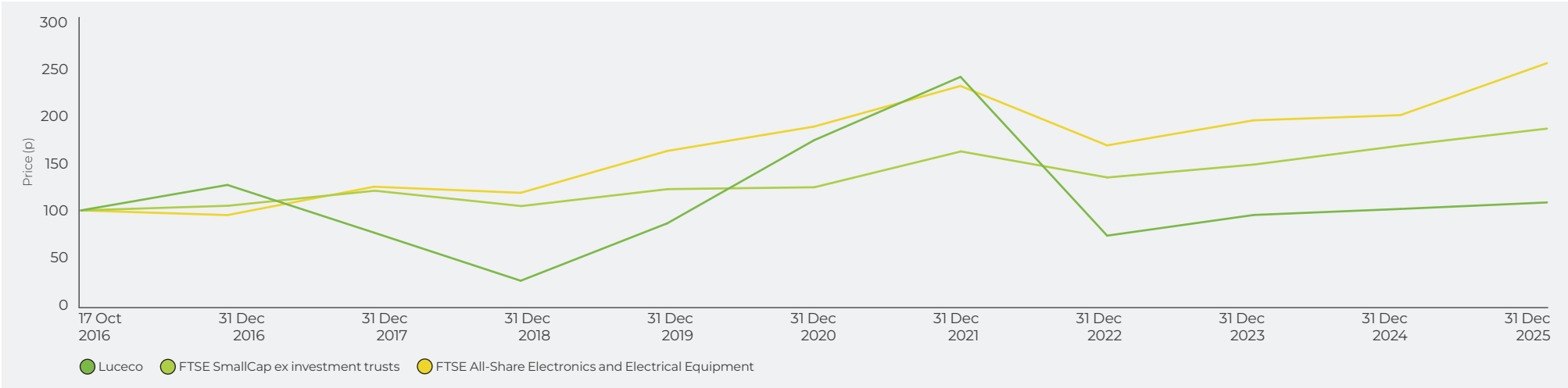
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Remuneration Committee Report continued

Performance graph and table

Review of past performance

The graph below shows the historical TSR of the Group, the FTSE SmallCap index exclusive of investment trusts and the FTSE All-Share Electronics and Electrical Equipment index for the period from IPO on 17 October 2016 to 31 December 2025. The Group has chosen these indices to reflect its size and the key sector in which it operates.



The table below shows the CEO's "single figure" remuneration for the ten years ended 31 December 2025.

£'000	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total remuneration	337	365	504	726	699	1,553	860	771	582	1,274
Annual bonus (% of max)	nil	nil	50%	100%	90%	50%	55%	87%	35%	87%
LTIP vesting ¹ (% of max)	n/a	n/a	n/a	0%	n/a ²	100%	49.84%	0%	0%	61.80% ³

1. No LTIPs were in place during the reporting periods 2012 to 2016. The first LTIP awards post-IPO were granted in 2017, with vesting based on performance to 31 December 2019.
2. On 27 November 2018, John Hornby surrendered the 2018 PSP award granted to him on 27 July 2018. This award would have vested at 100% of maximum.
3. The TSR performance period for the 2023 awards runs to April 2026 and final vesting will be determined at this point.

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Governance

Remuneration Committee Report continued

Annual percentage change in remuneration of Directors and employees

The following table sets out the change in remuneration paid to the Directors who served on the Board from 2019 to 2025 compared with the average percentage change for UK-based employees. The Committee considers this the most meaningful comparison as the Group does not have a harmonised salary and benefits structure across its global operations. Furthermore, the majority of its overseas employees are based in Asia, where the pay structure is significantly different to that of the Executive Directors, which does not facilitate a like-for-like comparison.

	Executive Directors		Non-Executive Directors							
	John Hornby	Will Hoy ¹	Giles Brand	Caroline Brown ²	Tim Surridge ³	Pim Vervaat ⁴	Julia Hendrickson ⁵	Janet Ryan ⁶	Martyn Coffey ⁷	UK employees
2025 vs. 2024										
Base salary/fees	2.5%	2.5%	11.5%	2.5%	(5.3)%	2.0%	2.5%	125.5%	n/a	2.5%
Benefits	45.3%	11.0%	—	—	—	—	—	—	—	—
Bonus	153.2%	136.5%	—	—	—	—	—	—	—	23.1%
2024 vs. 2023										
Base salary/fees	4.0%	21.5%	20.1%	10.1%	7.6%	8.1%	10.1%	n/a	n/a	4.0%
Benefits	34.3%	27.9%	—	—	—	—	—	—	—	—
Bonus	(57.8)%	(45.8)%	—	—	—	—	—	—	—	(12.4)%
2023 vs. 2022										
Base salary/fees	2.5%	451.6%	2.5%	2.5%	22.1%	2.5%	75.4%	n/a	n/a	7.5%
Benefits	(83.8)%	n/a	—	—	—	—	—	—	—	—
Bonus	62.2%	n/a	—	—	—	—	—	—	—	30.5%
2022 vs. 2021										
Base salary/fees	8.3%	21.1%	3.0%	(13.2)%	3.0%	3.0%	n/a	n/a	n/a	3.0%
Benefits	22.7%	—	—	—	—	—	—	—	—	—
Bonus	19.1%	—	—	—	—	—	—	—	—	(5.8)%
2021 vs. 2020										
Base salary/fees	2.5%	8.9%	2.5%	(7.4)%	2.5%	207.3%	n/a	n/a	n/a	2.5%
Benefits	41.7%	—	—	—	—	—	—	—	—	—
Bonus	(43.1)%	—	—	—	—	—	—	—	—	(4.5)%
2020 vs. 2019										
Base salary/fees	3.0%	21.7%	100%	3.0%	3.0%	n/a	n/a	n/a	n/a	3.0%
Benefits	(44.3)%	—	—	—	—	—	—	—	—	—
Bonus	(7.3)%	—	—	—	—	—	—	—	—	(1.5)%

1. Will Hoy assumed an Executive Director position from 1 March 2023 and was appointed as Chief Financial Officer on 1 April 2023. Prior to this, he served as a Non-Executive Director following his appointment to the Board on 1 September 2019, serving as Chair of the Audit Committee between 13 October 2021 and 19 January 2023.
2. Caroline Brown was Chair of the Audit Committee until 13 October 2021.
3. Tim Surridge was Chair of the Audit Committee between 19 January 2023 and 21 July 2025.

4. Pim Vervaat joined the Board on 1 September 2020 as Senior Independent Non-Executive Director.
5. Julia Hendrickson joined the Board on 1 June 2022.
6. Janet Ryan joined the Board on 1 July 2024 and succeeded Tim Surridge as Chair of the Audit Committee on 21 July 2025.
7. Martyn Coffey joined the Board on 9 December 2025.

The main benefits provided include a company car or cash equivalent, medical cover and life assurance. There has been no change in the level of benefits provided to Group employees.

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Remuneration Committee Report continued

Relative importance of spend on pay

The table below shows the total amount paid by the Group to its employees and distributions to shareholders for 2025 and 2024.

£m	31 December 2025	31 December 2024	% change
Overall spend on pay for employees including Executive Directors ¹	54.8	49.0	11.8%
Distributions to shareholders	7.7	7.5	2.7%

1. Figures are taken from note 4 of the consolidated financial statements.

CEO pay ratio

For the year ended 31 December 2025, the CEO's total remuneration as a ratio against the full-time equivalent remuneration of UK employees is detailed in the table below:

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	Option A	39 : 1	24 : 1	16 : 1
2024	Option A	19 : 1	11 : 1	8 : 1
2023	Option A	25 : 1	16 : 1	11 : 1
2022	Option B	27 : 1	17 : 1	11 : 1
2021	Option B	68 : 1	45 : 1	25 : 1
2020	Option B	30 : 1	21 : 1	11 : 1
2019	Option B	30 : 1	22 : 1	15 : 1

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	Total pay	£32,947	£52,736	£78,131
	Salary	£28,710	£50,225	£46,125

For 2025, Option A has been used in order to provide the most up-to-date representation of the CEO's pay relative to that of the UK workforce. The calculation utilises data analysed within our Gender Pay Gap report, with employees at the three quartiles identified from this analysis based on the 2025-26 snap-shot date. Their respective single figure values for 2025 have then been calculated. No estimates were required, and no elements of pay were omitted in calculating the relevant single figures.

The single figure values for individuals immediately above and below the identified employee at each quartile within the Gender Pay Gap analysis were also reviewed. It was determined that the chosen individuals were representative of the 25th percentile, median and 75th percentile employees and therefore no adjustments were necessary.

The CEO pay ratio has been rounded to the nearest whole number and represents an increase on the 2024 ratio. The main reason for the change in the ratio from last year is the increase in variable pay received in respect of the year for the CEO. The Board has confirmed that the ratio is consistent with the Company's wider policies on employee pay, reward and progression. Pay for senior leaders within the Group has a much greater emphasis on performance-based pay through the annual bonus and the LTIP. The ratios are therefore likely to vary year-on-year depending on bonus and LTIP outcomes.

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Remuneration Committee Report continued

Role of the Committee

The Committee assists the Board in determining its responsibilities in relation to the following aspects of remuneration:

- Setting the principles, parameters and governance framework to provide a transparent Remuneration Policy that aligns with the long-term strategy of the business
- Determining the individual remuneration and benefits package of each of the Executive Directors and the Company Secretary, considering the interests of relevant stakeholders
- Monitoring the level and structure of remuneration of senior management in conjunction with the Executive Directors
- Reviewing the implementation and operation of any Group share option schemes, bonus schemes and long-term incentive plans

The Committee is chaired by Tim Surridge. Pim Vervaat, Caroline Brown, Julia Hendrickson and Martyn Coffey are also members of the Committee. Martyn Coffey was appointed as a Non-Executive Director of the Board on 9 December 2025 and is envisaged to succeed Tim Surridge as Chair of the Remuneration Committee. Martyn brings a breadth of industry experience and has held Board roles at FTSE 250 companies.

There have been three meetings of the Committee during the year. The Committee has met once since the year end and the date of issuing the Annual Report and Financial Statements to consider the implementation of the Remuneration Policy for 2026 and to agree performance targets for 2026. The Group Chair and other Non-Executive Directors are invited to attend meetings. In addition, the CEO, the CFO and the Director of People and Talent may attend meetings from time to time at the invitation of the Committee and provide information and support as requested. Directors are not present when their own remuneration is being discussed.

During the remainder of 2026, the Committee is scheduled to meet at least twice and the areas that the Committee intends to focus attention on are as follows:

- The implementation of the Remuneration Policy for 2026 as outlined in this report
- Determining reward outcomes for 2026
- Review of remuneration trends and governance developments

Remuneration Committee advisers

During the year to 31 December 2025, the Committee engaged the services of external advisers Deloitte LLP ("Deloitte"). Deloitte is a founding member of the Remuneration Consultants Group and adheres to its Code in relation to executive remuneration consulting in the UK. The Committee is satisfied that the Deloitte engagement team which provide remuneration advice to the Committee do not have connections with Luceco plc or its Directors that may impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts. Deloitte's fees are charged on a time and materials basis. During the year, Deloitte was paid £34,000 for advice provided to the Committee. Deloitte also provided the Group with additional services related to M&A advisory.

Shareholder voting

Shareholder voting in relation to the resolution to approve the Directors' Remuneration Report (20 May 2025 AGM) and to approve the Remuneration Policy (10 May 2023 AGM) are as follows:

	Votes for	% for	Votes against	% against	Votes withheld
To approve the Directors' Remuneration Report (2025)	118,883,978	99.98%	18,069	0.02%	437,796
To approve the Remuneration Policy (2023)	117,475,240	95.43%	5,629,767	4.57%	354,561

The Directors' Remuneration Report has been approved by the Board on and signed on its behalf by:

Tim Surridge

Remuneration Committee Chair

24 March 2026

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Directors' Report

This report contains the additional information the Directors are required to include in the Annual Report and Financial Statements in accordance with the Companies Act 2006 and the UK Listing Rules.

Disclosures required under UK Listing Rule 6.6.1R

The information required to be disclosed under UK Listing Rule 6.6.1R, where applicable to the Group, can be found in the Annual Report and Financial Statements at the references provided below:

Listing Rule requirement	Annual Report location
Interest capitalised	Not applicable
Publication of unaudited financial information	Not applicable
Details of long-term incentive schemes	Page 109
Waiver of emoluments by a Director	Not applicable
Waiver of future emoluments by a Director	Not applicable
Non-pre-emptive issues of equity for cash	Not applicable
Non-pre-emptive issues of equity for cash by a major subsidiary	Not applicable
Parent participation in a placing by a listed subsidiary	Not applicable
Contracts of significance	Not applicable
Provision of services by a controlling shareholder	Page 118
Dividend waivers	Page 119
Agreements with controlling shareholders	Page 119

Results and dividends

The Group's profit for the year ended 31 December 2025 was £20.3m (2024: £14.6m); details are shown in the Consolidated Income Statement on page 130. The Directors recommend the payment of a final dividend of 4.2p per ordinary share which, subject to the approval of shareholders at the AGM on 19 May 2026, will be paid on 22 May 2026 to ordinary shareholders registered as members of the Company at the close of business on 10 April 2026. The final date for elections under the Company's dividend reinvestment plan will be 30 April 2026. An interim dividend of 1.8p per share was paid during the year. The Company's dividend policy is to pay out between 40% and 60% of Adjusted Earnings Per Share.

Directors

The Directors who held office during the year were:

- John Hornby
- Will Hoy
- Giles Brand
- Caroline Brown
- Martyn Coffey (from 9 December 2025)
- Julia Hendrickson
- Janet Ryan
- Tim Surridge
- Pim Vervaat

Biographical details of the Directors appear on pages 74 and 75. Information on the Directors' remuneration, employee share schemes and service contracts is given in the Remuneration Committee Report on pages 89 to 115.

Appointment and election of Directors

The rules about the appointment and election of Directors are contained in the Company's Articles. They provide that the Directors may be appointed by ordinary resolution of the shareholders or by the Board. Directors appointed by the Board may only hold office until the next AGM of the Group and then shall be eligible for election. The Group may remove a Director by ordinary resolution where special notice has been given and the necessary statutory procedures are complied with. In line with best practice corporate governance, all Directors will seek election or re-election at the AGM on 19 May 2026, with the exception of Caroline Brown who having served a nine-year term will be retiring at the AGM.

Powers of Directors

The general powers of the Directors are set out in Article 84 of the Company's constitution. This Article provides that the business of the Company shall be managed by the Board, which may exercise all the powers of the Company, subject to any limitations imposed by applicable legislation, the Articles and any directions given by special resolution of the shareholders of the Group.

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Directors' Report continued

Compensation for loss of office

The Company does not have arrangements with any Director that would provide compensation for loss of office or employment resulting from a takeover.

Disclosures in the Strategic Report

The Board has taken advantage of Section 414C(11) of the Act to include disclosures in the Strategic Report including:

- Employee involvement
- The employment of disabled people
- The future development, performance and position of the Group
- Research and development activities

Corporate governance

A report on corporate governance and the Company's compliance with the 2024 UK Corporate Governance Code is set out on page 72 and forms part of this report by reference.

Post balance sheet events

There were no post balance sheet events.

Asset values

Property, plant and equipment is disclosed in note 9 of the consolidated financial statements on pages 149 to 152. The Directors do not believe there is any material difference between the carrying value and market value.

Financial instruments

An analysis of the Group's financial instruments, risk management objectives and its exposure to credit and liquidity risk are disclosed in note 20 of the consolidated financial statements.

The Group's exposure to fluctuations in foreign exchange rates and the steps it takes to mitigate them are detailed in the principal risks and uncertainties on pages 62 to 66, and the Chief Financial Officer's Review on pages 23 to 28.

Global operations

The Group's executive head office, accounting, domestic sales and support functions are based in the UK. The Group has six UK sites, in London, Telford, Mansfield, Hoddesdon, Tyne & Wear and Rotherham.

- The Group's London facility serves as the Group's head office, with the executive function and certain sales and support functions based there
- The Telford facility serves as the UK assembly and distribution centre, accounting and support functions, and houses the remainder of the Group's UK sales function, as well as a portion of the Group's R&D function
- The Mansfield location is the primary base for Kingfisher Lighting
- The Hoddesdon location is the primary base for DW Windsor
- The Tyne & Wear location is the primary base for D-Line
- The Rotherham location is the primary base for CMD

The Group's manufacturing and product development functions are based in Jiaxing, China. The Group also has sales offices with some support functions in Spain, Dubai, Mexico, USA and Ireland.

Political donations

No political donations were made and no political expenditure was incurred during the year (2024: £nil).

Section 172 and engagement with suppliers, customers and others

In its decision-making, the Board has regard to each Director's duty to promote the success of the Company on behalf of the Company's stakeholders, to foster the Company's relationships with employees, suppliers, members and others, and considers the effect of the principal decisions taken by the Company during the financial year on the Company's stakeholders. This is set out in our s172 statement and the information in relation to stakeholders on pages 57 to 61.

Greenhouse gas emissions

Details of the Group's greenhouse gas emissions can be found in the "Creating a sustainable future" section of the Environment, Social and Governance section on pages 31 to 51.

Task Force on Climate-related Financial Disclosures ("TCFD")

Details of the Group's TCFD reporting, which is in line with the TCFD's recommendations and recommended disclosures, is outlined in the Environment, Social and Governance section on pages 31 to 50.

Directors' interests

During the year ended 31 December 2025, no Director had an interest in any third-party contract between the Company or any of its subsidiaries.

Directors' shareholdings are disclosed in the Remuneration Committee Report on page 111. Details of Directors' share options are set out in note 22 of the consolidated financial statements.

Directors' conflicts of interest

In accordance with the Companies Act 2006 and its Articles, the Company has arrangements in place to consider and, where appropriate, authorise any Directors' direct or indirect interests which may conflict with those of the Group. Authorisation is only effective where the matter is put to a vote, excluding the Director who is subject to the conflict authorisation. If a Director becomes aware that they or a connected party have an interest in an existing or proposed transaction with the Group, they should notify the Company Secretary as soon as possible. Directors have a continuing obligation to update any changes to conflicts and the Board formally reviews any such conflicts periodically.

A register of conflicts or potential conflicts is maintained and available at Board meetings.

Directors' liability and indemnity insurance

The Group maintains Directors' and officers' liability insurance, which gives appropriate cover for legal action brought against its Directors. In addition, third-party qualifying indemnity provisions (as defined in s234 of the Companies Act 2006) for its Directors and officers were in force during the year ended 31 December 2025 and remain in force. There were no qualifying pension scheme indemnity provisions.

Articles of Association

A copy of the Articles of Association is available on the Company's website. The Articles may only be amended by special resolution of the shareholders.

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Governance

Directors' Report continued

Share capital and waiver of pre-emption rights

The Group has one class of share in issue. The rights attached to each share are identical and each share carries equal rights to dividends, return of capital on the winding up of the Group and one vote at general meetings of the Group. There are no securities carrying special rights. There are no restrictions on the transfer of shares in the Group (other than following a service of notice under s793 of the Act) and there are no restrictions on any voting rights or deadlines, other than those prescribed by law. The Group is not aware of any arrangements between its shareholders which may result in the restriction on the transfer of shares or voting rights. Further details of the rights and obligations attached to the shares are set out in the Company's Articles.

At the AGM on 20 May 2025, authority was given to the Directors to allot new ordinary shares up to a nominal value of £26,800, equivalent to 33.33% of the issued share capital of the Group. In addition, authority was given to the Directors to allot further new ordinary shares up to a nominal value of £53,600, equivalent to 66.67% of the issued share capital of the Group.

Further special resolutions were passed to effect a disapplication of pre-emption rights for a maximum of 10% of the issued share capital of the Company and up to 20% of the issued share capital. For the purposes of making a follow-on offer as detailed in paragraph 3 of Section 2B of the Statement of Principles on disapplying pre-emption Rights published by the Pre-Emption Group.

These authorities expire on the conclusion of the 2026 AGM or 30 June 2026 whichever is sooner. No shares have been allotted under these authorities as at the date of this report.

At 31 December 2025, the Group had 160,800,000 fully paid ordinary shares of 0.05p each in issue which are traded on the London Stock Exchange. Details of the share capital at 31 December 2025 are disclosed in note 23 on page 172.

Authority for the Group to purchase its own shares

A resolution will be proposed at the 2026 AGM that the Company be authorised to purchase up to approximately 6.5% of its ordinary shares at the Directors' discretion. If the resolution is passed, the new authority will lapse at the conclusion of the 2027 AGM or, if earlier, on 30 June 2027.

At the AGM held on 20 May 2025, authority was given for the Company to make market purchases of its ordinary shares provided that the maximum aggregate number of ordinary shares that may be purchased is limited to 10,560,000, with a minimum price of 0.05p per share. The maximum price (exclusive of expenses) which may be paid for each ordinary share shall be the higher of (i) an amount equal to 105% of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is purchased; and (ii) an amount equal to the higher of the price of the last independent trade of any ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

These authorities shall expire at the conclusion of the 2026 AGM. No purchases have been made under this authority during the year or post year end.

Substantial shareholdings

The Company has been notified of the following disclosable interests in its issued share capital in accordance with DTR 5 as at 31 December 2025 and at 20 March 2026 (being the latest practicable date prior to the date of this report).

Shareholder	At 20 March 2026		At 31 December 2025	
	Number of shares held	% voting rights	Number of shares held	% voting rights
Apex Financial Services (Trust Company) Limited	11,587,381	7.21	11,587,381	7.21
BlackRock Inc	15,661,426	9.73	19,263,831	11.96
John Hornby ¹	26,125,624	16.25	26,125,624	16.25
Giles Brand ^{1,2}	45,031,179	28.00	45,031,179	28.00

1. Includes persons closely associated.

2. Giles Brand is a Managing Partner of EPIC Investment LLP and a director of its subsidiary EPIC Investment Partners (UK) Limited. EPIC Investment Partners (UK) Limited is the investment manager of ESO Investments 2 Limited. ESO Investments 2 Limited owns 35,564,260 shares in the Group.

Provision of services by substantial shareholders

Giles Brand is Luceco plc's Chair and Managing Partner of EPIC Investment Partners ("EPIC") LLP (formerly EPIC Private Equity LLP), which is controlled by ESO Investments 2 Limited. Giles Brand and ESO Investments 2 Limited are therefore connected parties and substantial shareholders of the Company. Giles Brand was paid a monthly fee of £12,083 (£145,000 per annum) in respect of his services as Chair during 2025.

John Hornby has a service contract with the Company, as detailed on page 102, which is available for inspection by shareholders at the AGM and at the Group's registered office. Further details of his remuneration can be found in the Remuneration Committee Report on pages 89 to 115.

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Directors' Report continued

Significant agreements

In accordance with the UK Listing Rule 6.6.1(9)(b), in 2016 the Group entered into a written and legally binding relationship agreement with its substantial shareholders (namely, shareholders who exercise or control the exercise of 20% or more of the votes cast at general meetings of the Company as defined at UKLR 8.1.12R), ESO Investments 2 Limited (which controls EPIC Investments LLP) and Giles Brand ("connected parties"). The connected parties collectively exercise or control 28.0% of the voting rights in the Company. With respect to this agreement, both the Group and the connected parties have complied with the independence provisions and procurement obligations set out in that document.

The agreement remains in place until the connected parties cease to exercise or control 10% or more in aggregate of the total voting rights or if neither connected party has exercised or controlled any voting rights for at least two years. The agreement would automatically terminate if the Group's shares ceased trading on the London Stock Exchange or if the Group were to appoint an administrative receiver.

Change of control

Change of control provisions are included in the Group's banking agreements. Should a change of control event occur, the Group's revolving credit facility would be subject to immediate cancellation and the bank may call for immediate repayment of any balance outstanding.

Shareholder waiver of dividends

There is an evergreen dividend waiver in place in respect of the shares held in the Company's Employee Benefit Trust. No dividends were paid in respect of these shares during the year.

Directors' statement regarding disclosure of information to the auditor

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware. The Directors also confirm that they have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Appointment of auditor

On the recommendation of the Audit Committee, resolutions will be proposed at the 2026 AGM to re-appoint KPMG LLP as auditor of the Group and to authorise the Audit Committee to set the auditor's remuneration.

Annual General Meeting

The Group's AGM will be held on 19 May 2026. Details of the resolutions to be proposed at the AGM are set out in the Notice of Meeting, which is provided to all shareholders.

The Directors' Report was approved by the Board of Directors and authorised for issue on 24 March 2026.

By Order of the Board

Will Hoy

Chief Financial Officer

Company registered number: 05254883

Registered office:

Luceco plc
Building E Stafford Park
1 Stafford Park
Telford
Shropshire
TF3 3BD

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Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK 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 Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant, reliable and prudent;

- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards; for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The Auditor's Report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the Directors in respect of the annual financial report

Each of the Directors whose names are listed on pages 74 and 75 confirm that to the best of our knowledge:

- the Group and Parent Company financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation, taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By Order of the Board

John Hornby
Chief Executive Officer
24 March 2026

Will Hoy
Chief Financial Officer
24 March 2026

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Independent Auditor's Report
to the members of Luceco plc

1. Our opinion is unmodified

We have audited the financial statements of Luceco plc ("the Company") for the year ended 31 December 2025 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity and the related notes, including the accounting policies in note 1 and note 28.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were first appointed as auditor by the shareholders on 20 February 2015. The period of total uninterrupted engagement is for the 10 financial years ended 31 December 2025 as a public-interest entity and 12 years in total. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group financial statements as a whole	£1.15m (2024: £1.07m) 4.8% (2024: 4.7%) of normalised profit before tax
Key audit matters	vs 2024
Recurring risks	Recoverability of Goodwill in DW Windsor CGU Parent Company: Recoverability of Parent Company's investment and parent's debt due from Group entity

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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. We summarise below the key audit matters (unchanged from 2024), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report continued
to the members of Luceco plc

2. Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
Recoverability of Goodwill in DW Windsor CGU (Goodwill £6.2m; 2024: £6.2m)	Forecast-based assessment Goodwill related to DW Windsor ("DWW") is significant and at risk of irrecoverability due to continuing uncertainty in infrastructure markets impacting the performance of the CGU. The estimated recoverable amount of DWW is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. We consider the inherent uncertainty to be greatest in the revenue forecast assumption (specifically short-term growth rates). The effect of these matters is that, as part of our risk assessment, we determined that the recoverable amount of DWW has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality (although no reasonably possible alternatives resulting in eliminating the headroom) for the financial statements as a whole. The financial statements (note 11) disclose the sensitivity estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: Benchmarking assumptions: Evaluating key assumptions used, in particular those relating to the short-term forecast revenue growth rate, gross margins, operating margins, discount rate and the long-term growth rate. With respect to the short-term revenue growth rate, we evaluated the implied cumulative annual growth rate within the five-year forecasts and assessed these against past performance and market expectations along with challenging Directors and inspecting relevant sources supporting the specific initiatives underpinning the growth rate. We challenged forecast assumptions around new contract wins by looking at historical performance and considering other audit evidence such as draft contracts and purchase orders. We also compared other key assumptions to relevant internal and external data sources. Sector experience: Compared the discount rate used by the Group to the discount rate informed by our valuations experience. Sensitivity analysis: Performing breakeven analysis on the key assumptions noted above. Historical accuracy: Evaluating historical forecasting accuracy of discounted cash flow forecasts, including key assumptions, by comparing them to actual results. Assessing transparency: Assessing whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the recoverable amount of goodwill.
		Our results We found the Group's conclusion that there is no impairment of the goodwill related to the DW Windsor CGU to be acceptable (2024 result: acceptable).

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Independent Auditor's Report continued
to the members of Luceco plc

2. Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
Parent Company risk: Recoverability of Parent Company's investment and parent's debt due from Group entity (€59m; 2024: €70.2m)	Low risk, high value The carrying amount of the Parent Company investment and intra-group debtor balance represents 100% (2024: 100%) of the Parent Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Parent Company financial statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.	We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: Test of details: For the Parent Company investment, intra-group debtor counterparty representing 100% (2024: 100%) of the total Group debtor balance, assessing, with reference to the relevant debtors' draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether the Group entity has historically been profit-making. Assessing subsidiary audits: Considering the results of our work on the subsidiaries' net assets and profits. This included assessing the ability of the subsidiary to obtain/generate liquid funds and therefore the ability of the subsidiary to fund the repayment of the receivable.
Refer to page 85 (Audit Committee Report) and page 177 (financial disclosures)		Our results We found the Parent Company's conclusion that there is no impairment of the parent's debt due from the Group entity to be acceptable (2024: acceptable).

3. Our application of materiality and an overview of the scope of our audit

Our application of materiality

Materiality for the Group financial statements as a whole was set at €1.15m (2024: €1.07m), determined with reference to a benchmark of normalised Group profit before tax ("PBT"), of which it represents 4.8% (2024: 4.7%). We normalised PBT by adding back adjustments that do not represent the normal, continuing operations of the Group. The items we adjusted for were the fair value movement on derivative contracts open at year end (2024: determined with reference to a benchmark of Group profit before tax, normalised to exclude acquisition related fair value of inventory).

Materiality for the Parent Company financial statements as a whole was set at €0.2m (2024: €0.2m), determined with reference to a benchmark of Company total assets, of which it represents 0.38% (2024: 0.28%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2024: 75%) of materiality for the financial statements as a whole, which equates to €0.86m (2024: €0.8m) for the Group and €0.16m (2024: €0.16m) for the Parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.05m (2024: €0.05m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 16 (2024: 16) components, having considered our evaluation of the Group's operational and legal structure; the existence of common information systems; the existence of common risk profile across entities, geographical locations and our ability to perform audit procedures centrally.

Of those, we identified three (2024: three) quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Additionally, having considered qualitative and quantitative factors, we selected 11 components with accounts contributing to the specific RMMs of the Group financial statements.

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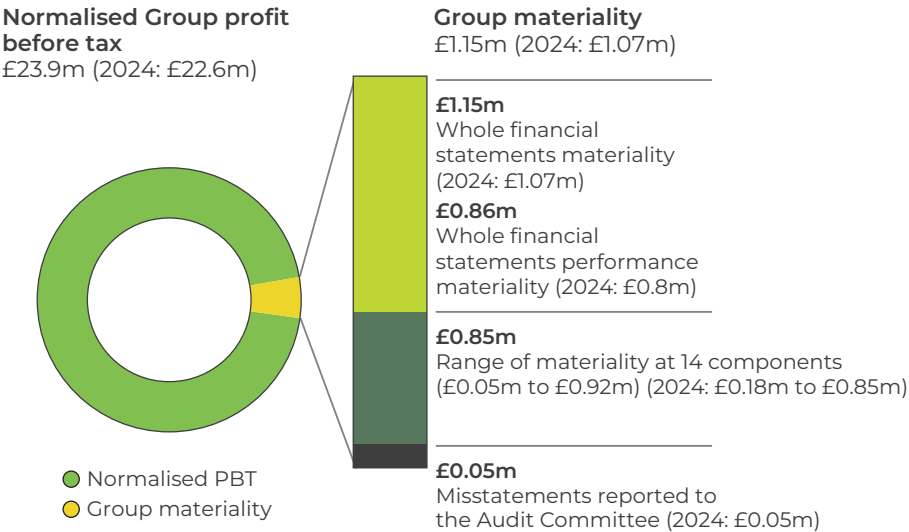
Independent Auditor's Report continued to the members of Luceco plc

3. Our application of materiality and an overview of the scope of our audit continued

Overview of the scope of our audit continued

Accordingly, we performed audit procedures on 14 (2024: 14) components, of which we involved component auditors in performing the audit work on one component. We performed audit procedures on the items excluded from the normalised Group profit before tax used as the benchmark for our materiality. We also performed the audit of the Parent Company.

We set the component materialities, ranging from £0.05m to £0.92m, having regard to the mix of size and risk profile of the Group across the components.



Our audit procedures covered 92% of Group revenue.

We performed audit procedures in relation to components that accounted for 95% of Group profit before tax and 99% of Group total assets.

For the remaining components for which we have performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

The Group auditor performed the audit of the Parent Company.

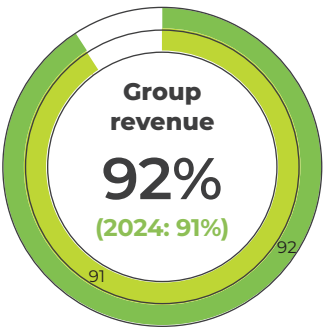
Impact of controls on our Group audit

We have conducted a risk assessment of the two main IT systems relevant to our audit, being the ERP system used by all full scope components and the consolidation system to enhance our comprehension of the IT landscape within Luceco plc Group.

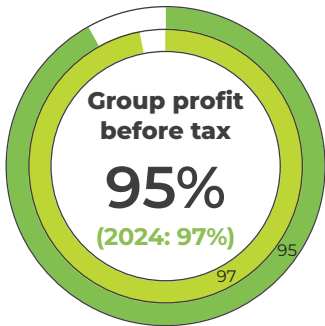
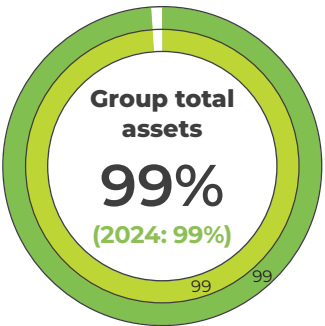
We assessed the design of automated and manual controls that addressed the risk of management override of control; and as a result of this assessment, we were unable to rely on controls in this area. Accordingly, we conducted incremental risk assessment which led to a fully substantive approach to journal testing.

In all other areas of audit, we believe it is more efficient not to rely on controls and so performed a predominantly substantive audit. We adopted a data-oriented approach to testing revenue and journals, by performing data and analytics routines. Given that we did not plan to rely on IT controls for any other aspects of the audit, a manual/direct testing approach was used over the completeness and reliability of data used in these routines.

Our audit procedures covered the following percentage of Group revenue:



We performed audit procedures in relation to components that accounted for the following percentages of Group profit before tax and Group total assets:



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3. Our application of materiality and an overview of the scope of our audit continued

Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meeting with component auditors to discuss Group audit risks relevant to the components.

We issued audit instructions to the component auditor in China on the scope of their work, including specifying the minimum procedures to perform in their audit.

Video and telephone conference meetings were held with the component auditor in China to assess the audit risks and strategy. At these visits and meetings, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further work required by us was then performed by the component auditor.

We visited the component auditor in China to inspect the audit procedures undertaken as per our Group audit instructions. We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Parent Company's available financial resources and metrics relevant to debt covenants over this period were:

- Concentration risks with associated operations
- Macroeconomic, political and environmental risks

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities (a reverse stress test). We also assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the UK Listing Rules set out on page 136 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

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5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Audit Committee and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud
- Reading Board, Audit Committee, Remuneration Committee and Nomination Committee minutes.
- Considering remuneration incentive schemes and performance targets for Directors including the EPS target for management remuneration
- Using analytical procedures to identify any unusual or unexpected relationships
- Consultation with forensic specialists to brainstorm over plausible fraud risk factors

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group auditor to component auditors of relevant fraud risks identified at the Group level and requesting component auditors performing procedures at the component level to report to the Group auditor any identified fraud risk factors or identified or suspected instances of fraud.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because even though there is perceived pressure to inflate revenue to meet the incentive thresholds, the opportunity to inflate revenue does not exist as the revenue recognition does not involve complex judgement.

We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management as required by auditing standards, and from inspection of the Group’s regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group auditor to component auditors of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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5. Fraud and breaches of laws and regulations – ability to detect continued
Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the Viability Statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within on page 62 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the principal risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on pages 67 and 68 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the Annual Report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in this respect.

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7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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 and the part of the Directors' Remuneration Report to be audited 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.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 120, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

9. The purpose of our audit work and to whom we owe our responsibilities

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.

Gordon Docherty
(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH
24 March 2026

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Consolidated Income Statement

for the year ended 31 December 2025

£m	Note	2025	2024
Revenue	2	271.4	242.5
Cost of sales		(156.2)	(145.0)
Gross profit		115.2	97.5
Distribution expenses		(14.0)	(11.3)
Administrative expenses		(69.6)	(63.0)
Operating profit	3	31.6	23.2
Finance expense	5	(6.9)	(4.3)
Net finance expense		(6.9)	(4.3)
Profit before tax		24.7	18.9
Taxation	6	(4.4)	(4.3)
Profit for the year		20.3	14.6
Earnings per share (pence)			
Basic	7	13.5p	9.5p
Diluted	7	13.4p	9.5p

Adjusted¹ results

£m	Note	2025	2024
Adjusted Operating Profit	1	33.8	29.0
Adjusted Profit Before Tax	1	27.8	24.9
Adjusted Profit After Tax	1	22.6	19.2
Adjusted Basic Earnings Per Share	7	15.0p	12.5p
Adjusted Diluted Earnings Per Share	7	14.9p	12.5p

1. See note 1 for alternative performance measures.

The accompanying notes on pages 136 to 174 form an integral part of these financial statements.



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Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

£m	2025	2024
Profit for the year	20.3	14.6
Other comprehensive income – amounts that may be reclassified to profit or loss in the future:		
Foreign exchange translation differences – foreign operations	(1.8)	(0.1)
Foreign exchange translation differences on investments in overseas entities	1.0	(1.4)
Other comprehensive income – amounts that will not be reclassified to profit or loss:		
Changes in the fair value of equity investments at fair value through other comprehensive income	0.1	(0.8)
Total comprehensive income for the year	19.6	12.3

All results are from continuing operations.

The accompanying notes on pages 136 to 174 form an integral part of these financial statements.

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Consolidated Balance Sheet

at 31 December 2025

£m	Note	2025	2024
Non-current assets			
Property, plant and equipment	9	25.4	24.7
Right-of-use assets	9	10.2	9.7
Intangible assets	10	63.1	65.1
Investment in equity instruments	11	—	1.8
Deferred tax asset	12	1.6	0.9
		100.3	102.2
Current assets			
Inventories	13	61.8	53.8
Trade and other receivables	14	83.4	80.1
Financial assets measured at fair value through profit or loss	20	1.1	0.4
Current tax asset		1.5	4.2
Cash and cash equivalents	15	3.3	4.1
		151.1	142.6
Total assets		251.4	244.8
Current liabilities			
Trade and other payables	18	76.4	59.2
Current tax liabilities	18	0.2	—
Financial liabilities measured at fair value through profit or loss	20	0.2	1.2
Other financial liabilities	17	2.9	2.8
		79.7	63.2

£m	Note	2025	2024
Non-current liabilities			
Interest-bearing loans and borrowings	16	55.2	72.0
Other financial liabilities	17	5.1	4.4
Deferred tax liability	12	3.1	5.2
Financial liabilities measured at fair value through profit or loss	20	0.5	0.2
Provisions	17	3.9	4.0
		67.8	85.8
Total liabilities		147.5	149.0
Net assets		103.9	95.8
Equity attributable to equity holders of the parent			
Share capital	23	0.1	0.1
Share premium	23	24.8	24.8
Other reserves	23	(2.2)	(1.6)
Treasury reserve	23	(16.5)	(11.6)
Retained earnings		97.7	84.1
Total equity		103.9	95.8

The accompanying notes on pages 136 to 174 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 24 March 2026 and were signed on its behalf by:

John Hornby
Chief Executive Officer

Will Hoy
Chief Financial Officer

Company registered number: 05254883



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Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

£m	Share capital	Share premium	Translation reserve	Financial assets at FVOCI	Retained earnings	Treasury reserve	Total equity
Balance at 1 January 2024	0.1	24.8	0.1	0.6	76.8	(8.6)	93.8
Total comprehensive income							
Profit for the year	—	—	—	—	14.6	—	14.6
Investment revaluation	—	—	—	(0.8)	—	—	(0.8)
Foreign currency translation differences on investments in overseas entities	—	—	(1.4)	—	—	—	(1.4)
Currency translation differences	—	—	(0.1)	—	—	—	(0.1)
Total comprehensive income for the year	—	—	(1.5)	(0.8)	14.6	—	12.3
Transactions with owners in their capacity as owners							
Dividends	—	—	—	—	(7.5)	—	(7.5)
Purchase of own shares	—	—	—	—	—	(4.7)	(4.7)
Disposal of own shares	—	—	—	—	(1.7)	1.7	—
Deferred tax on share-based payment transactions	—	—	—	—	(0.2)	—	(0.2)
Corporation tax on foreign currency translation differences on investments in overseas entities	—	—	—	—	0.4	—	0.4
Corporation tax on share-based payment transactions	—	—	—	—	0.2	—	0.2
Share-based payments charge	—	—	—	—	1.5	—	1.5
Total transactions with owners in their capacity as owners	—	—	—	—	(7.3)	(3.0)	(10.3)
Balance at 31 December 2024	0.1	24.8	(1.4)	(0.2)	84.1	(11.6)	95.8



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Consolidated Statement of Changes in Equity continued for the year ended 31 December 2025

£m	Share capital	Share premium	Translation reserve	Financial assets at FVOCI	Retained earnings	Treasury reserve	Total equity
Balance at 31 December 2024	0.1	24.8	(1.4)	(0.2)	84.1	(11.6)	95.8
Total comprehensive income							
Profit for the year	—	—	—	—	20.3	—	20.3
Investment revaluation	—	—	—	0.1	—	—	0.1
Disposal of investment	—	—	—	0.1	(0.1)	—	—
Foreign currency translation differences on investments in overseas entities	—	—	1.0	—	—	—	1.0
Currency translation differences	—	—	(1.8)	—	—	—	(1.8)
Total comprehensive income for the year	—	—	(0.8)	0.2	20.2	—	19.6
Transactions with owners in their capacity as owners							
Dividends	—	—	—	—	(7.7)	—	(7.7)
Purchase of own shares	—	—	—	—	—	(5.3)	(5.3)
Disposal of own shares	—	—	—	—	(0.4)	0.4	—
Corporation tax on foreign currency translation differences on investments in overseas entities	—	—	—	—	(0.3)	—	(0.3)
Share-based payments charge	—	—	—	—	1.8	—	1.8
Total transactions with owners in their capacity as owners	—	—	—	—	(6.6)	(4.9)	(11.5)
Balance at 31 December 2025	0.1	24.8	(2.2)	—	97.7	(16.5)	103.9

The accompanying notes on pages 136 to 174 form an integral part of these financial statements.



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Consolidated Cash Flow Statement

for the year ended 31 December 2025

£m	Note	2025	2024
Cash flows from operating activities			
Profit for the year		20.3	14.6
Adjustments for:			
Depreciation and amortisation	9, 10	12.6	10.2
Financial expense	5	6.9	4.3
Taxation	6	4.4	4.3
Loss on disposal of tangible assets		—	0.5
Share-based payments charge		1.9	1.5
Other non-cash items		(1.8)	(0.3)
Operating cash flow before movement in working capital		44.3	35.1
(Increase) in trade and other receivables		(3.5)	(17.1)
(Increase) in inventories		(8.2)	(2.8)
Increase in trade and other payables		17.0	5.8
Cash from operations		49.6	21.0
Tax paid		(4.6)	(6.3)
Net cash from operating activities		45.0	14.7

£m	Note	2025	2024
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(5.6)	(5.0)
Acquisition of other intangible assets	10	(3.1)	(2.9)
Disposal of tangible assets		0.1	0.1
Acquisitions of subsidiaries (net of cash)	26	—	(37.5)
Proceeds from investments/(investments)	11	1.9	(0.3)
Net cash used in investing activities		(6.7)	(45.6)
Cash flows from financing activities			
(Repayment)/origination of borrowings		(17.2)	49.5
Interest paid		(6.0)	(4.1)
Dividends paid		(7.7)	(7.5)
Finance lease liabilities	17	(2.8)	(2.7)
Purchase of own shares	23	(5.3)	(4.7)
Net cash used in financing activities		(39.0)	30.5
Net decrease in cash and cash equivalents		(0.7)	(0.4)
Cash and cash equivalents at 1 January		4.1	4.6
Effect of exchange rate fluctuations on cash held		(0.1)	(0.1)
Cash and cash equivalents at 31 December	15	3.3	4.1

The accompanying notes on pages 136 to 174 form an integral part of these financial statements.



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Notes to the Consolidated Financial Statements

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1 Introduction, other judgements and estimates, APMs and adjustments

Overview

Luceco plc ("Company") is a company incorporated and domiciled in the UK under the Companies Act 2006. The Company's registered office is Building E Stafford Park 1, Stafford Park, Telford TF3 3BD. The Group is primarily involved in the manufacturing and distribution of Wiring Accessories, LED Lighting and Portable Power products to global markets.

Basis of accounting

The Group financial statements have been prepared and approved by the Directors in accordance with international accounting standards in accordance with UK-adopted international accounting standards ("UK-adopted IFRS"). The Company has elected to prepare its Parent Company financial statements in accordance with FRS 102; these are presented on pages 175 to 181. On publishing the Parent Company financial statements here, together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

Basis of preparation

The financial statements are prepared on the historical cost basis except for derivative financial instruments and financial instruments that are reported at fair value. The consolidated financial statements include the accounts of the Company and all entities controlled by the Company, its subsidiaries (together referred to as "the Group") from the date control commences until the date that control ceases. Control is achieved where the Company has power over the investee, is exposed or has rights to a variable return from the involvement with the investee and/or has the ability to use its power to affect its returns. The purchase method is used to account for the acquisition of subsidiaries. These financial statements are presented in million pounds sterling, which is the functional currency of the Group and Parent Company.

Accounting policy

Non-statutory measures of performance

The Group will review the financial statements to identify if there are any large/unusual items or transactions that are required to be removed to reflect the underlying business operations, and these are applied consistently over time. These large/unusual items that have been identified are referred to as "Adjustments" and are detailed on pages 137 to 143.

The principal accounting policies are set out in the notes to the consolidated financial statements and have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Going concern

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on an expectation that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from the date of signing these accounts and our cash flow forecasts support this. The Group has reported a profit before tax of £24.7m for the year to 31 December 2025 (2024: £18.9m), has net current assets of £71.4m (2024: £79.4m) and net assets of £103.9m (2024: £95.8m), net debt of £59.9m (2024: £75.1m) and net cash from operating activities of £45.0m (2024: £14.7m). The Company secured banking facilities on 21 May 2025 for £120.0m, expiring on 21 May 2028, but has the optionality of extending by a further two years to 21 May 2030.

The capital resources at the Group's disposal at 31 December 2025 and 28 February 2026 were as follows:

- A revolving credit facility of £120.0m, £51.3m drawn at 31 December 2025 and £59.4m drawn at 28 February 2026

The revolving credit facility requires the Group to comply with the following quarterly financial covenants:

- Closing Bank Net Debt of no more than 3.0 times Bank EBITDA for the preceding 12-month period
- Bank EBITDA of no less than 4.0 times Bank Net Finance Expense for the preceding 12-month period

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continued

Going concern continued

The Directors ran scenario tests on the severe but plausible downside case. The assumptions in this scenario were as follows: concentration risks with associated operations (25% reduction in revenue for three months followed by 50% reduction for three months and 20% increase in shipping costs during the period) and macroeconomic, political and environmental risks (18-month recession with a 10% reduction in revenue and gross profit), cyber-breach and material price increases. These severe but plausible downside scenarios do not lead to any breach in covenants nor any breach in facility. All modelling has been conducted without any mitigation activity. There have been no changes to post balance sheet liquidity positions.

The Directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Estimates and judgements

Estimates

The Directors do not consider there to be key estimates in preparing these financial statements.

Judgements

The Directors do not consider there to be key judgements in preparing these financial statements.

Statutory and non-statutory measures of performance

The financial statements contain all the information and disclosures required by the relevant accounting standards and regulatory obligations that apply to the Group.

The Group's performance is assessed using a number of financial measures which are not defined under IFRS (the financial reporting framework applied by the Group). Management uses the adjusted or alternative performance measures ("APMs") as part of their internal financial performance monitoring and when assessing the future impact of operating decisions. The APMs disclose the adjusted performance of the Group excluding specific items, although the IFRS defined measures should also be used when users of this document assess the Group's performance. The alternative performance measures allow a year-on-year comparison and identification of core business trends by removing the impact of items occurring either outside the normal course of operations or as a result of intermittent activities such as a corporate acquisition. The Group may separately report specific items in the income statement which, in the Directors' judgement, need to be disclosed separately by virtue of their nature, size and incidence in order for users of the financial statements to obtain a balanced view of the financial information and the underlying performance of the business.

In following the guidelines on alternative performance measures issued by the European Securities and Markets Authorities, the Group has included a Consolidated Income Statement and Consolidated Cash Flow Statement that have both statutory and adjusted performance measures.

The measures used in the Chief Financial Officer's Review are defined in the following table and the principles to identify adjusting items have been applied on a basis consistent with previous years.

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Statutory and non-statutory measures of performance continued

Nature of measure	Related IFRS measure	Related IFRS source	Definition	Use/relevance
Adjusted Gross Profit Margin	Gross profit margin	Consolidated Income Statement	Based on the related IFRS measure but excluding the adjusting items. A breakdown of the adjusting items from 2025 and 2024, which reconciles the adjusted measures to statutory figures, can be found on pages 138 to 142	Allows management to assess the performance of the business after removing large/unusual items or transactions that are not reflective of the underlying business operations
Adjusted Operating Costs	Operating gross profit less operating profit	Consolidated Income Statement		
Adjusted Operating Profit	Operating profit	Consolidated Income Statement		
Adjusted Profit for the Year	Profit for the year (profit after tax)	Consolidated Income Statement		
Adjusted Basic EPS	Basic EPS			
Constant Currency			Current period translated at the average exchange rate of the prior year	Allows management to identify the relative year-on-year performance of the business by removing the impact of currency that is outside of management's control
Like-for-like			Like-for-like revenue excludes the impact of currency movements and acquisitions; see note 20 for currency rates	Allows management to identify relative year-on-year performance of the business by removing the impact of currency and acquisitions
EBITDA	Operating profit	Consolidated Income Statement	Consolidated earnings before interest, tax, depreciation and amortisation	Provides management with an approximation of cash generation from the Group's operational activities
Low carbon sales	Revenue	Segmental operating	EV charger revenue and LED revenue less sales from lighting columns and downlight accessories	Provides management with a measure of low carbon sales
Adjusted EBITDA	Operating profit	Consolidated Income Statement	EBITDA excluding the adjusting items excluded from Adjusted Operating Profit except for any adjusting items that relate to depreciation and amortisation	Provides management with an approximation of cash generation from the Group's underlying operational activities
Bank EBITDA	Operating profit	Consolidated Income Statement	As above definition of "Adjusted EBITDA" but including EBITDA generated from acquisitions between 1 January and the date of acquisition and excluding share-based payment expense	Aligns with the definition of EBITDA used for bank covenant testing
Contribution profit	Operating profit and operating costs	Consolidated Income Statement	Contribution profit is after allocation of directly attributable adjusted operating expenses for each operating segment	Provides management with an assessment of profitability by operating segment

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1 Introduction, other judgements and estimates, APMs and adjustments continued

Statutory and non-statutory measures of performance continued

Nature of measure	Related IFRS measure	Related IFRS source	Definition	Use/relevance
Contribution margin	Operating profit and operating costs	Consolidated Income Statement	Contribution margin is contribution profit, as above, divided by revenue for each operating segment	Provides management with an assessment of margin by operating segment
Adjusted Operating Cash Flow	Cash flow from operations	Consolidated Cash Flow Statement	Adjusted Operating Cash Flow is the cash from operations but excluding the cash impact of the adjusting items excluded from Adjusted Operating Profit	Provides management with an indication of the amount of cash available for discretionary investment
Adjusted Free Cash Flow	Cash flow from operations	Consolidated Cash Flow Statement	Adjusted Free Cash Flow is calculated as Adjusted Operating Cash Flow less cash flows in respect of investing activities (except for those in respect of acquisitions or disposals), interest and taxes paid	Provides management with an indication of the free cash generated by the business for return to shareholders or reinvestment in M&A activity
Adjusted Net Cash Flow	Net increase/(decrease) in cash and cash equivalents	Consolidated Cash Flow Statement	Adjusted Net Cash Flow is calculated as Adjusted Operating Cash Flow less cash flows in respect of investing activities (except for those in respect of acquisitions or disposals), interest, taxes paid, purchase of shares and dividends paid	Provides management with an indication of the net cash flow generated by the business after dividends and purchase of shares
Adjusted Operating Cash Conversion	None	Consolidated Cash Flow Statement/Income Statement	Adjusted Operating Cash Conversion is defined as Adjusted Operating Cash Flow divided by Adjusted Operating Profit	Allows management to monitor the conversion of operating profit into cash
Return on Capital Invested ("ROCI")	None	Operating profit Net assets	Adjusted Operating Profit divided into the sum of net assets and net debt (average for the last two years) as a percentage	To provide an assessment of how profitably capital is being deployed in the business

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1 Introduction, other judgements and estimates, APMs and adjustments continued

Statutory and non-statutory measures of performance continued

The following table illustrates the Adjusted Profit APMs used by management for the year:

£m	2025	Amortisation of acquired intangibles and related acquisition costs ¹	Re-measurement to fair value of hedging portfolio ²	2025 Adjustments	2025 Adjusted
Revenue	271.4	—	—	—	271.4
Cost of sales	(156.2)	—	(1.8)	(1.8)	(158.0)
Gross profit	115.2	—	(1.8)	(1.8)	113.4
Distribution expenses	(14.0)	—	—	—	(14.0)
Administrative expenses	(69.6)	4.0	—	4.0	(65.6)
Operating profit	31.6	4.0	(1.8)	2.2	33.8
Finance expense/(income)	(6.9)	—	0.9	0.9	(6.0)
Net finance expense	(6.9)	—	0.9	0.9	(6.0)
Profit before tax	24.7	4.0	(0.9)	3.1	27.8
Taxation	(4.4)	(0.9)	0.1	(0.8)	(5.2)
Profit for the year	20.3	3.1	(0.8)	2.3	22.6

1. Relating to Kingfisher Lighting, DW Windsor, Sync Energy, D-Line and CMD.

2. Relating to currency hedges/interest swaps and bank loan fees write-off.



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1 Introduction, other judgements and estimates, APMs and adjustments continued

Statutory and non-statutory measures of performance continued

The following table illustrates the Adjusted Profit APMs used by management for the prior year:

£m	2024	Amortisation of acquired intangibles and related acquisition costs ¹	Re-measurement to fair value of hedging portfolio ²	2024 Adjustments	2024 Adjusted
Revenue	242.5	—	—	—	242.5
Cost of sales	(145.0)	—	(0.3)	(0.3)	(145.3)
Gross profit	97.5	—	(0.3)	(0.3)	97.2
Distribution expenses	(11.3)	—	—	—	(11.3)
Administrative expenses	(63.0)	6.1	—	6.1	(56.9)
Operating profit	23.2	6.1	(0.3)	5.8	29.0
Finance expense/(income)	(4.3)	—	0.2	0.2	(4.1)
Net finance expense	(4.3)	—	0.2	0.2	(4.1)
Profit before tax	18.9	6.1	(0.1)	6.0	24.9
Taxation	(4.3)	(1.4)	—	(1.4)	(5.7)
Profit for the year	14.6	4.7	(0.1)	4.6	19.2

1. Relating to Kingfisher Lighting, DW Windsor, Sync Energy, D-Line and CMD.

2. Relating to currency hedges/interest swaps.

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1 Introduction, other judgements and estimates, APMs and adjustments

continued

Statutory and non-statutory measures of performance continued

The following tables illustrate how alternative performance measures are calculated:

Adjusted EBITDA

£m	2025	2024
Adjusted Operating Profit	33.8	29.0
Adjusted Depreciation and Amortisation	9.3	7.9
Adjusted EBITDA	43.1	36.9

Bank EBITDA

£m	2025	2024
Adjusted EBITDA	43.1	36.9
EBITDA from acquisitions from 1 January to the date of acquisition and share-based payment expense	1.9	4.8
Bank EBITDA	45.0	41.7

Adjusted Operating Cash Conversion

£m	2025	2024
Cash from operations (from Consolidated Cash Flow Statement)	49.6	21.0
Adjustments to cash from operations (from Consolidated Cash Flow Statement)	—	0.7
Adjusted Operating Cash Flow	49.6	21.7
Adjusted Operating Profit	33.8	29.0
Adjusted Operating Cash Conversion	146.7%	74.8%

Adjusted Free Cash Flow

£m	2025	2024
Adjusted Operating Cash Flow (see table opposite)	49.6	21.7
Net cash used in investing activities excluding acquisitions and disposals (from Consolidated Cash Flow Statement)	(8.6)	(7.8)
Interest paid (from Consolidated Cash Flow Statement)	(6.0)	(4.1)
Tax paid (from Consolidated Cash Flow Statement)	(4.6)	(6.3)
Adjusted Free Cash Flow	30.4	3.5
Revenue	271.4	242.5
Adjusted Free Cash Flow as % revenue	11.2%	1.4%

Adjusted Net Cash Flow as % of revenue

£m	2025	2024
Adjusted Free Cash Flow (see above)	30.4	3.5
Purchase of own shares	(5.3)	(4.7)
Dividends	(7.7)	(7.5)
Adjusted Net Cash Flow	17.4	(8.7)
Revenue	271.4	242.5
Adjusted Net Cash Flow as % of revenue	6.4%	(3.6%)

Return on Capital Invested

£m	2025	2024
Net assets	103.9	95.8
Net debt (see note 16)	59.9	75.1
Capital Invested	163.8	170.9
Average Capital Invested (from last two years)	167.4	143.8
Adjusted Operating Profit (from above)	33.8	29.0
Return on Capital Invested (Adjusted Operating Profit/ average Capital Invested)	20.2%	20.2%

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Inventory days – calculated by reference to the closing stock versus the cost of sales over a three-month period. Debtor days – the “countback” method is used to calculate debtor days by reference to revenue over the prior period. Creditor days – the “countback” method is used to calculate creditor days by reference to purchases over the prior period. Organic revenue growth is calculated per the reconciliation on page 23 of the Chief Financial Officer’s Review.	
Standards and interpretations issued	
New currently effective requirements	
Effective date	New accounting standards or amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
Forthcoming requirements	
Effective date	New accounting standards or amendments
1 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
1 January 2026	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
1 January 2026	Annual Improvements to IFRS Accounting Standards – volume 11
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures

2 Operating segments

Accounting policy			
Revenue			
Revenue is recognised when the Group has satisfied its performance obligations to the customer and the customer has obtained control of the goods and services being transferred.			
The following table summarises the nature, amounts and timing and uncertainty of revenue which follows our segmental splits of revenue.			
Segment	Nature of revenue	Amount (as a percentage of total revenue)	Timing of satisfaction of performance obligations
Wiring Accessories	Revenue from the supply of goods in the form of Wiring Accessories to trade and specialists.	48%	Largely when delivered to the customer for domestic customers. For Free On Board (“FOB”) transactions, obligations are when legal title passes to the customer (when the goods are on the ship).
LED Lighting	Revenue from the supply of commercial and domestic lighting solutions. This includes revenue from our DW Windsor LED business.	29%	Largely when delivered to the customer for domestic customers. For Free On Board (“FOB”) transactions, obligations are when legal title passes to the customer (when the goods are on the ship).
Portable Power	Revenue from the supply of goods in the form of Portable Power to retailers and wholesalers and EV chargers. Revenue from the supply of Ross-branded audio-visual products and Sync Energy and BG EV chargers.	23%	Largely when delivered to the customer for domestic customers. For Free On Board (“FOB”) transactions, obligations are when legal title passes to the customer (when the goods are on the ship).
Customer rebates			
Where the Group has rebate agreements with its customers, the value of customer rebates paid or payable, calculated in accordance with the agreements in place based on the most likely outcome, is deducted from turnover in the year in which the rebate is earned.			

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2 Operating segments continued

The Group's principal activities are in the manufacturing and supply of Wiring Accessories, LED Lighting and Portable Power equipment. For the purposes of management reporting to the Chief Operating Decision-Maker (the Board), the Group consists of three operating segments, which are the product categories that the Group manufactures and distributes. The Group's central allocation of head office and shared services costs were £11.0m for Wiring Accessories, £6.7m for LED Lighting and £5.1m for Portable Power. The Board does not review the Group's assets and liabilities on a segmental basis and, therefore, no segmental disclosure is included. Inter-segment sales are not material. Revenue and operating profit are reported under IFRS 8 Operating Segments.

£m	Adjusted 2025	Adjustments	Reported 2025	Adjusted 2024	Adjustments	Reported 2024
Revenue						
Wiring Accessories	131.4	—	131.4	108.9	—	108.9
LED Lighting	79.3	—	79.3	78.4	—	78.4
Portable Power	60.7	—	60.7	55.2	—	55.2
	271.4	—	271.4	242.5	—	242.5
Operating profit						
Wiring Accessories	19.4	(1.3)	18.1	19.1	(4.2)	14.9
LED Lighting	6.3	(1.0)	5.3	4.1	(1.4)	2.7
Portable Power	8.1	0.1	8.2	5.8	(0.2)	5.6
	33.8	(2.2)	31.6	29.0	(5.8)	23.2

Depreciation and amortisation included in the reported operating profits by segment was; Wiring Accessories £6.0m (2024: £4.6m), LED Lighting £4.2m (2024: £3.4m) and Portable Power £2.4m (2024: £2.2m).

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2 Operating segments continued

The following table provides an analysis of adjustments made to each segment.

£m	2025			2024		
	Total	Amortisation of acquired intangibles and related costs ¹	Re-measurement to fair value of hedging portfolio ²	Total	Amortisation of acquired intangibles and related costs ¹	Re-measurement to fair value of hedging portfolio ²
Cost of sales						
Wiring Accessories	0.9	—	0.9	0.1	—	0.1
LED Lighting	0.5	—	0.5	0.1	—	0.1
Portable Power	0.4	—	0.4	0.1	—	0.1
Gross profit	1.8	—	1.8	0.3	—	0.3
Administrative expenses						
Wiring Accessories	(2.2)	(2.2)	—	(4.3)	(4.3)	—
LED Lighting	(1.5)	(1.5)	—	(1.5)	(1.5)	—
Portable Power	(0.3)	(0.3)	—	(0.3)	(0.3)	—
Total	(4.0)	(4.0)	—	(6.1)	(6.1)	—
Operating profit						
Wiring Accessories	(1.3)	(2.2)	0.9	(4.2)	(4.3)	0.1
LED Lighting	(1.0)	(1.5)	0.5	(1.4)	(1.5)	0.1
Portable Power	0.1	(0.3)	0.4	(0.2)	(0.3)	0.1
Operating profit	(2.2)	(4.0)	1.8	(5.8)	(6.1)	0.3

1. Relating to Kingfisher Lighting, DW Windsor, Sync Energy, D-Line and CMD.

2. Relating to currency hedges.



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2 Operating segments continued

Revenue by location of customer

£m	2025	2024
UK	214.6	184.2
Europe	24.1	21.5
Americas	20.1	22.5
Middle East and Africa	9.4	10.3
Asia Pacific	3.2	4.0
Total revenue	271.4	242.5

Revenue by location is an appropriate way to disaggregate revenue to reflect the nature, amount, timing and uncertainty of revenue and cash flows affected by economic factors. Revenues exceeded 10% or more of total revenue for one customer. This customer's revenue represents 22% (2024: 24%) of total revenue and is across all operating segments. Customer rebates are £29.0m (2024: £23.1m).

Non-current assets by location

£m	2025	2024
UK	81.5	86.4
China	14.9	14.4
Other	2.3	0.5
Non-current assets (excluding deferred tax)	98.7	101.3

3 Expenses and auditor's remuneration

Included in the Consolidated Income Statement are the following:

£m	2025	2024
Research and development costs expensed as incurred	3.6	3.2
Depreciation of property, plant and equipment and right-of-use assets	7.5	6.5
Amortisation of intangible assets	5.1	3.7

Auditor's remuneration:

£m	2025	2024
Audit of these financial statements	0.7	0.6
Amounts receivable by the auditor and its associates in respect of:		
Additional amounts in respect of the audit of prior year's financial statements	—	0.1
Audit-related assurance for covenant certificates and interim reviews	—	0.1
Total	0.7	0.8

4 Staff number and costs

The average monthly number of employees, including the Directors, during the year was as follows:

	Number of employees	
	2025	2024
Administration and support	739	680
Production	1,105	989
	1,844	1,669

The aggregate remuneration:

£m	2025	2024
Wages and salaries	45.2	41.0
Social security costs	6.2	5.2
Other pension costs	1.5	1.3
Share-based payment expense (note 22)	1.9	1.5
Total staff costs	54.8	49.0



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5 Net finance expense

Accounting policy

Finance income and expenses

The Group's finance income and finance expense include: interest income, interest expense, dividend income.

Interest income or expense is recognised using the effective interest method.

£m	2025	2024
Finance expense:		
Interest on finance leases	(0.3)	(0.2)
Interest on bank borrowings, interest swaps and refinancing	(6.6)	(4.1)
Net finance expense	(6.9)	(4.3)

6 Taxation

Accounting policy

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. This is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax laws and rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

£m	2025	2024
Current tax expense		
Current year – UK	6.3	4.8
Current year – overseas	0.6	0.2
Adjustment in respect of prior years	0.3	0.1
Current tax expense	7.2	5.1
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	(2.9)	(1.1)
Foreign taxation	(0.1)	0.3
Adjustment in respect of prior years	0.2	—
Effect of tax rate change on opening balance	—	—
Deferred tax credit	(2.8)	(0.8)
Total tax expense	4.4	4.3

Reconciliation of effective tax rate

£m	2025	2024
Profit for the year	20.3	14.6
Total tax expense	4.4	4.3
Profit before taxation	24.7	18.9
Tax using the UK corporation tax rate of 25%	6.2	4.7
R&D tax credits	(0.5)	(0.5)
Non-deductible expenses	0.2	0.5
Adjustment in respect of previous periods	0.5	0.1
Temporary differences	(1.6)	—
Foreign tax differences in rates	(0.5)	(0.6)
Deferred tax on share-based payments	0.1	(0.1)
Acquisitions of entities	—	0.2
Total tax expense	4.4	4.3

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7 Earnings per share

£m	2025	2024
Earnings for calculating basic earnings per share	20.3	14.6
Adjusted for (see note 1):		
Amortisation of acquired intangibles and related acquisition costs	4.0	6.1
Remeasurement to fair value of currency hedging portfolio	(1.8)	(0.3)
Remeasurement to fair value of interest swaps and refinancing fees	0.9	0.2
Income tax on above items	(0.8)	(1.4)
Adjusted earnings for calculating Adjusted Basic Earnings Per Share	22.6	19.2
Number million	2025	2024
Weighted average number of ordinary shares		
Basic	150.5	153.2
Dilutive effect of share options on potential ordinary shares	0.9	0.9
Diluted	151.4	154.1
Pence	2025	2024
Basic earnings per share	13.5	9.5
Diluted earnings per share	13.4	9.5
Adjusted Basic Earnings Per Share	15.0	12.5
Adjusted Diluted Earnings Per Share	14.9	12.5

8 Dividends

Accounting policy

Dividends proposed by the Board of Directors and unpaid at the period end are not recognised in the financial statements until they have been approved by shareholders at the Annual General Meeting.

Amounts were recognised in the financial statements as distributions to equity shareholders as follows:

£m	2025	2024
Final dividend for the year ended 31 December 2024 of 3.3p (2023: 3.2p) per ordinary share	5.0	4.9
Interim dividend for the year ended 31 December 2025 of 1.8p (2024: 1.7p) per ordinary share	2.7	2.6
Total dividend recognised during the year	7.7	7.5

The Board is proposing a final dividend for the year ended 31 December 2025 of 4.2p which will be a £6.8m cash payment (2024: £5.0m).



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9 Property, plant and equipment

Accounting policy

Owned assets

Property, plant and equipment are stated at cost or deemed cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the Consolidated Income Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	over the lease term, to a maximum of 50 years
Plant and equipment	three to ten years
Fixtures and fittings	one to ten years
Motor vehicles	four years
Tooling	two to seven years
Work in progress	no depreciation until the asset comes into economic use

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Leased assets

Identifying a lease: At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. For each lease or lease component, the Group follows the lease accounting model as per IFRS 16 Leases, unless the recognition exemptions can be used.

Recognition exemptions: The Group has elected to account for lease payments as an expense on a straight-line basis over the lease term or another systematic basis for the following two types of leases:

- i. Leases with a lease term of 12 months or less and containing no purchase options – this election is made by class of underlying asset
- ii. Leases where the underlying asset has a low value when new – this election can be made on a lease-by-lease basis

The value of leases less than 12 months or low value was £0.1m (2024: £0.1m).

Lessee accounting

For leases acquired in a business combination, the Company measures the acquired lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at acquisition at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms. Upon lease commencement the Group recognises a right-of-use asset and a lease liability.

Initial measurement: The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Group uses the incremental borrowing rate. Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability and are initially measured using the index or rate as at the commencement date. Amounts expected to be payable by the lessee under residual value guarantees are also included. Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers payment occurs, unless the costs are included in the carrying amount of another asset under another accounting standard.

Subsequent measurement: After lease commencement, the Group measures right-of-use assets using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The lease liability is subsequently remeasured to reflect changes in: the lease term (using a revised discount rate), the assessment of a purchase option (using a revised discount rate), the amounts expected to be payable under residual value guarantees (using an unchanged discount rate), future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate). The remeasurements are matched by adjustments to the right-of-use asset. Lease modifications may also prompt remeasurement of the lease liability unless they are determined to be separate leases.

Depreciation

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

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9 Property, plant and equipment continued

£m	Land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Tooling	Work in progress	Total
Cost							
Balance at 1 January 2024	15.5	18.7	2.4	0.2	11.0	1.7	49.5
Acquired	2.6	0.7	0.2	—	0.7	0.2	4.4
Additions	1.8	1.5	0.3	0.1	1.3	—	5.0
Disposals	—	(0.2)	—	(0.1)	(0.3)	(0.1)	(0.7)
Transfers	—	—	—	—	(0.5)	(0.1)	(0.6)
Effect of movements in foreign exchange	(0.1)	(0.2)	—	—	(0.1)	—	(0.4)
Balance at 31 December 2024	19.8	20.5	2.9	0.2	12.1	1.7	57.2
Additions	0.7	2.1	0.5	—	2.4	(0.1)	5.6
Disposals	—	(0.4)	—	—	(0.2)	(0.1)	(0.7)
Effect of movements in foreign exchange	(0.4)	(0.3)	—	—	(0.2)	—	(0.9)
Balance at 31 December 2025	20.1	21.9	3.4	0.2	14.1	1.5	61.2



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9 Property, plant and equipment continued

£m	Land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Tooling	Work in progress	Total
Depreciation							
Balance at 1 January 2024	6.1	12.3	2.1	0.2	8.8	—	29.5
Depreciation charge for the year	0.6	1.8	0.1	—	1.3	—	3.8
Disposals	—	(0.2)	—	—	(0.2)	—	(0.4)
Transfers	—	—	—	—	(0.1)	—	(0.1)
Effect of movements in foreign exchange	(0.1)	(0.1)	—	—	(0.1)	—	(0.3)
Balance at 31 December 2024	6.6	13.8	2.2	0.2	9.7	—	32.5
Depreciation charge for the year	0.7	2.0	0.2	—	1.5	—	4.4
Disposals	—	(0.4)	—	—	(0.2)	—	(0.6)
Effect of movements in foreign exchange	(0.1)	(0.2)	—	—	(0.2)	—	(0.5)
Balance at 31 December 2025	7.2	15.2	2.4	0.2	10.8	—	35.8
Net book value							
At 1 January 2024	9.4	6.4	0.3	—	2.2	1.7	20.0
At 31 December 2024	13.2	6.7	0.7	—	2.4	1.7	24.7
At 31 December 2025	12.9	6.7	1.0	—	3.3	1.5	25.4



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9 Property, plant and equipment continued

The carrying values of the following right-of-use assets:

£m	Land and buildings	Plant and equipment	Motor vehicles	Total
Cost				
Balance at 1 January 2024	11.0	1.0	1.1	13.1
Acquired	2.7	0.2	0.1	3.0
Additions	1.5	0.2	0.2	1.9
Disposals	(0.2)	—	—	(0.2)
Transfers	—	—	(0.1)	(0.1)
Effects of movements in foreign exchange	(0.1)	—	—	(0.1)
Balance at 31 December 2024	14.9	1.4	1.3	17.6
Additions	4.4	0.1	0.3	4.8
Disposals	(3.1)	(0.1)	(0.3)	(3.5)
Balance at 31 December 2025	16.2	1.4	1.3	18.9

£m	Land and buildings	Plant and equipment	Motor vehicles	Total
Depreciation				
Balance at 1 January 2024	4.3	0.6	0.6	5.5
Depreciation charge for the year	2.1	0.3	0.3	2.7
Disposals	(0.2)	—	(0.1)	(0.3)
Balance at 31 December 2024	6.2	0.9	0.8	7.9
Depreciation charge for the year	2.4	0.4	0.3	3.1
Disposals	(1.9)	(0.1)	(0.3)	(2.3)
Balance at 31 December 2025	6.7	1.2	0.8	8.7
Net book value				
At 1 January 2024	6.7	0.4	0.5	7.6
At 31 December 2024	8.7	0.5	0.5	9.7
At 31 December 2025	9.5	0.2	0.5	10.2



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10 Intangible assets

Accounting policy

Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the share of the aggregate fair value of identifiable net assets (including intangible assets) of a business or a subsidiary at the date of acquisition. All material intangible fixed assets obtained on acquisition have been recognised separately in the financial statements. Goodwill is initially recognised as an asset and allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination and is then reviewed at least annually for impairment. Any impairment is recognised immediately in the income statement and is not reversed. Goodwill is accordingly stated in the balance sheet at cost less any provisions for impairment in value.

Development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Group's development of new and enhanced products is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as product designs and new processes)
- The costs of developing this asset can be measured reliably
- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the intangible asset and use or sell it
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset

Where no internally generated intangible asset can be recognised, the expenditure is recognised as an expense in the period in which it is incurred. The Group has not included any borrowing costs within capitalised development costs.

Customer relationships and tradenames and brands

A fair value exercise which was conducted following the acquisition of Kingfisher Lighting, DW Windsor, Sync Energy, D-Line and CMD identified customer relationship and tradename intangible assets that met the criteria for separate recognition under IFRS.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the Consolidated Income Statement as an expense as incurred. Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to administrative expenses in the Consolidated Income Statement on a straight-line basis over the estimated useful lives of internally generated intangible assets. Other internally generated intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Patents and trademarks	10 years
Capitalised development costs	5 to 7 years
Customer relationships	2 to 12 years
Tradenames and brands	5 to 15 years

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquisition. Acquisition costs incurred are expensed. The acquired identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the date of acquisition, except for non-current assets that are classified as held for resale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after the assessment, the Group's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the Consolidated Income Statement.

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10 Intangible assets continued

£m	Goodwill	Patents	Development costs	Customer relationships	Software	Tradenames and brands	Total
Cost							
Balance at 1 January 2024	26.3	0.6	9.3	8.8	—	3.8	48.8
Acquisitions through business combinations	14.0	—	2.1	7.0	—	2.6	25.7
Additions	—	—	1.9	—	1.0	—	2.9
Disposals	—	—	(1.3)	—	—	—	(1.3)
Transfers	—	—	0.6	—	—	—	0.6
Balance at 31 December 2024	40.3	0.6	12.6	15.8	1.0	6.4	76.7
Additions	—	—	2.7	—	0.4	—	3.1
Disposals	—	—	(0.6)	—	—	—	(0.6)
Balance at 31 December 2025	40.3	0.6	14.7	15.8	1.4	6.4	79.2
Amortisation							
Balance at 1 January 2024	—	0.5	3.4	3.8	—	1.0	8.7
Amortisation for the year	—	—	2.0	1.1	0.1	0.5	3.7
Disposals	—	—	(0.9)	—	—	—	(0.9)
Transfers	—	—	0.1	—	—	—	0.1
Balance at 31 December 2024	—	0.5	4.6	4.9	0.1	1.5	11.6
Amortisation for the year	—	—	2.4	2.0	0.1	0.6	5.1
Disposals	—	—	(0.6)	—	—	—	(0.6)
Balance at 31 December 2025	—	0.5	6.4	6.9	0.2	2.1	16.1
Net book value							
At 1 January 2024	26.3	0.1	5.9	5.0	—	2.8	40.1
At 31 December 2024	40.3	0.1	8.0	10.9	0.9	4.9	65.1
At 31 December 2025	40.3	0.1	8.3	8.9	1.2	4.3	63.1

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10 Intangible assets continued

Impairment testing for cash-generating units containing goodwill

In accordance with the requirements of IAS 36 Impairment of Assets, goodwill is allocated to the Group's CGUs. The Group annually tests the CGUs for impairment. The Group's total consolidated goodwill of £40.3m at 31 December 2025 is allocated as follows:

£m	Goodwill	
	2025	2024
Portable Power	8.9	8.9
Wiring Accessories	8.6	8.6
LED Lighting	9.5	9.5
DW Windsor	6.2	6.2
D-Line	0.7	0.7
CMD	6.4	6.4
	40.3	40.3

Each CGU is assessed for impairment annually. There have been no impairment indicators in the year for any of the CGUs.

As part of the annual impairment test review, the carrying value of goodwill has been assessed with reference to value-in-use over a projected period of five years together with a terminal value. This reflects the projected cash flows of each CGU based on the actual operating results, the most recent Board-approved budget, strategic plans and management projections.

Key assumptions for all CGUs impairment assessment are as follows:

Revenue growth years 2026 to 2030, gross margin and operating profit margin:

The Board-approved corporate plan for 2026 has been used as the basis of the first year of the calculation, with years two to five based off the five-year strategic plan which was reviewed by the Board at the end of 2025. The growth rates are individually derived by channel and then blended to form an overall growth rate by the CGUs.

Long-term growth rate (beyond 2030): Growth rates for the period beyond 2030 are assumed to be 2.0% (2024: 2.0%), which is considered to be a conservative assessment of long-term market trends for these CGUs which aligns to the long-term UK GDP rate.

Discount rate: The cash flow projections have been discounted to present value using the Group's weighted average cost of capital (which approximates by reference to the industry peer group of quoted companies), adjusted for economic and CGU-specific risk factors including markets and size of business.

The impairment review calculations are based upon anticipated discounted future cash flows. All CGUs have sufficient headroom and the Directors do not foresee that any reasonable or possible changes to the key operating assumptions are sufficient to generate a different outcome to the impairment calculations undertaken. The pre-tax rates, reflecting factors such as different geographies, expected technological change and growth opportunity risk, have been used for each CGU as follows:

%	2025	2024
Portable Power	13.1	12.5
Wiring Accessories	13.4	12.7
LED Lighting	13.3	12.5
DW Windsor	13.4	12.7
D-Line	13.4	12.7
CMD	14.5	— ¹

1. Utilised fair value less costs of disposal ("FVLCD") for the purposes of estimating the recoverable value since CMD was acquired in September 2024.

Sensitivity of results to changes in assumptions

Whilst management believe the assumptions are realistic, it is possible that impairment would be identified if any of the above key assumptions were changed significantly. For instance, factors which could cause an impairment are: significant underperformance relative to the forecast results, changes to the way the assets are used or changes to the strategy for the business and a material and unexpected deterioration in the UK economy.

The Group has also considered the impact of climate change on impairment, however given the products the Group sells and our strategy, this is a revenue opportunity for the Group.

The following specific individual sensitivities of reasonable change have been considered for each CGU, resulting in the carrying amount not exceeding the recoverable amount for each CGU: a 10% increase in unlevered beta, a 200 basis point increase in the discount factor, a growth rate of 1% for the periods after 2030, a 10% reduction in cash flows forecast over the next five years in the Group's strategic plan.

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10 Intangible assets continued

Recoverability of DW Windsor goodwill

The excess of DW Windsor recoverable amount over its carrying value is £8.8m (2024: £2.8m). Approximately 75% (2024: 80%) of the recoverable amount is in the terminal value, therefore the calculation of recoverable amount is sensitive to changes in assumptions. Therefore, further information is provided on this impairment test.

The key assumptions used by management for DW Windsor in setting the financial budgets for the initial five-year period were as follows:

Forecast sales growth rates for years 2026 to 2030: Forecast sales growth rates are based on expectations of recovery in the infrastructure markets in which DW Windsor operates, supported by strategic initiatives being implemented by management, this follows a decline in the infrastructure market in the last two years and our market insight expects a recovery in this market. A small 1.4% growth is forecast in 2026 sales and the CAGR of the two to five-year sales forecast is 5.1% (2024: 5.7%).

Gross margin and operating profit margin: These are forecast based on recent experience of actual margins, adjusted for the impact of changes to product cost and cost-saving initiatives.

Long-term growth rate and discount rate: These have been prepared as explained on the previous page.

Due to uncertainty surrounding the sector's return to growth, the Directors modelled a reasonably possible change of a CAGR in forecast years one to five of 1% and this would result in a headroom reduction of £3.4m but no impairment. The Directors do not consider that the relevant changes in the revenue assumption would have a consequential impact on other key assumptions. However, it is possible that the reduction in revenue required to reduce the carrying value to £nil would be lower if gross/operating profit margins are lower than forecast.

The Directors do not consider that any reasonably possible changes to any of the key assumptions would reduce the value-in-use to its carrying value.

Although not required by the accounting standard, additional sensitivity analysis is provided to illustrate the general sensitivity of the value-in-use calculation to assumption changes: a 1% increase in discount rate reduces the headroom by £2.9m and a 0.1% decrease in the long-term growth rate reduces the headroom by £0.4m.

11 Investments

Accounting policy

Investments are accounted for in line with IFRS 9. The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("OCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition are recognised in this category. These are strategic investments and the Group considers this classification to be more relevant. The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the Fair Value through Other Comprehensive Income ("FVOCI") reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

During the period the Group divested from eEnergy Group plc for £1.9m in October 2025 – following investments in eEnergy Group plc for £1.7m in November 2023 and £0.3m in January 2024. This incurred a £0.1m loss on disposal. The holding represented 10% of eEnergy at 31 December 2024 and nil at 31 December 2025.

12 Deferred tax assets and liabilities

Accounting policy

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

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12 Deferred tax assets and liabilities continued

Recognised deferred tax assets and liabilities are attributable to the following:

£m	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Property, plant and equipment	—	—	2.6	2.5	2.6	2.5
Intangible assets	—	—	2.9	4.0	2.9	4.0
Losses	(2.5)	(0.8)	—	—	(2.5)	(0.8)
Share-based payments	(1.2)	(1.0)	—	—	(1.2)	(1.0)
Financial assets and liabilities	(0.3)	(0.4)	—	—	(0.3)	(0.4)
Deferred tax liability/(asset)	(4.0)	(2.2)	5.5	6.5	1.5	4.3

The deferred tax asset movement in losses of £1.7m is made up of £1.5m of US trading losses recognised in the year and additional UK trading losses of £0.2m. The deferred tax liability reduction of £1.0m results from changes in tangible and intangible asset timing differences. On the balance sheet, IAS 12 jurisdiction disclosure requirements result in disclosures of a deferred tax asset of £1.6m, being £1.5m of US trading losses and £0.1m of short-term timing differences in China and a deferred tax liability of £3.1m relating to the UK. A deferred tax asset has not been recognised on £0.9m of losses in Spain, where it is improbable that they can be offset against future profits. These losses do not expire.

Movement in deferred tax liability/(asset) during the year

£m	1 January 2025	Acquired during the year	Recognised in income	Recognised in equity	31 December 2025
Property, plant and equipment	2.5	—	0.1	—	2.6
Intangible assets	4.0	—	(1.1)	—	2.9
Losses	(0.8)	—	(1.7)	—	(2.5)
Share-based payments	(1.0)	—	(0.2)	—	(1.2)
Financial assets and liabilities	(0.4)	—	0.1	—	(0.3)
	4.3	—	(2.8)	—	1.5

Movement in deferred tax (asset)/liability during the prior year

£m	1 January 2024	Acquired during the year	Recognised in income	Recognised in equity	31 December 2024
Property, plant and equipment	1.6	0.7	0.2	—	2.5
Intangible assets	2.0	3.1	(1.1)	—	4.0
Losses	(1.1)	—	0.3	—	(0.8)
Share-based payments	(1.0)	—	(0.2)	0.2	(1.0)
Financial assets and liabilities	(0.4)	—	—	—	(0.4)
	1.1	3.8	(0.8)	0.2	4.3

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13 Inventories

Accounting policy

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of overheads based on normal operating capacity.

Provision is made for slow-moving and obsolete stock by comparing the stock holding against the product sales for the financial year and applying a provision which is based on an estimation of the likely sales price with reference to the stock category.

£m	2025	2024
Raw materials	10.7	8.2
Work in progress	1.8	1.2
Finished goods	49.3	44.4
	61.8	53.8

In 2025, inventories of £144.0m (2024: £138.0m) were recognised as an expense during the year and are included in “cost of sales”.

Write-downs and reversals are included in “cost of sales”. During the current year, there is a net credit of £0.7m related to the movement in the stock provision (2024: net debit of £0.5m) which is included in the cost of sales.

14 Trade and other receivables

Accounting policy

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

£m	2025	2024
Trade receivables	78.4	76.4
Prepayments and other receivables	5.0	3.7
	83.4	80.1

The table on the following page provides information about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2025. The loss amount has reduced year-on-year due to a decrease in the loss rate overall and a lower loss experience rate in the lower age categories. Of the £78.4m (2024: £76.4m) of trade receivables balance, £2.2m (2024: £1.7m) relates to credit note and settlement provisions, £0.8m (2024: £1.1m) relates to the credit loss provision with a gross trade receivable of £81.4m (2024: £79.2m).

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14 Trade and other receivables continued

Age overdue (days)	31 December 2025			1 January 2025		
	Loss rate (%)	Gross debtor (£k)	Loss amount (£k)	Loss rate (%)	Gross debtor (£k)	Loss amount (£k)
Current	0.50%	71,520	358	1.05%	68,705	721
0-30	0.32%	5,961	19	2.45%	7,109	174
30-60	0.25%	1,703	4	2.27%	2,193	50
60-90	0.25%	341	1	6.95%	66	5
90-120	3.85%	537	21	6.46%	753	49
120+	29.57%	1,300	384	38.29%	346	132
Total	0.97%	81,362	787	1.43%	79,172	1,131

15 Cash and cash equivalents

£m	2025	2024
Current cash balances	3.3	4.1

16 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 20 of the consolidated financial statements.

£m	2025	2024
Non-current liabilities		
Revolving credit facility	51.3	70.5
Overdrafts	3.9	1.5
	55.2	72.0

Terms and debt repayment schedule

£m	Currency	Nominal interest rate	Maturity date	Face value ¹ 2025	Carrying amount ¹ 2025	Face value ¹ 2024	Carrying amount ¹ 2024
Revolving credit facility	GBP	1.85% + SONIA	May 2028	51.3	51.3	70.5	70.5
Overdrafts	GBP	1.85% + base rate	May 2028	3.9	3.9	1.5	1.5
				55.2	55.2	72.0	72.0

1. For more information on fair value/carrying value assessment, see note 20 of the consolidated financial statements.

Bank loans are secured by a fixed and floating charge over the assets of the Group. At 31 December 2025, undrawn facilities were £68.7m (2024: £54.3m). The Company secured banking facilities on 21 May 2025 for £120m, expiring on 21 May 2028, but has the optionality of extending by a further two years to 21 May 2030. Nominal interest rate in the above table is calculated based on the 31 December 2025 bank leverage ratio.

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16 Interest-bearing loans and borrowings continued

£m	2025	2024
Net debt as at 31 December represented by:		
Revolving credit facility	51.3	70.5
Overdrafts	3.9	1.5
Cash and cash equivalents	(3.3)	(4.1)
Finance leases – pre-IFRS 16	0.4	0.7
Bank Net Debt	52.3	68.6
Finance leases – post-IFRS 16	7.6	6.5
Net debt	59.9	75.1

£m	Cash	Borrowings	Finance leases	Total
Net debt movement:				
As at 1 January 2025	(4.1)	72.0	7.2	75.1
(Inflow)/outflow	0.7	(17.2)	(2.8)	(19.3)
Non-cash movements	0.1	0.4	3.6	4.1
As at 31 December 2025	(3.3)	55.2	8.0	59.9

£m	Cash	Borrowings	Finance leases	Total
Net debt movement:				
As at 1 January 2024	(4.6)	22.3	5.1	22.8
Cash (in)/outflow	0.4	49.5	(2.7)	47.2
Non-cash movements	0.1	0.2	4.8	5.1
As at 31 December 2024	(4.1)	72.0	7.2	75.1



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17 Other financial liabilities and provisions

Accounting policy

The Group has leases for the main warehouse and related facilities, offices and production building, plant and machinery, some IT equipment and some vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 9). Leases of vehicles and IT equipment are generally limited to a lease term of three to five years. Leases of property generally have a lease term ranging from three years to seven years. Lease payments are generally fixed other than for property leases where rentals are linked to annual changes in an index (either RPI or CPI).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts. Warranty product provisions are for Sync Energy chargers and selected DW Windsor LED products.

Provisions

£m	Dilapidations provisions	Acquisition contingent provisions	Warranty product provisions	Total
As at 1 January 2025	2.4	0.8	0.8	4.0
Addition/(reduction)	—	(0.1)	—	(0.1)
As at 31 December 2025	2.4	0.7	0.8	3.9

Finance lease

£m	2025	2024
Current liabilities		
Lease liabilities	2.9	2.8
Non-current liabilities		
Lease liabilities	5.1	4.4

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17 Other financial liabilities and provisions continued

Finance lease liabilities

Finance lease liabilities are payable as follows:

£m	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2025	2024	2025	2024	2025	2024
Less than one year	2.9	2.9	—	(0.1)	2.9	2.8
Between one and five years	6.0	5.0	(0.9)	(0.6)	5.1	4.4
	8.9	7.9	(0.9)	(0.7)	8.0	7.2

Reconciliation of interest payments from cash flow

£m	2025	2024
Interest paid from leases under IFRS 16	0.3	0.2
Interest paid excluding interest from leases under IFRS 16	5.7	3.9
Interest paid per cash flow	6.0	4.1

18 Trade and other payables

Accounting policy

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs and are measured at amortised cost using the effective interest method. The Directors consider that the carrying amount of trade payables approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

£m	2025	2024
Current liabilities		
Trade payables	37.2	27.6
Accrued expenses ¹	27.7	22.7
Other payables	11.5	8.9
Trade and other payables	76.4	59.2

1. Includes £15.0m (2024: £11.9m) in relation to rebates.



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19 Employee benefits

Defined contribution plans

Accounting policy

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Income Statement in the periods during which services are rendered by employees.

The Group operates a number of defined contribution pension plans. UK-based employees of the Group have the option to be members of a defined contribution pension scheme managed by a third-party pension provider. For each employee who is a member of the scheme, the Company will contribute a fixed percentage of each employee's salary to the scheme. The only obligation of the Group with respect to this scheme is to make the specified contributions.

The total expense relating to these plans was £1.5m (2024: £1.3m).

20 Financial instruments

Accounting policy

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- a) They include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group)
- b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists, these components are separated and accounted for individually under the above policy.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Consolidated Income Statement. Remeasurements to fair value recognised immediately in the Consolidated Income Statement are excluded from adjusted measurements as explained on page 130.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments

Investments policy is note 11.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term call deposits.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses, so as to produce a constant rate of return over the period to the date of expected redemption. In instances where the Company has an early redemption option, the term over which financing costs are amortised is the period to the earliest date the option can be exercised, unless there is no genuine commercial possibility that the option will be exercised.

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20 Financial instruments continued

Accounting policy continued

Impairment excluding inventories and deferred tax assets

The Company recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 120 days past due and if we believe that it will default.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Consolidated Income Statement.

Non-financial assets

The carrying amounts of the Group’s non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (“cash-generating unit” or “CGU”). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to groups of CGUs which are expected to benefit from the synergies of the combination. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Income Statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

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20 Financial instruments continued

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Exposure to credit risk

The carrying amount of financial assets and liabilities represents the maximum credit exposure. The exposure to credit risk at the reporting date was as follows:

£m	Carrying amount	
	2025	2024
Trade receivables	78.4	76.4
Cash and cash equivalents	3.3	4.1
Financial assets measured at fair value through profit or loss	1.1	0.4
	82.8	80.9

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed regularly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

All significant Group customers have been transacting with the Group for over three years and, whilst this creates a concentration of credit risk, no impairment losses have been recognised against these customers. In monitoring customer credit risk, customers are grouped according to their characteristics, including whether they are an independent or major multi-national company, geographic location, industry, ageing profile, maturity and existence of previous financial difficulties.

As at 31 December 2025, the Group had an allowance for impairment of £0.8m (2024: £1.1m). The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

£m	Carrying amount	
	2025	2024
Europe	68.6	67.0
Rest of World	9.8	9.4
	78.4	76.4

Of this total balance, £21.2m is with our largest customer.

Cash and cash equivalents

The Group held cash of £3.3m at 31 December 2025 (2024: £4.1m), which represents its maximum credit exposure on these assets. There are no cash equivalents in the year. Cash and cash equivalents are held with bank and financial institution counterparties, which are rated "A" to "AA–" based on rating agency ratings.

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20 Financial instruments continued

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, both under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. It has access to a number of sources of finance to manage its liquidity risk.

The following are the contractual maturities of financial liabilities excluding the impact of netting agreements.

31 December 2024 (£m)	Carrying amount	Within 1 year	1-2 years	2-5 years
Financial liabilities				
Revolving credit facility	70.5	—	70.5	—
Overdraft	1.5	—	1.5	—
Financial liabilities measured at fair value through profit or loss	1.4	1.2	0.2	—
Finance leases	7.2	2.8	2.8	1.6
Trade payables	27.6	27.6	—	—
	108.2	31.6	75.0	1.6

31 December 2025 (£m)	Carrying amount	Within 1 year	1-2 years	2-5 years
Financial liabilities				
Revolving credit facility	51.3	—	—	51.3
Overdraft	3.9	—	—	3.9
Financial liabilities measured at fair value through profit or loss	0.7	0.2	—	0.5
Finance leases	8.0	2.9	2.1	3.0
Trade payables	37.2	37.2	—	—
	101.1	40.3	2.1	58.7

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group adopts a policy of monitoring its exposure to changes in interest rates on borrowings to ensure that likely changes do not constitute a material risk to the profitability of the Group.

The Group has entered into swaps to fix the interest rate applicable to approximately 60% of its borrowings on a rolling three-year basis, resulting in an effective interest rate of 8.0% (subject to small changes driven by the impact of debt leverage on lending margin in the future). 30% of our borrowing remains at floating interest rates.

For the year ended 31 December 2025, a change of 100 basis points in interest rates would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

£m	Profit or loss	
	100bps increase	100bps decrease
31 December 2025		
Variable rate instruments	(0.3)	0.3
Cash flow sensitivity (net)	(0.3)	0.3
31 December 2024		
Variable rate instruments	(0.2)	0.2
Cash flow sensitivity (net)	(0.2)	0.2

The Group's capital structure policy is to ensure Bank Net Debt remains in a range of 1.0 to 2.0 times Bank EBITDA (the definition of the adjustments made and reconciliations to the reported figures can be found in note 1 of the consolidated statements on pages 136 to 143).

Equity price risk

No equity securities held at the 31 December 2025.

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20 Financial instruments continued

Currency risk

The Group is exposed to currency risk on the following transactions:

- Sales and purchases by a Group company in a currency other than its functional currency
- Flows arising from the servicing of the Group's debt under foreign currency

The Group is also exposed to fluctuations in exchange rates in the translation of net assets and profits earned by its subsidiaries overseas. These profits are translated at average exchange rates for the year, which is an approximation to the rates at the date of the transaction.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling forward.

Exposure to currency risk

The table below shows the extent to which the Group had monetary assets and liabilities denominated in currencies with third parties other than the local currency of the Company in which they are recorded:

£m	2025			2024		
	RMB	USD	EUR	RMB	USD	EUR
Trade receivables	—	21.2	2.4	—	24.3	2.2
Bank facilities	—	—	—	1.4	0.3	—
Trade payables	(6.4)	(0.8)	(0.4)	(5.7)	(1.3)	(0.3)
Net statement of financial position exposure	(6.4)	20.4	2.0	(4.3)	23.3	1.9

The following significant exchange rates were applied during the year:

£m	Average rate		Reporting date spot rate	
	2025	2024	2025	2024
USD	1.32	1.28	1.35	1.25
EUR	1.17	1.18	1.15	1.21
RMB	9.47	9.20	9.41	9.15



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20 Financial instruments continued

Sensitivity analysis

A strengthening/(weakening) of sterling, as indicated below, against the US dollar and RMB at 31 December would have increased/(decreased) equity and profit or loss by the amounts shown below. This quantifies the impact of a change in value of assets and liabilities denominated in a currency other than the functional currency of that business unit. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2024, as indicated below.

£m	Equity	Profit/(loss)
31 December 2025		
GBP strengthens against the USD by 10%	(1.9)	(1.9)
GBP strengthens against the EUR by 10%	(0.2)	(0.2)
GBP strengthens against the RMB by 10%	0.6	0.6
31 December 2024		
GBP strengthens against the USD by 10%	(2.1)	(2.1)
GBP strengthens against the EUR by 10%	(0.2)	(0.2)
GBP strengthens against the RMB by 10%	0.4	0.4

A weakening of sterling against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The Group holds financial derivative instruments to manage the currency risks on USD and RMB used to transact the current and future settlement of monetary assets and liabilities.

Accounting classifications and fair values

Fair values versus carrying amounts

The following assets' and liabilities' carrying values meet the definition of financial instruments and are classified according to the following categories:

£m	2025	2024
Assets carried at amortised cost:		
Trade receivables	78.4	76.4
Cash and cash equivalents	3.3	4.1
Assets carried at fair value:		
Financial assets measured at fair value through profit or loss	1.1	0.4
Financial assets measured at fair value through OCI	—	1.8
Financial assets	82.8	82.7
Liabilities carried at amortised cost:		
Revolving credit facility	51.3	70.5
Overdrafts	3.9	1.5
Finance leases	8.0	7.2
Trade payables	37.2	27.6
Liabilities carried at fair value:		
Financial liabilities measured at fair value through profit or loss	0.7	1.4
Financial liabilities	101.1	108.2

The fair value of financial assets and liabilities that are held at amortised cost are considered to be the same as the carrying amounts for the Group.

For trade and other receivables/payables with a remaining life of less than one year, the carrying amount is deemed to reflect the fair value. For cash and cash equivalents, the amount reported on the Consolidated Balance Sheet approximates to fair value. For borrowing at floating rates, the carrying value is deemed to reflect the fair value as it is considered to represent the price of the instrument in the marketplace. For borrowing at fixed rates, the fair values are considered to be the same as the carrying amount reported on the Consolidated Balance Sheet due to the frequent updating of these funding facilities in a competitive market.



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20 Financial instruments continued

Accounting classifications and fair values continued

Fair values versus carrying amounts continued

The table below analyses financial instruments into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The only Level 1 instruments were in 2024 for financial asset investments measured at fair value through OCI.

The only Level 2 instruments for 2025 are financial (liabilities)/assets measured at fair value through profit or loss, which relate to forward exchange contracts and interest rate swaps. The fair value (liability)/asset is shown below:

£m	Fair value hierarchy	2025	2024
Financial assets measured at fair value through OCI	Level 1	—	1.8
Currency hedging financial assets/(liabilities) measured at fair value through profit or loss	Level 2	0.9	(0.9)
Interest swaps financial (liabilities) measured at fair value through profit or loss	Level 2	(0.5)	(0.1)

At 31 December 2025, undrawn facilities were £68.7m (2024: £54.3m).

21 Capital management

The Group's primary capital resources comprise share capital, bilateral bank facilities and operating cash flow.

The core debt requirements of the Group are met via a £120.0m revolving credit facility.

The Board's policy is to maintain a strong capital base to maintain market confidence and sustain the development of the business, whilst maximising the return on capital to the Group's shareholders. The Group's strategy will be to maintain facilities appropriate to the working requirements of the Group, to grow organically and through acquisition and service its debt requirements through cash flow generation.

The Group has set the following capital structure policies:

- Maintain a Bank Net Debt : Bank EBITDA ("Leverage Ratio") within a target range of 1.0 to 2.0 : 1, averaging 1.5 across each economic cycle
- Maintain Bank EBITDA : Adjusted Net Finance Expense ("Interest Cover Ratio") of at least 4.0 : 1
- Apply a progressive dividend policy, with a payout rate of 40%-60% of adjusted earnings
- Provided it is in compliance with its Leverage Ratio, Interest Cover Ratio and dividend policies, the Company will reinvest cash generated by the business in organic and acquisitive growth opportunities that it believes will generate long-term shareholder value. If insufficient opportunities are available to reinvest cash in this way, the Company will seek ways to return surplus cash to shareholders in order to maintain its Leverage Ratio policy

The Bank Net Debt to Bank EBITDA ratio is calculated in accordance with the Group's loan agreements, as follows:

£m	2025	2024
Bank EBITDA (see note 1)	45.0	41.7
Bank Net Debt (see note 16)	52.3	68.6
Bank Net Debt : Bank EBITDA	1.2	1.6



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21 Capital management continued			
The Bank EBITDA : Net Finance Expense ratio is calculated as follows:			
£m		2025	2024
Bank EBITDA (see note 1)		45.0	41.7
Adjusted Net Finance Expense (see note 1)		6.0	4.1
Bank EBITDA : Adjusted Net Finance Expense		7.5	10.2
The Company's covenants and headroom are summarised as follows:			
2025 year-end covenant	Covenant	2025 actual	Headroom
Bank Net Debt : Bank EBITDA	3.0 : 1.0	1.2 : 1.0	Bank Net Debt headroom: £68.7m Adjusted EBITDA headroom: £27.6m
Bank EBITDA : Adjusted Net Finance Expense	4.0 : 1.0	7.5 : 1.0	Adjusted EBITDA headroom: £21.0m Adjusted Net Finance Expense headroom: £5.3m
The key measures which management use to evaluate the Group's use of its financial resources and capital management are set out below:			
		2025	2024
Adjusted Earnings Per Share (pence)		15.0	12.5
Bank Net Debt : Bank EBITDA (times)		1.2	1.6
Adjusted Free Cash Flow (£m)		30.4	3.5

22 Share-based payments

Accounting policy

Incentives in the form of shares are provided to employees through the following schemes: Company Share Option Plan ("CSOP"), Share Incentive Plan ("SIP") and Long-Term Incentive Plan ("LTIP"). Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

The grant date fair value of an equity-settled payment under the SIP is measured as the face value of the award on the date of grant.

The grant date fair value of the awards under the Group's LTIP is measured by the use of the Monte Carlo simulation for any market-related performance conditions (given the increased uncertainty around the potential vesting of share options).

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Charges made to the income statement in respect of share-based payments are credited to the reserves. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market-based vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The purchase price of the shares that are transferred when options are exercised is credited to treasury shares reserve and debited to retained earnings. Any proceeds received, net of any directly attributable transaction costs, are also debited to retained earnings. The Group operates an employee share benefit trust as part of its incentive plans for UK-based employees. All assets and liabilities of the trust are recorded in the balance sheet as assets and liabilities of the Company until such time as the assets are awarded to the beneficiaries. All income and expenditure of the trust is similarly brought into the results of the Company. The Company fulfils exercised options with treasury shares the Company has purchased. The purchase price of the shares that are transferred when options are exercised is credited to treasury shares reserve and debited to retained earnings. Any proceeds received, net of any directly attributable transaction costs, are also debited to retained earnings.

The share-based payments charge relates to option awards from the LTIP, CSOP and SIP schemes. Vesting periods for the plans range from one to three years and if the options remain unexercised after a period of ten years from the date of grant, the options expire. In addition, options are forfeited if the employee voluntarily leaves the Group before the options vest.

The Group recorded a share-based payment charge of £1.9m (2024: £1.5m) included in the Consolidated Income Statement within administrative expenses.

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22 Share-based payments continued

Share Incentive Plan

All UK-based employees are eligible to participate in the SIP. The scheme enables employees to buy shares in the Group out of their salary, before tax deductions, up to a limit of £1,800 per tax year. The shares acquired are called partnership shares and are held in trust, managed by a third party, on behalf of the employee.

For every partnership share bought by the employee, the Group can award:

- a) Matching shares. Two shares at nil cost
- b) Free shares. Up to two shares at nil cost, the number depending on service, subject to a maximum of £3,600 free shares per tax year

For the SIP conditions to be met, the employees must be continuously employed by the Group for a period of at least three years from the date of the award grant. If employees voluntarily leave the Group within the three-year period they must take their shares out of the plan and they will not be entitled to the matching and free shares.

	Number of free shares		Number of partnership and matching shares	
	2025	2024	2025	2024
Outstanding at 1 January	24,313	25,787	1,777,490	1,371,272
Granted during the year	—	—	850,494	628,236
Forfeited during the year	—	—	(67,592)	(48,686)
Released during the year	(3,626)	(1,474)	(177,407)	(173,332)
Outstanding at 31 December	20,687	24,313	2,382,985	1,777,490

For the purposes of IFRS 2, the fair value of these matching shares and free shares is determined as the market value of the shares at the date of grant. No valuation model is required to calculate the fair value of awards under the SIP. The fair value of an equity-based payment under the SIP is the face value of the award on the date of grant because the participants are entitled to receive the full value of the shares and there are no market-based performance conditions attached to the awards.

The Group recognised a total expense of £0.6m (2024: £0.6m) in the year relating to matching and free share awards.

Company Share Option Plan (“CSOP”)

At the time the free shares were awarded, all eligible employees of the Group were also granted CSOP options. The CSOP options had an exercise price equal to the market value of the share at the date of grant. The ordinary free shares award is subject to condition that it will be automatically exercised at the time the CSOP option is exercised. The options can only be exercisable after the performance period determined by the Board, being three years. CSOP options will normally be exercisable from release until the tenth anniversary of the grant date.

Long-Term Incentive Plan

Awards have been granted to the Chief Executive Officer and the Chief Financial Officer, and other key management personnel within the Group, under the Luceco 2017 Performance Share Plan (“PSP”), which was approved by shareholders at the Company’s AGM held on 25 May 2017.

The following awards have been granted in the form of nominal cost options over the number of ordinary shares of 0.05p in the Company under the terms of the PSP, as set out on page 90:

Executive Directors	Role	Number of shares awarded
John Hornby	Chief Executive Officer	544,400
Will Hoy	Chief Financial Officer	464,568

Measurement of fair values

The 2025 LTIP awards will vest subject to the satisfaction of performance conditions measuring the Company’s earnings per share (“EPS”) and total shareholder return (“TSR”) performance. The extent to which awards will vest will depend on the extent to which the performance conditions are satisfied over the performance period. For the EPS condition, this runs from 1 January 2025 to 31 December 2027. For the TSR condition, this runs for three years from the three-month average TSR to 8 April 2025, the date of the grant, to the three-month average TSR to 8 April 2028. No consideration was paid for any of the awards.

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22 Share-based payments continued

Measurement of fair values

As the options under the 2025 award include a TSR performance condition, given the increased uncertainty around potential vesting, they have been valued using the Monte Carlo model with the following assumptions:

Directors' and employee share options LTIP awards	2025	2024
Three-day average share price before options were issued (pence)	118.60p	146.00p
Fair value of share options	98.89p	126.37p
Average expected volatility	38.54%	64.00%
Expected life	3 years	3 years
Risk-free rate	3.76%	4.24%

The share-based payments charge of £1.9m (2024: £1.5m) included in the Consolidated Income Statement within administrative expenses is attributable to the LTIP nominal cost options.

A summary of the number of share options under the share option programmes is as follows:

	2025	2024
Outstanding at 1 January	6,779,995	8,214,967
Granted during the year	2,327,769	2,054,496
Forfeited during the year	(469,713)	(2,247,807)
Exercised during the year	(295,091)	(1,200,963)
Lapsed during the year	—	(40,698)
Outstanding at 31 December	8,342,960	6,779,995

As at 31 December 2025, a total of 8,342,960 options were outstanding which had a weighted average remaining contractual life to vesting of 15 months.

During the year, 175,170 tax-qualifying share options were granted to employees (2024: 187,686).

The Group has previously purchased its own shares on the basis that they will be used to fulfil the LTIP and the number of share options granted when they come to be exercised. The purchased shares are held in a Trust which is managed by a third party. At 31 December 2025, the Trust had 11,647,326 shares held at a cost of £16.5m (31 December 2024: 8,299,342 shares at a cost of £11.6m). These shares are held within the treasury reserve and are shown in the Consolidated Statement of Changes in Equity.

23 Capital and reserves

Share capital

	Allotted, called up and fully paid		Number of shares in issue (thousands)	
	2025 £	2024 £	2025 Number	2024 Number
At 1 January	80,400	80,400	160,800	160,800
At 31 December	80,400	80,400	160,800	160,800

All ordinary shares, except for those shares held by the Employee Benefit Trust (“EBT”), carry one vote per share at general meetings of the Company, participate equally with the distribution of dividends and capital (including on a winding up) and are not redeemable.

Reserves

The nature and purpose of each reserve is given below:

- The share premium represents the excess of share value paid for shares
- The treasury reserve arose when the Group bought back equity share capital and this is held in trust by the Trustee of the Group's EBT to satisfy the Group's share option schemes. Treasury shares cease to be accounted for as such when the interest is transferred in full to the participant pursuant to the terms of the relevant plan. At 31 December 2025, the EBT held 11,647,326 of the Company's shares (2024: 8,299,342 shares)
- During the year the Company purchased £5.3m of shares (2024: £4.7m)
- Other reserves comprise as follows:
 - Financial asset at FVOCI comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income
 - The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the foreign currency translation differences on investments in overseas entities

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24 Related parties

Key personnel include Executive and Non-Executive Board members and the senior leadership team.

The Group has a related party relationship with its subsidiaries and its Directors. Transactions between Group companies, which are related parties, have been eliminated on consolidation and are not disclosed in this note. In addition, the remuneration of the Directors, and the details of their interests in the share capital of the Company, are provided in the audited part of the Remuneration Committee Report.

Transactions with key personnel

Key management personnel are defined as Executive and Non-Executive Directors and the senior leadership team. The compensation of key management personnel is as follows:

£m	2025	2024
Remuneration (including benefits in kind)	4.6	4.7
Element of share-based payments expense	1.4	1.4
	6.0	6.1

The aggregate remuneration paid or receivable by Executive and Non-Executive Directors and the value of contributions to money purchase pension schemes in respect of qualifying services are disclosed on page 106. The remuneration figure reflects £nil in respect of the Chief Financial Officer's and Chief Executive Officer's 2020 Performance Share Plan. There were nil gains exercised on share options or under long-term incentive schemes in respect of qualifying services made by any other Executive or Non-Executive Directors in respect of 2025 (2024: nil).

Defined contribution pension scheme retirement benefits are accruing to one Director at the year end (2024: one).

25 Ultimate Parent Company, controlling party and changes in significant accounting policies

There is no controlling party.

26 Prior year acquisitions

D-Line

The Group acquired the entire issued share capital of D-Line (Europe) Limited ("D-Line") on 29 February 2024 for £8.6m initial cash consideration and up to £3.2m of contingent consideration which is estimated to be £0.8m based on our weighted average assessment. D-Line is a supplier of cable management solutions offering an additional product opportunity for the Group, consisting of decorative cable trunking and accessories, fire-rated cable supports, floor cable protector and cable organisers, with headquarters in Tyne & Wear in the UK. The business supplies Retail, Wholesale and eCommerce customers mainly in the UK, Europe and North America. The business supports its customers in North America from a sales and distribution facility in Kentucky, USA. The fair value, which is currently provisional (as the Group will continue to review these during the measurement period), of the consideration paid and the consolidated net assets acquired, together with the goodwill arising in respect of this acquisition, was as follows:

	Provisional fair value estimate on acquisition £m
Intangible assets (contract related and other intangibles arising on acquisition)	2.8
Property, plant and equipment	2.8
Inventories	5.6
Trade and other receivables	2.0
Cash	0.8
Finance leases	(1.7)
Corporation tax (liability)	(0.1)
Deferred tax (liability)	(1.1)
Provisions	(0.9)
Trade and other payables	(2.2)
Total	8.0
Consideration – cash	8.6
Contingent consideration	0.8
Goodwill arising	1.4

Goodwill of £1.4m has been provisionally allocated, with £0.7m to the Wiring Accessories CGU and £0.7m to the D-Line CGU, reflecting the synergised business case opportunities. Since acquisition, revenue from D-Line has been £18.9m with operating profit of £1.7m.

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26 Prior year acquisitions continued

CMD

The Group acquired the entire share capital of CMD Limited ("CMD") on 27 September 2024 for £29.8m initial cash consideration on a debt-free basis. The consideration paid was £14.0m plus the pay down of £15.8m of debt. CMD (www.cmd-ltd.com), founded in 1984, designs and manufactures a comprehensive range of wiring accessories for commercial premises and therefore is a strong strategic fit for the Group, where it holds a leading position in the UK. Products include under-floor and under-desk power distribution solutions, on-desk and in-desk sockets, and a range of ergonomic products including the award-winning Miro monitor support arm. CMD has an experienced senior management team which will remain with the business, continuing to operate from its headquarters in Rotherham. The fair value, which is currently provisional (as the Group will continue to review these during the measurement period), of the consideration paid and the consolidated net assets acquired, together with the goodwill arising in respect of this acquisition, was as follows:

	Provisional fair value estimate on acquisition £m
Intangible assets (contract related and other intangibles arising on acquisition)	8.9
Property, plant and equipment	4.6
Inventories	5.3
Trade and other receivables	4.4
Cash	0.1
Finance leases	(1.2)
Corporation tax asset	0.2
Deferred tax (liability)	(2.6)
Provisions	—
Trade and other payables	(2.5)
Total	17.2
Consideration – cash	29.8
Goodwill arising	12.6

Goodwill of £12.6m has been provisionally allocated, with £6.4m to the CMD CGU, £3.9m to the Wiring Accessories CGU and £2.3m to the LED Lighting CGU, reflecting the synergised business case opportunities identified. Since acquisition, revenue from CMD has been £4.8m with operating profit of £0.1m.

27 Post balance sheet events

There were no post balance sheet events.

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Company Balance Sheet
at 31 December 2025

£m	Note	2025	2024
Non-current assets			
Investments	29	8.5	6.7
Debtors	30	50.5	63.5
Net assets		59.0	70.2
Capital and reserves			
Called-up share capital	31	0.1	0.1
Share premium account		24.8	24.8
Treasury reserve		(16.5)	(11.6)
Profit and loss account		50.6	56.9
Equity		59.0	70.2

The accompanying notes on pages 177 to 181 form an integral part of these financial statements.

The Company reported profit for the year ended 31 December 2025 of £nil (2024: £nil).

These financial statements were approved by the Board of Directors on 24 March 2026 and were signed on its behalf by:

John Hornby

Chief Executive Officer

Will Hoy

Chief Financial Officer

Company registered number: 05254883

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Company Statement of Changes in Equity

for the year ended 31 December 2025

£m	Share capital	Share premium	Retained earnings	Treasury reserve	Total equity
Balance at 1 January 2024	0.1	24.8	64.6	(8.6)	80.9
Total comprehensive income					
Profit for the year	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—
Transactions with owners in their capacity as owners:					
Dividends	—	—	(7.5)	—	(7.5)
Purchase of own shares	—	—	—	(4.7)	(4.7)
Disposal of own shares	—	—	(1.7)	1.7	—
Share-based payments charge	—	—	1.5	—	1.5
Total transactions with owners in their capacity as owners	—	—	(7.7)	(3.0)	(10.7)
Balance at 31 December 2024	0.1	24.8	56.9	(11.6)	70.2
Total comprehensive income					
Profit for the year	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—
Transactions with owners in their capacity as owners:					
Dividends	—	—	(7.7)	—	(7.7)
Purchase of own shares	—	—	—	(5.3)	(5.3)
Disposal of own shares	—	—	(0.4)	0.4	—
Share-based payments charge	—	—	1.8	—	1.8
Total transactions with owners in their capacity as owners	—	—	(6.3)	(4.9)	(11.2)
Balance at 31 December 2025	0.1	24.8	50.6	(16.5)	59.0

The accompanying notes on pages 177 to 181 form an integral part of these financial statements.

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Notes to the Company Financial Statements
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28 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. All applicable amendments to FRS 102 have been applied since its issue in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £0.1m. The financial statements are prepared on the historical cost basis.

Under s408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The Company did not trade during the year.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period
- Cash flow statement and related notes
- Key management personnel compensation

As the consolidated financial statements of the Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements.

Going concern

Note 1 of the consolidated financial statements contains the going concern statement.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

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Notes to the Company Financial Statements continued
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29 Fixed asset investments

Accounting policy

Investments

These are the separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

Accounting policy

Share-based payments

Incentives in the form of shares are provided to employees through the Company's Share Incentive Plan ("SIP") and Long-Term Incentive Plan ("LTIP") schemes. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

The grant date fair value of an equity-settled payment under the SIP is measured as the face value of the award on the date of grant.

The grant date fair value of the awards under the Group's LTIP is measured by the use of the Monte Carlo simulation for any market-related performance conditions (given the increased uncertainty around the potential vesting of share options).

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Charges made to the income statement in respect of share-based payments are credited to reserves.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market-based vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The Group operates an employee share benefit trust as part of its incentive plans for UK-based employees.

All assets and liabilities of the trust are recorded in the balance sheet as assets and liabilities of the Company until such time as the assets are awarded to the beneficiaries. All income and expenditure of the trust is similarly brought into the results of the Company.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements, with the corresponding credit being recognised directly to equity.

£m	2025	2024
Balance at 1 January	6.7	5.2
Share-based payment charge relating to subsidiaries	1.8	1.5
Balance at 31 December	8.5	6.7

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29 Fixed asset investments continued

The Company holds 100% of the share capital of the following companies (with only Luceco Holdings Limited being a direct investment) whose principal activities were as follows:

Company	Registered office	Principal activity	% of shares held
Luceco Holdings Limited ¹ (Reg: 05254785)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Intermediate holding company	100
Luceco UK Limited ¹ (Reg: 02255270)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Electrical accessories importer and distributor	100
BG Electrical Limited ¹ (Reg: 01388059)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Electrical accessories importer and distributor	100
Luceco Electrical (Jiaxing) Limited	1,438 Jiachung Road Xiuzhou Industrial Park Jiaxing, Zhejiang 314000, China	Manufacturing company	100
Luceco (Hong Kong) Limited	Room 2401, 24th Floor CC Wu Building, 302-308 Hennessy Road, Wanchai, Hong Kong	Registered office	100
Luceco Inc	Batallon de San Patricio 109 Sur, Col. Valle Oriente San Pedro Garza Garcia, Mexico	Administrative and development office	100
Luceco SAS	3 Rue de Courtalin, 77700 Magny Le Hongre, France	Administrative and development office	100
Luceco GmbH	Holstenplatz 20b, 22765 Hamburg, Germany	Administrative and development office	100
Luceco Mexico	Batallon de San Patricio 109 Sur, Col. Valle Oriente San Pedro Garza Garcia, Mexico	Administrative and development office	100
BG Electrical SDN	No. 2 Jalan SS 24/17, 47301 Petaling Jaya, Selangor, Malaysia	Administrative and development office	100
Nexus Industries PTE Limited	3,791 Jalan Bukit Merah #09-25 (E-center@redhill), Singapore, 159471	Administrative and development office	100
Luceco Southern Europe SL	CL Bobinadora 1-5, Local 7, 08302 Mataro Barcelona, Spain	Administrative and development office	100
Luceco Middle East FZCO	Building 5EB, Office 342, DAFZA PO Box 371128, Dubai	Administrative and development office	100
Kingfisher Lighting Limited ¹ (Reg: 02236337)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Electrical accessories importer, installer and distributor	100
DW Windsor Group Limited ¹ (Reg: 08849218)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Intermediate holding company	100
D.W. Windsor Limited ¹ (Reg: 01309755)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of electric lighting equipment	100

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29 Fixed asset investments continued

Company	Registered office	Principal activity	% of shares held
Pulsar Lighting Solutions Limited ¹ (Reg: 00943317)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of electric lighting equipment	100
Urban Control Limited ¹ (Reg: 09950591)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of electric lighting equipment	100
EV Charge Points UK T/A EVCP Limited ¹ (Reg: 12454736)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of electric vehicle chargers	100
D-Line (Europe) ¹ (Reg: 05193249)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of other electric equipment	100
D-Line USA Inc.	2671 Technology Drive, Suite 112, Louisville, KY 40299, USA	Manufacturer of other electric equipment	100
CMD Limited ¹ (Reg: 02290387)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of light metal packaging, other electronic and electric wires and cables, and other electric equipment	100
Baltic Topco Limited ¹ (Reg: 14330682)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of other electric equipment	100
Baltic Holdco Limited ¹ (Reg: 14330838)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of other electric equipment	100
Baltic Midco Limited ¹ (Reg: 14330934)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of other electric equipment	100
Baltic Bidco Limited ¹ (Reg: 14331046)	Luceco Distribution Centre Stafford Park 1, Telford TF3 3BD, UK	Manufacturer of other electric equipment	100

1. All UK registered subsidiaries are exempt from audit, which is set out within Section 479A of the Companies Act 2006, for the year ended 31 December 2025. The Company will guarantee the debts and liabilities of each of the UK subsidiary undertakings at the balance sheet date in accordance with Section 479C of the Companies Act 2006. The Company has assessed the probability of loss under the guarantee as remote.

Luceco Holdings Limited is the only company which is owned directly. All other companies are owned and controlled by virtue of the Company's holding in Luceco Holdings Limited.

30 Debtors

£m	2025	2024
Amounts owed by Group undertakings	50.5	63.5

Amounts owed by the Group's subsidiaries are repayable at the Company's demand and attract no interest.

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31 Capital and reserves

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a reduction from equity, net of any tax effects.

	Allotted, called up and fully paid		Number of shares in issue (thousands)	
	2025 £	2024 £	2025 Number	2024 Number
At 1 January	80,400	80,400	160,800	160,800
At 31 December	80,400	80,400	160,800	160,800

Each ordinary share carries one vote, participates equally with the other ordinary shares in distribution of dividends and capital (including on a winding up) and is not redeemable.

32 Ultimate parent and controlling party

There is no controlling party.

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Glossary

A

- AC:** Alternating current
- AGM:** Annual General Meeting
- AI:** Artificial Intelligence
- APMs:** Alternative performance measures; a table summarising the reconciliation of adjusted measures to statutory measures is included in note 1 of the consolidated financial statements
- Articles:** The Company's Articles of Association

B

- BAU:** Business-as-usual
- BPS:** Basis points

C

- CAGR:** Compound annual growth rate
- Capex:** Capital expenditure
- CDP:** Carbon Disclosure Project
- CEO:** Chief Executive Officer
- CFO:** Chief Financial Officer
- CGU:** Cash-generating unit
- CO₂:** Carbon dioxide
- Code:** 2024 UK Corporate Governance Code
- CPA:** Construction Products Association
- CPI:** Consumer Price Index
- CSOP:** Company Share Option Plan

D

- DC:** Direct current
- DIY:** Do it yourself
- DSR:** Demand side response
- DTR:** Disclosure Guidance and Transparency Rules

E

- EAC:** Energy Attribute Certificate
- EBITDA:** Earnings before interest, tax, depreciation and amortisation
- EBT:** Employee Benefit Trust
- ECCTA:** Economic Crime and Corporate Transparency Act
- ECL:** Expected credit loss
- EcoVadis:** Globally recognised sustainability assessment platform
- EEIO:** Environmentally extended input output
- EICR:** Electrical Installation Condition Report
- Energy Transition:** the long-term global shift from fossil-fuel-based energy systems to cleaner, electrified and more energy-efficient technologies. Luceco Group products include Home Energy Management systems and EV chargers
- EPD:** Environmental Product Declarations
- EPOS:** Electronic point of sale; sales data recorded directly at a retailer's checkout system
- EPS:** Earnings per share
- ESG:** Environment, Social and Governance
- ESOS:** Energy Savings Opportunity Scheme
- EUR:** Euro; currency of the Eurozone
- EV:** Electric vehicle

F

- FCA:** Financial Conduct Authority
- FOB:** Free On Board, comprising products shipped directly from our facility in China to the customer
- FRS:** Financial Reporting Standards
- FTSE:** Financial Times Stock Exchange
- FVOCI:** Fair Value through Other Comprehensive Income

G

- GBP:** British pound sterling
- GDP:** Gross domestic product
- GHG:** Greenhouse gas

H

- HEA:** Highway Electrical Association
- HEMs:** Home Energy Management system
- HFC:** Hydrofluorocarbon, used as coolants in air conditioning units
- HGV:** Heavy goods vehicle
- HR:** Human resources

I

- IAS:** International Accounting Standards
- ICRM:** Internal controls and risk management
- IEA:** International Energy Agency
- IET:** Institute of Engineering and Technology
- IFRS:** International Financial Reporting Standards
- IK10:** An impact resistance or impact kinematic rating
- IP:** Intellectual property
- IP65:** An ingress protection or waterproofing rating

- IPCC:** Intergovernmental Panel on Climate Change
- IPO:** Initial public offering
- ISO:** International Organization for Standardisation
- K**
- KPI:** Key Performance Indicator
- L**
- L&D:** Learning and development
- LBM:** Location-based methodology
- LCMP:** Low Carbon Manufacturing Programme
- LED:** Light emitting diode
- LED Lighting:** A type of low energy lighting
- LGV:** Light goods vehicle
- LPG:** Liquefied petroleum gas
- LTIP:** Long-term incentive plan
- Low carbon products:** Comprising products which are enablers to reduce greenhouse gas emissions throughout their entire life, compared to traditional counterparts

M

- M&A:** Mergers and acquisitions
- MAR:** Market Abuse Regulation
- MBM:** Market-based methodology

N

- NED:** Non-Executive Director
- NGFS:** Network for Greening the Financial System

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O

OCI: Other Comprehensive Income

OECD: Organisation for Economic Co-operation and Development

OEM: Original equipment manufacturer

P

PCA: Persons closely associated

PCAF: Partnership for Carbon Accounting Financials

PSP: Performance Share Plan

R

R&D: Research and development

RCD: Residual current device

RMB: Renminbi, currency of China

RMI: Repairs, maintenance and improvements

RNS: Regulatory News Service

ROCI: Return on Capital Invested

RPI: Retail Price Index

S

SBTi: Science Based Targets initiative

SECR: Streamlined Energy and Carbon Reporting

SIC: Standard Industrial Classification

SID: Senior Independent Director

SIP: Share Incentive Plan

SKU: Stock keeping unit

SLT: Senior Leadership team

SMMT: Society of Motor Manufacturers and Traders

Solar PV: Solar photovoltaic; technology which converts sunlight into electricity

SONIA: Sterling Overnight Index Average

SPD: Surge protection device

SRS: Sustainability Reporting Standards

T

TCFD: Task Force on Climate-related Financial Disclosures

tCO₂e: Tonnes of carbon dioxide equivalent

TM65 and TM66 assessment: calculation of the total CO₂ emitted in the production of a product

TPT: Transition Plan Taskforce

TSR: Total shareholder return

U

UAE: United Arab Emirates

USD: United States dollar

W

WEEE: Waste Electrical and Electronic Equipment

WWF: World Wide Fund for Nature

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Financial calendar

Ex-dividend date	9 April 2026
Dividend record date	10 April 2026
Dividend reinvestment plan final date for election	30 April 2026
Annual General Meeting	19 May 2026
Dividend paid	22 May 2026
Half-year end	30 June 2026
Half-year end trading update	28 July 2026
Half-year interim management statement	22 September 2026
Q3 trading update	27 October 2026
Year end	31 December 2026
Full-year results	March 2027

Share price history

The following table sets out the reported high, low, average and financial year end (31 December or immediately preceding business day) closing middle market quotations of Luceco’s ordinary shares on the London Stock Exchange for the period 1 January 2025 to 31 December 2025.

Share price (pence)	High	Low	Average	Financial year end ¹
2025	158.2	115.0	135.6	131.8
2024	192.0	117.9	149.3	128.4

1. Last trading day at the London Stock Exchange, 31 December 2025.

Shareholder queries

Shareholders who change address, lose their share certificates, wish to amalgamate multiple shareholdings or have payments paid directly into their bank account, or otherwise have a query or require information relating to their shareholding, should contact the Company’s registrar.

This can be done by writing to **MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds LS1 4DL**. Alternatively, shareholders can contact **MUFG Corporate Markets on 0371 664 0300 and +44 (0)371 664 0300 (international)**. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales, or email their enquiry to **shareholderenquiries@cm.mpms.mufg.com**, indicating they are a Luceco shareholder.

Shareholders are also able to access and amend details of their shareholding, via the registrar’s website at **www.signalshares.com**. If you have not previously registered to use this facility you will need your investor code, which can be found on your proxy card or on any share certificate issued by MUFG Corporate Markets.

You can access the service via the investor relations section of Luceco’s website at **www.lucecoplc.com**.

Online shareholder services

Luceco provides a number of services online in the investor relations section of its website at **www.lucecoplc.com**, where shareholders and other interested parties may:

- View and/or download annual and half-year reports
- Check and/or download current or historic share prices
- Check the amounts and dates of historic payments to shareholders
- Use interactive tools to calculate the value of shareholdings
- Chart Luceco ordinary share price changes against indices
- Register to receive email alerts regarding press releases, including regulatory news announcements, Annual Reports and Company presentations



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ShareGift

Luceco supports ShareGift, the share donation charity (registered charity number 1052686). ShareGift was set up so that shareholders who have only a very small number of shares which might be considered uneconomic to sell are able to dispose of them by donating them for the benefit of UK charities. Donated shares are aggregated and sold by ShareGift, the proceeds being passed on to a wide range of UK charities. Donating shares to charity gives rise neither to a gain nor a loss for UK capital gains purposes and UK taxpayers may also be able to claim income tax relief on the value of the donation.

Further information about donating shares to ShareGift is available either from its website at www.sharegift.org, by writing to **ShareGift at 4th Floor Rear, 67/68 Jermyn Street, London SW1Y 6NY** or by contacting them on **+44 (0)20 7930 3737**.

Even if the share certificate has been lost or destroyed, the gift can be completed. The service is generally free; however, there may be an indemnity charge for a lost or destroyed share certificate where the value of the shares exceeds £100.

Unsolicited mail

The Company is obliged by law to make its share register publicly available should a request be received. As a consequence, shareholders may receive unsolicited mail from organisations that use it as a mailing list. Shareholders wishing to limit the amount of such mail should either write to **Mailing Preference Service, DMA House, 70 Margaret Street, London W1W 8SS**, register online at www.mpsonline.org.uk or call the Mailing Preference Service ("MPS") on **+44 (0) 207 291 3310**. MPS is an independent organisation which offers a free service to the public.

Warning to shareholders – boiler room scams

Each year in the UK, £1.2bn is lost to investment fraud, with the average victim losing around £20,000. What is more, it is estimated that only 10% of the people that become victims of investment fraud actually report it.

Investment scams are becoming ever-more sophisticated – designed to look like genuine investments, they are increasingly difficult to spot. They are targeted at those most at risk, typically people in retirement who are actively seeking an investment opportunity.

Protect yourself

1) Reject cold calls

If you have been cold called with an offer to buy or sell shares, it is likely to be a high-risk investment or scam. You should treat the call with extreme caution. The safest thing to do is hang up.

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should get the name of the person and organisation contacting you and take these steps before handing over any money.

2) Check the firm on the Financial Services Register at www.fca.org.uk/register

The Financial Services Register is a public record of all the firms and individuals in the financial services industry that are regulated by the FCA. Use the details on the Financial Services Register to contact the firm.

3) Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

REMEMBER, if it sounds too good to be true, it probably is!

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme if things go wrong.

Report a scam

If you suspect you have been approached by fraudsters, please tell the FCA using the share fraud reporting form at www.fca.org.uk/consumers/report-scam-us#Report where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **+44 (0)800 111 6768**.

If you have lost money to investment fraud, you should report it to **Action Fraud** on **+44 (0)300 123 2040** or online at www.actionfraud.police.uk.

Find out more at www.fca.org.uk/scamsmart.

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Additional Information

Advisers and Other Information

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ir@luceco.com

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Statutory Auditor
Chartered Accountants
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100 Liverpool Street
London EC2M 2AT

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Company secretarial services

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luceco@client.sodali.com

Cautionary statement

This Annual Report and Financial Statements has been prepared for the shareholders of Luceco plc, as a body, and no other persons. Its purpose is to assist shareholders of the Company to assess the strategies adopted by the Group, the potential for those strategies to succeed and for no other purpose. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

This Annual Report and Financial Statements contains certain forward-looking statements that are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated.

No assurances can be given that the forward-looking statements in this Strategic Report will be realised.

The forward-looking statements reflect the knowledge and information available at the date of preparation of this Strategic Report and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report and Financial Statements should be constituted as a profit forecast.

Strategic Report and Governance

The Strategic Report, Governance section and the Financial Statements form part of the Directors' Report. In particular, the Board has taken advantage of Section 414C(11) of the Act to include disclosures in the Strategic Report including:

- Employee involvement
- The employment of disabled people
- The future development, performance and position of the Group
- Research and development activities

Each of the Strategic Report and Governance section have been drawn up and presented in accordance with English company law and the liabilities of the Directors in connection with these reports shall be subject to the limitations and restrictions provided by such law. In particular, the Directors would be liable to the Company (but not to any third party) if the Strategic Report and/or Governance section contained errors as a result of recklessness or knowing misstatement or dishonest concealment of a material fact, but would not otherwise be liable.

The Strategic Report forms part of the Annual Report and Financial Statements and full copies are available on the Group's website at www.lucecoplc.com or from the Company's registered office.



The paper used in this report is produced using virgin wood fibre from well-managed, FSC®-certified forests and other controlled sources. All pulps used are elemental chlorine free and manufactured at a mill that has been awarded the ISO 14001 and EMAS certificates for environmental management. The use of the FSC® logo identifies products which contain wood from well-managed forests and other controlled sources certified in accordance with the rules of the Forest Stewardship Council®.

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