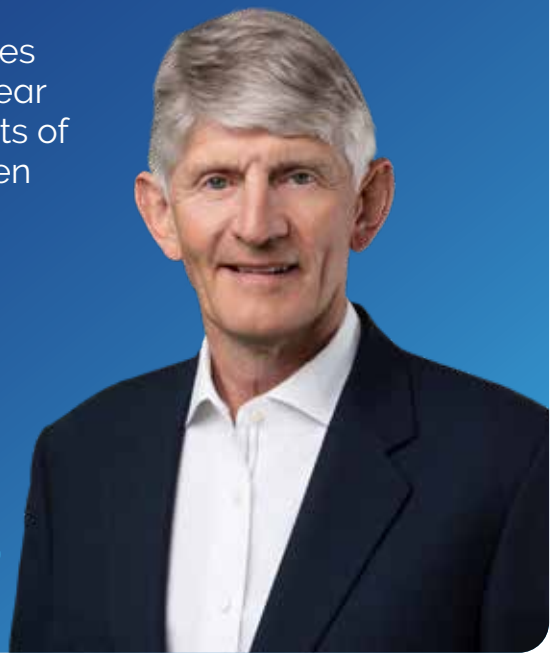
Chair's statement

Strong **strategic delivery** positions Oxford Instruments for **future growth**

"The remarkable outcomes we have achieved this year clearly reflect the benefits of the actions we have taken over the past two years."

NEIL CARSON
Chair



Further details on **pages 11 to 23**

It has been another year of strong delivery and strategic progress for Oxford Instruments, as we continue to execute with clarity and discipline against the priorities set out in 2024.

The remarkable outcomes we have achieved this year, meeting the market's expectations for the year in the wake of significant external headwinds in the first half, clearly reflect the benefits of the actions we have taken over the past two years. We are now operating on much stronger foundations, which have underpinned our resilience to external headwinds and positioned us for future growth. We enter the new financial year with clear momentum and with our confidence in the Group's medium-term potential underlined.

Driving innovation in science has always been at the core of Oxford Instruments, and remains central to our strategy as we invest to accelerate breakthrough developments. Since 2023, we have built on this heritage with a step change in customer focus, commercial discipline and operational performance. The work done to simplify the Group, sharpen our commercial focus and embed a culture of operational excellence is now clearly translating into improved performance and resilience.

Strength and opportunity Group-wide

In Advanced Technologies, having committed the right level of investment at the right time to create our new facility at Severn Beach, we have added greater strategic focus and commercial discipline to our capabilities, and are now extremely well positioned to benefit from the current strong growth in the compound semiconductor market. With the site now fully up and running, the benefits of our world-class clean room and our investment in talent and innovation are clear, as growing numbers of key commercial customers place their trust in us to support their new chip developments and volume ramp up. The divestment of NanoScience, completed in January 2026, has further enabled us to prioritise the most significant growth opportunities for the division. The Board's thanks go to everyone involved in this project for their commitment and professionalism throughout.

In Imaging & Analysis, we have honed and sharpened the focus of what was already a highly effective driver of value for customers and shareholders alike. The quality and differentiation of our product range, underpinned by ongoing innovation, gives us continued opportunity for growth in this division. I was particularly pleased with the agility and pace with which the team here dealt with significant external headwinds this year, swiftly returning the business to growth, delivering improvement quarter on quarter and ultimately maintaining their exceptional financial performance.

Chair's statement continued

Across both divisions, we play a vital role both in enabling pure academic research and in supporting customers as they develop the next generation of technologies and applications and take them into a production setting. By connecting academic and commercial ecosystems, and by providing the tools and insights needed to accelerate innovation, Oxford Instruments occupies a distinctive and highly valued position. This continues to provide a degree of resilience against macroeconomic uncertainty, while ensuring that we remain aligned to long-term global investment in science and technology.

We have maintained strong momentum in our operational transformation during the year with significant efficiency improvements supporting results. The changes made to our structure and Ways of Working increasingly embedded organisation-wide, creating a simpler and more agile business.

In parallel, we have continued to allocate capital with discipline, focusing on the areas of highest strategic and financial return, and further strengthening the foundations for sustainable growth. The strength of our cash position as we head into FY27 gives us excellent capital investment flexibility. Given the improved cash flows and strength of our balance sheet, and our confidence in the prospects for organic growth within Oxford Instruments, key areas of focus for capital investment will be in continuing to strengthen our customer experience and demonstration centre capability, and reinforcing our operational site process capability; we also plan to accelerate the development roadmap for our product ranges in both divisions with additional investment.

Our people delivering progress

The progress we have made would not have been possible without the continued commitment and capability of our people. Across the Group, teams have embraced our strategy and have translated it into tangible outcomes, while maintaining a clear focus on our customers and on delivering commercial impact.

I have been pleased to see our new Ways of Working become more deeply embedded during the year. They are fostering greater collaboration, accountability and pace, and are helping to create a more consistent and customer-focused culture across the Group. This cultural shift is an important enabler of our strategy and will remain a priority as we continue to evolve the organisation.

On behalf of the Board, I would like to thank all our employees for their contribution to another successful year. Their expertise, agility and commitment position Oxford Instruments strongly for the opportunities ahead.

Sustainability

We have continued to make strong progress on our sustainability journey, building on the important milestones achieved last year, which included the approval of our science-based net zero targets and the publication of our transition plan. During the year, we have focused on embedding these commitments into our operations and decision-making processes, ensuring that sustainability remains closely aligned with our strategy and long-term value creation.

Our technologies continue to support customers in addressing some of the world's most pressing challenges, from advances in healthcare to the development of more efficient materials and semiconductor technologies. In doing so, we are not only delivering commercial value, but also contributing to wider societal and environmental progress.

Dividend

Reflecting the Group's continued strong performance and our confidence in its future prospects, the Board is recommending a 6.3% increase in the full-year dividend to 23.6p, in line with our progressive dividend policy. This remains an important element of our commitment to delivering sustainable returns to shareholders. The proposed dividend is subject to approval at the AGM on 23 July 2026.

> "Oxford Instruments is now in a position of strength. We have a clearer strategic focus, a stronger operational platform, and a culture that is increasingly aligned to delivering consistent and sustainable performance."

Looking to 2027 and beyond

As we look to the future, Oxford Instruments is now in a position of strength. We have a clearer strategic focus, a stronger operational platform, and a culture that is increasingly aligned to customer expectations and delivering consistent and sustainable performance.

While the external environment remains complex and fast-moving, with ongoing geopolitical and macroeconomic uncertainty, we are ever more confident in our ability to navigate these challenges. The long-term drivers of demand in our markets remain compelling, underpinned by global investment in research, technology and innovation.

With a strengthened portfolio, a more disciplined approach to execution, and a talented and committed team, we enter the next financial year and the period beyond with confidence. We remain focused on delivering further progress against our strategic objectives and on creating long-term value for all our stakeholders.

I look forward to reporting on our continued progress in the year ahead.

NEIL CARSON
Chair
8 June 2026

Chief Executive Officer's review

Delivering on our **strategy,** powering **future growth**

"We are making clear progress against our strategy and remain well positioned in structurally growing markets, supported by increased investment in innovation, operational excellence and our people."

RICHARD TYSON
Chief Executive Officer

Further details on **pages 11 to 23**

A strong second half delivered a good full-year performance, slightly ahead of expectations, in a year characterised by geopolitical uncertainty, as we responded to external challenges with agility and strong strategic and operational execution. Given the H2 trajectory, the significant growth opportunity in compound semiconductors, and the strategic actions taken since 2024, we are confident in our ability to deliver attractive growth and create value in FY27 and beyond.

Despite the macro challenges in the early part of the year, the Group delivered order growth of 8.0% on an organic constant currency (OCC) basis. This growth is underpinned by the strength of our high margin, diversified Imaging and Analysis (I&A) portfolio, and the expanding opportunities within the compound semiconductor market for our Advanced Technologies (AT) division, where order intake has grown by 28.1%.

Revenue returned to growth in the second half (up 1.3% OCC), finishing the year 3.0% lower than last year following the disrupted first half. Adjusted operating profit rebounded markedly, growing 15.4% in H2 versus H2 FY25, with the full year ending just 1.6% behind last year.

Order intake
£450.4m
(2025: £423.4m)

Revenue
£423.2m
(2025: £443.4m)

Adjusted[1] operating profit
£73.7m
(2025: £79.5m)

Adjusted[1] organic constant currency operating margin
18.2%
(2025: 17.9%)

1 Details of adjusting items can be found in Note 2 to the financial statements.

Chief Executive Officer's review continued

Gross margins increased by 70 basis points, driven mainly by the I&A division, where our restructuring of the Belfast cameras and microscopy business has delivered significant savings, and together with tight cost control has allowed us to grow our continuing operations full-year adjusted operating margin on an organic constant currency by 30 basis points to 18.2%, despite absorbing 80 basis points of stranded cost following the NanoScience divestment.

I am extremely proud of all my colleagues who have not only taken such effective action to mitigate and manage geopolitical volatility, but have also continued to drive forward the strategy we set out in 2024, building a more commercial and operationally focused business, better able to deliver sustainable future growth.

Imaging & Analysis returning to growth

We acted quickly in **our Imaging & Analysis (I&A) division**, which was most impacted by the tariff and funding disruption to orders and revenue in the first half, as customers sought to clarify funding sources and delayed placing orders. We repriced our open order book, adjusted our manufacturing footprint, and sought new funded market opportunities to restore the business to growth. Our response, coupled with the division's exposure to structurally resilient end markets, helped this division to deliver an improving growth rate every quarter. Order intake grew 8% in H2, and full-year orders closed 1.3% OCC up for the year. As a result of the profit improvement actions taken in our cameras and microscopy business, and improved operational execution, adjusted operating margin improved 120 basis points on an already strong prior year. This margin improvement offset a 3.0% decline in revenue and delivered divisional operating profit growth of 2.3%.

Strong order momentum in Advanced Technologies

Advanced Technologies (AT) delivered 28.1% CC order intake growth, with the second half order intake growing over 30%, and our year-end orderbook closing up 27% versus the prior year. Following receipt of a significant multi-year order in April 2026, the current AT order book materially covers planned revenue for FY27, with orders now extending into FY28. The investment thesis behind the £75m investment in our state-of-the-art, purpose-built facility at Severn Beach, now fully operational, is playing out as planned. The significant growth in data centres has driven high demand for compound semiconductor chips for optical data switching and early positioning for power applications. Orders for these datacomms applications have grown more than 200% in FY26, mainly from large high-volume commercial manufacturers who now make up more than 50% of our order volume. We are also seeing healthy growth momentum in micro LED and lens etchings related to the development of augmented reality (AR) and virtual reality (VR) glasses.

Our Unity detector has contributed to our strong orders performance in Imaging & Analysis

The weighting of order book growth to the second half, and of product mix towards larger, multi-chamber systems being ordered by volume production customers, means we have seen later flow through into revenue growth than expected, and are seeing this order momentum convert into revenue and operating profit in H1 FY27.

NanoScience successfully divested

In January 2026 we completed the sale of NanoScience, the quantum-focused business within our AT division. This divestment enabled us to crystallise the performance improvement delivered in FY25, achieving a strong value outcome for shareholders. Whilst the divestment has left stranded cost in the Group to be absorbed by the remaining divisions[1], the Group's FY25 restated adjusted operating margin increased by 150 basis points as a direct result of the sale. The divestment has brought greater focus and predictability to the AT division, allowing us to allocate capital with greater confidence. It has also further simplified the Group, including reducing our site footprint, and releasing management time to focus on higher value growth opportunities.

Recovering cameras and microscopy business

As we described in our FY25 Annual Report, our Belfast-based cameras and microscopy business has struggled to maintain market share in recent years in a declining healthcare and life sciences market. We took decisive, but difficult action to address the competitiveness and the margin structure of the business. This included a 20% reduction in workforce, new leadership, a shift in product strategy towards higher contributing lines, and increased investment in both new products and production facilities, including a full clean room upgrade in April 2026.

1 Stranded costs refer to central costs that were previously charged to the NanoScience business, and remain within the Group post-divestment. These costs are now borne by the remaining I&A and AT divisions.

Chief Executive Officer's review continued

I am pleased to say we are seeing the benefits of these actions, including improved operating margins, higher productivity and lower inventory levels which delivered an extra £5.6m in cash flow. Most importantly we have seen increased orders from OEMs. With a book to bill for these product lines of 1.05, we are moving into FY27 with confidence in the growth prospects for the business.

Customer-centric commercial model

Changes to our operating model have been instrumental in the year's strong recovery. Our regional teams, fully connected to customers and to local market dynamics, are now primarily responsible for driving order growth, while business units, based at our operational facilities, focus on developing market-leading products and software, and ensuring effective delivery. We have realigned our sales teams and increased resources to enable them to build deeper and broader relationships with key customers, with a capability to sell products from across our portfolio. As part of this change to our structure, we have strengthened our presence in Europe, the Middle East, Africa and India (EMEAI), creating a dedicated EMEAI regional leadership team under a regional president, as we have already done successfully in the US and China, and by combining regional teams for Japan and the rest of Asia. The changes made in EMEAI are already having a positive impact, with double digit order growth in the region.

Experience has proved that customers are more likely to order an Oxford Instruments product if they have an opportunity to experience its capabilities in action, in a high technology setting. The prime example of this is the Severn Beach facility, where we are able to demonstrate the capabilities of our equipment on customer wafer samples, in one of Europe's leading clean room settings. However, we are also bringing our I&A tools closer to customers by investing in new demonstration suites in growing markets in Asia, key centres in the US, and our primary regional office in Germany.

Service as a driver of growth and margin opportunity

Service is playing an increasingly important role in our ability to drive high-margin revenue growth, and this will remain a key focus area in FY27. Service revenue now accounts for 18.8% of Group revenue, up from 15.9% in FY23, prior to the launch of our customer-first strategy, as we seek to improve customer experience by delivering support that is faster, more capable and more locally responsive. Service initiatives under way include upskilling employees to support a wider range of systems, improving availability of parts and loan/exchange units, and beginning to introduce local repair centres, as well as adopting new systems to track targets and drive improvements.

The provision of service in commercial settings, where product uptime and rapid issue resolution are critically important to high-volume manufacturers, has been a key focus area in the year. We are now able to offer a higher level of service on a contracted basis for key commercial customers, providing 24/7 on-site support for large, complex installations. Globally, tailored packages now allow customers to choose the elements of service which add most value for them, ranging from preventative maintenance to rapid response on-site repairs.

This targeted focus on delivering first-class customer service has supported a 7.7% uplift in service orders year on year, with scope for further growth in FY27, with standardised reporting highlighting opportunities for improvement across regions, and improved mapping of our installed base supporting increased opportunities to target warranty sales.

Building an operational excellence culture

Our operational excellence programme – OpEx30 – is a fundamental component of our strategy. It is not only aimed at impacting near-term financial performance, but also as a catalyst for transforming the culture of Oxford Instruments to one of disciplined, data-driven execution. First deployed at our Belfast site in 2024, the programme has expanded to all our major UK sites, with impressive results. In Belfast, we have seen a 60% increase in camera productivity and a 30% reduction in customer repair times. In Severn Beach, we have achieved a 40%+ reduction in build time for one of our atomic layer deposition systems, the Plasma Pro ASP. The programme is staffed by a mix of highly experienced operations leaders and key talent at an earlier stage in their careers. We now have a body of experience and lessons learned enabling us to accelerate the impact of the programme in new sites.

A beneficiary will be our compound semiconductor facility in Severn Beach, where our experience of made-to-order configuration processes in our NanoScience business has direct relevance, as we strengthen our production capabilities and supply chain to address current and future growth.

A new customer demonstration centre in Seoul enables us to showcase our technology in person

Chief Executive Officer's review continued

Strategic sourcing

A strategic approach to managing our supply chain has become even more important in the context of geopolitical uncertainty, inflationary headwinds, and a step change in growth trajectory in our AT business. Led by our Chief Operating Officer and the global sourcing team, we have been very active in ensuring greater resilience in our supply chain to support future growth through dual sourcing, strategic supplier relationships, and long-term inventory planning. We continue to work to mitigate this risk in line with our overall risk appetite. The work carried out to mitigate the impacts of geopolitical uncertainty, including rare earth supply challenges, has delivered lasting benefits, in terms of long-term expansion of the supply base and improved commercials for our UK manufacturing sites Separately, the team's forward planning for universally required components for I&A improved security of supply and avoided £1m of inflationary cost.

So far, the current energy crisis has not had a material impact on our cost base, with energy costs typically representing less than 1% of revenue at our UK sites, which have the highest energy consumption in the Group, and which will benefit from hedged pricing contracts over the next six to 12 months. However, we will expect to see second order impacts filter into our supply chain. Where we have faced inflationary pressures, we have worked to secure the best deals we can, and have found sources of value in taking a more global approach to sourcing, moving on from a legacy of individual business units making individual buying decisions. During FY26 the sourcing team has generated a £1m annual saving and improved service by consolidating logistics partners.

Looking forward, our procurement and engineering teams are working closely together to drive forward a value engineering agenda, designing out cost and complexity from key product lines, positively impacting product contribution margins. Significant savings have been achieved on new product launches: most notably, c.£7k per unit was shaved from the cost of components for a recent product launch, generating a 5%+ gross margin improvement versus near-final designs and thereby enabling a competitively priced market position.

Sustained commitment to innovation and R&D

Innovation remains at the heart of Oxford Instruments. Recognising that our differentiated technology is a key source of strength for Oxford Instruments, we have invested almost £40m in R&D in FY26, representing 8.8% revenue (2025: 8.7%). We are also proud of our academic heritage and the continued strong links we have into academia around the world, which help to ensure we are at the forefront of new analytical techniques and new applications for our technology. In I&A, our long-term growth has come from delivering the best products in the world, but also from making these products more accessible to less expert users in both academic and commercial settings, significantly expanding our addressable market. Today, our R&D priorities for this division include continuing to develop our highly regarded software interface to encompass our full analytical suite of tools, providing greater functionality and ease of use. We are also investing in incorporating AI further into our products, accelerating analysis and decision making for our customers. We continue to successfully bring new products to market, with a particular focus on our camera portfolio, where we are incorporating new sensor technologies and software tools to ensure we remain leaders in this area. Recognising the significant opportunities in semiconductors for our I&A division, as well as AT, we are also investing more to adapt our tools to fit seamlessly into high-volume chip manufacturing environments.

In AT, we work closely with our customers to understand future market needs and ensure we have a product development roadmap in place to meet them. High-volume manufacturing customers in particular want confidence not only that we can meet their requirements today, but that we can grow and innovate with them to support their growth plans. A clear example is the need to ensure our equipment can continue to accommodate larger wafer sizes, as customers seek to drive economies of scale. We are committed to working with our customers over the long term and are ensuring we are allocating sufficient capital to R&D in these areas.

We have launched a number of new products in I&A, while in AT's compound semiconductor business we have created new and improved processes and semiconductor 'recipes' to maintain our leading edge and support our customers' roadmaps. Developments across both divisions are covered in more detail in the divisional overviews below.

The principles of maintaining and developing new leading-edge capabilities, combined with increasing ease of use, are common to the whole Group's R&D programme.

Given our strong net cash position, and the opportunities for long-term growth in both divisions, we plan to incrementally increase our cash investment in R&D in FY27, to capture more of our growth opportunities, recognising that innovation is a key organic growth engine for Oxford Instruments. Key areas of focus include:

- adapting our metrology equipment to better suit a semiconductor production environment, and supporting our customers to move to larger wafer sizes,
- broadening the scope of our software and integrating further AI capabilities; and
- refreshing our camera lines and exploring further OEM integration.

Chief Executive Officer's review continued

Strong progress on Group medium-term actions

	Medium-term target	FY24	FY26	Future
Revenue growth	5–8% organic growth CAGR	3-year CAGR 12.1%	3-year CAGR (3.4%)	Life science recovery Commercial investments Service growth
Group margin	20%+	17.1%	18.2%	AT growth – operating leverage Belfast return to growth Service revenues
ROCE	>30%	29.1%	28.2%*	Steps back to range with profit growth Focus for future investments
Cash conversion	>85%	64%	89%	Improvements in working capital Pension buy out
Investment in R&D	8–9% revenue invested	8.3%	8.8%	Periodic investing in additional growth opportunities
M&A	Selective M&A	Acquired First Light Imaging and FemtoTools	Disposal of NanoScience	Disciplined approach to opportunities, ensuring they meet investment thresholds

* Ex NanoScience

Progress on medium-term goals

In 2024 we set out our key medium-term financial goals:

- Organic revenue growth of 5–8% CAGR
- Adjusted operating margin improvement to 20%+
- Cash conversion of over 85%
- Continuing to invest in growth, including 8–9% on R&D
- Strong return on capital employed (30%+)
- Selective acquisitions bringing complementary capabilities

As set out above, we are investing in R&D aligned to our target range of 8–9% of revenue. Our adjusted operating profit margin continues to improve, from 16.4% in FY25 to 18.2% in FY26, supported by the divestment of NanoScience, restructuring in our cameras business, and a greater focus on operational excellence. Despite the 130bps of currency headwinds since 2024, we remain confident in our medium-term margin goal of 20%.

This reflects the benefit of the actions taken in Belfast, supply chain and operational efficiency initiatives, and the operating leverage benefit expected from a growing AT division, for which we are now guiding to a margin range of 12–15%, up from the 10–12% set out in 2024. Cash conversion also remains high at 89% for FY26 and has averaged 85% over the last three years. We remain confident that average cash conversion over the medium term will be at or above our goal of 85%.

Challenging trading in Q1 of FY26, together with currency headwinds in recent years, has meant revenue growth since FY24 has been below our target range on a reported basis, and this is reflected in our FY23 to FY26 compound annual growth rate (CAGR) of 3.4%. However, with a return to growth in I&A in H2 of FY26, and a very strong order book in AT, we remain confident in our medium-term organic revenue CAGR goal of 5%–8%.

Our return on capital employed (ROCE) goal is to deliver above 30%. Excluding NanoScience, we delivered a reported ROCE of 28.2%. Given the progress being made, and the expected future growth profile of the business, we still expect to see an average ROCE above 30% over the medium term, even with our additional organic investment plans.

The outcomes we have achieved in such a challenging year reinforce our confidence in our ability to achieve these mid-term targets.

Disciplined capital allocation

With £94.0m net cash at the end of the year, our balance sheet is strong, providing us with resilience and the flexibility to invest to drive future returns. As anticipated, cash conversion was strong in H2, with full-year cash conversion at 89%, and free cash flow is anticipated to accelerate through FY27, as the business grows, restructuring costs fall away, and following the cessation of contributions to our defined benefit pension scheme.

Our primary capital allocation priorities remain as follows:

- **Organic investment,** encompassing:
  - R&D, to which we remain committed to investing 8%–9% of revenue; and
  - capital investment in organic growth opportunities, where the basis for investment is increased returns, rather than simply maintaining the capital base.

  We see a number of growth investment opportunities in FY27 in both I&A and AT, and we plan to allocate more capital to these next year.
- **Dividend:** our dividend programme, through which we are returning £13.0m to shareholders in FY26. Subject to ratification by shareholders at the Annual General Meeting, we intend to increase the dividend by 6.3% to 23.6p per share, reflecting our confidence in long-term growth.

Chief Executive Officer's review continued

- **M&A:** After allocating free cash flow to organic investment and dividends, any remainder will be considered for allocation to inorganic growth and margin opportunities. We continue to actively review M&A opportunities, primarily focused on our I&A division. However, we are disciplined in our approach to assessing these opportunities to ensure they provide clear strategic advantages and meet our investment returns threshold.
- **Additional capital returns to shareholders:** We will consider additional capital returns via further share buy backs if surplus capital remains once the three avenues above have been explored.

Since successfully executing two smaller acquisitions, First Light Imaging and FemtoTools in 2024, we have considered capital returns as delivering greater value to shareholders. We announced the company's first buyback programme in June 2025 for £50m and extended it further to £100m in November. Over the course of the year, we deployed £62.2m of capital to share buybacks, and will continue to execute on this programme into FY27.

Positioned in structurally growing markets

We remain confident in the structural growth potential of our three primary markets: **materials analysis, semiconductors** and **healthcare & life science**.

Materials analysis, which remains our largest market segment at £178m revenue, rebounded from the disruption of H1 to achieve strong order growth up 5.5% OCC in H2, demonstrating broad-based demand for our capabilities. Full-year orders were broadly in line with the prior year.

Here, customers use our technology to understand, test and improve the properties of materials across a wide range of markets, from the development and analysis of advanced, structural and energy-efficient materials including metals, alloys and polymers, through the production life cycle to quality control, in areas such as automotive and food. Environmental applications such as geology and microplastics analysis are also reported in this segment.

Revenue growth in materials analysis applications has lagged orders, down 4.4% OCC year on year following the tariff and US academia-related disruption of Q1, but with a strong recovery in H2 following the pattern of order intake.

We have delivered strong order growth in **semiconductors**, up 28.1% CC. This was largely driven by the 28% CC order intake growth in our AT compound semiconductor business; however, we also achieved 12.7% OCC growth in I&A semiconductor orders. As semiconductor design and manufacture reshoring programmes take place, customers are increasingly using our Imaging & Analysis metrology tools for quality control in final assembly, among other tasks.

In Advanced Technologies, our strategy is to focus on multiple areas of potential demand across data communications, augmented reality, power electronics and quantum. In FY26 this has underpinned strong orders and a growing pipeline as our expertise generates demand from our target volume manufacturers, notably resulting from the following developments:

- The full capacity build-out in response to growth in generative AI applications and the associated demand for data, which requires a step change in the performance and cost-effective manufacturing of data communication devices with laser optics.
- The evaluation of future power chip requirements using gallium nitride for data centres, electric vehicles and next generation consumer electronic devices, as customers test the technology in a production setting ahead of scaling.
- Corporate R&D to test cost-effective volume manufacturing potential of augmented reality glasses.

With our longstanding expertise, we are well placed to address the current demand for new material science to support the development of the properties of compounds on semiconductors. As well as advancing our customers' capabilities in these and other areas, we play a vital role in supporting efficient and robust wafer production, enabling the cost of each wafer to be reduced.

For further detail on compound semiconductor market dynamics, see the Advanced Technologies divisional overview on pages 20 to 23.

Revenue for the semiconductor segment was £136m, 62% of which was generated by AT, and 38% by I&A. H2 saw significant growth in both divisions; however, the timing of order receipt in AT, and the lead times associated with the increasing number of orders for volume production, combined with the Q1 tariff disruption in I&A, has led to a lag in receipt of revenue, with full-year revenue down 3.3% at constant currency versus prior year, again tracking order intake patterns.

The early signs of recovery in **Healthcare & Life Science** signalled at half year have continued into the remainder of the year, with 7.5% OCC order growth in H2 in the Imaging & Analysis division as a whole and 12% OCC order growth in our Belfast cameras and microscopy facility, as well as an increasing use of our atomic force microscopy equipment in this market. Healthcare & Life Science revenue was broadly level at £71.6m, down 0.9% OCC year on year, with £73.9m of orders giving a full-year book to bill of 1.03, reflecting positive momentum into FY27.

Other markets represent £37m of revenue, of which the largest portion stems from quantum applications across both divisions.

Chief Executive Officer's review continued

Imaging & Analysis

The Imaging & Analysis (I&A) division develops and manufactures microscopes, scientific cameras, analytical instruments and bespoke software, with manufacturing bases in the UK (High Wycombe and Belfast), Europe (Aix-en-Provence, Ulm and Zurich) and the USA (Santa Barbara).

Orders
£317.3m
(2025: £318.6m)

Revenue
£314.7m
(2025: £330.5m)

Key highlights

Imaging & Analysis	2026	2025[1]	growth	OCC growth[2]
Order intake	**£317.3m**	£318.6m	(0.4%)	+1.3%
Revenue	**£314.7m**	£330.5m	(4.8%)	(3.0%)
Adjusted operating profit[3]	**£70.9m**	£73.2m	(3.1%)	+2.3%
Adjusted operating profit margin[3]	**22.5%**	22.1%	40bps	
OCC adjusted[3] operating margin	**23.3%**	22.1%		+120bps
Statutory operating profit	**£59.0m**	£37.8m		
Statutory operating margin	**18.7%**	11.4%		

1 FY25 restated to classify NanoScience as a discontinued operation.
2 For definition refer to note above.
3 Details of adjusting items can be found in Note 2 to the financial statements.

The I&A division brings together the Group's extensive capabilities in imaging and analysis, where we offer highly sophisticated, but relatively small-scale scientific instruments, paired with bespoke software, to a wide range of customers from academic research institutions to commercial R&D teams and volume manufacturers. The division generates strong margins and runs on a shorter order cycle than our Advanced Technologies division, where we typically sell larger scale capital equipment with longer lead times and structurally lower, albeit growing, margins.

Chief Executive Officer's review continued

Imaging & Analysis market dynamics

We have a strong divisional presence in each of our three main markets: materials analysis, semiconductors and healthcare & life science. The primary drivers of each are set out in 'Positioned in structurally growing markets' above.

Divisional performance in **materials analysis** was resilient, with a strong rebound from H1 disruption into H2, to end the year with orders broadly flat, down 0.5% CC and revenue down 3.4% OCC.

Demand for **semiconductor-related** applications was strong, with orders growing by 12.7% OCC, while revenue was down 0.9% OCC against a strong prior year comparator.

We are able to showcase our metrology capabilities to an increasing range of volume manufacturing customers via our compound semiconductor facility in Severn Beach, where we have installed a full range of Imaging & Analysis products in our state-of-the-art cleanroom, which is aiding conversion of prospects to orders.

Following early signs of order stabilisation over the past two reporting periods, the **healthcare & life science segment** has returned to order growth in H2.

We saw sustained order momentum from the start of the second half, ending H2 7.5% OCC up versus prior year and with a 29% uplift in system sales for BC43, our flagship confocal microscope. Healthcare & life science revenue was 0.9% OCC behind prior year.

Our increasing exposure to commercial customers has enhanced the resilience of the division, with growth in commercial R&D orders of 18% year-on-year more than offsetting a reduction in pure academic demand.

Increasing traction with commercial customers has also underpinned our strong recovery in China, where divisional orders were up 14% CC year on year following our pivot to new sources of funding.

Strategic and operational progress

As set out earlier in this review, the start of the year was disrupted by tariffs and uncertainty in US academic funding, resulting in a slower order flow and lower revenue in H1. However, the actions we have taken to restore order growth and manage costs, combined with the underlying strength of our market positions, and improving markets, enabled us to deliver a strong recovery in the second half, as anticipated.

We showcase our Imaging & Analysis metrology products at our Severn Beach facility

At the start of the year, we accelerated the progress of our 'Made in China' project, through which we now manufacture some of our detectors through a supply chain partner in China. This has helped to protect market share for these products, which are not strategically sensitive, in the context of increased appetite for locally produced products. We have also shifted production of some of our atomic force microscopes from Santa Barbara in California to Ulm in Germany, and moved some nanoindentation production from Zurich in Switzerland to our High Wycombe base. Both of these initiatives, completed in the second half of the year, have increased flexibility for customers as well as helping us achieve operational efficiencies, fulfilling the order book at pace.

Our swift actions in the face of US federal budget uncertainty, pivoting to new funding markets, primarily in commercial settings, have contributed to our resilient performance.

As detailed in 'Recovering cameras and microscopy business' above, our Belfast facility has been a further key focus area this year. Here, our OpEx programme continues to deliver increased productivity and quality and, more timely delivery to customers and significant inroads into repair backlogs. Progress on our OEM strategy is also encouraging, with a key OEM partner returning to Oxford Instruments from a competitor, an important framework order for cameras won with a large manufacturer, and discussions under way with a number of existing partners.

Chief Executive Officer's review continued

However, significant work and relationship building is required to achieve our full potential, and OEM partnerships will continue to be a primary focus area for FY27.

Continued investment in innovation is central to our growth plans fro I&A. New launches this year include:

New launches in Imaging & Analysis this year include:

- an easier-to-use extension to our atomic force microscopy range, which delivers excellent capabilities at a more attractive price point relevant for certain customer types, extending our market reach; this has been well received by customers, supporting strong early order intake and broadening our addressable market among both academic and commercial users;
- a significantly updated benchtop nuclear magnetic resonance instrument which has enabled us to regain technology leadership in the space;
- a new in operando high-speed nanoindenter suited to industrial settings rather than lab conditions, developed by our team in Zurich who joined as part of the acquisition of FemtoTools in 2024;
- a new suite of high-speed, high-resolution, visible light and UV scientific cameras created by the team that joined Oxford Instruments as part of the acquisition of First Light Imaging in 2024; and
- a refreshed core Raman microscope line with a groundbreaking new spectrometer, which together offer customers greater speed, ease-of-use and flexibility in obtaining research-grade results.

Across the year's launches, customer feedback and early order patterns reinforce our confidence in the commercial relevance of our innovation pipeline.

In August 2025 we shipped our first 'Made in China' XPlore detector to a customer in China

We were delighted to be awarded the Institute of Physics' Business Innovation of the Year award for our revolutionary Unity detector, which combines backscatter electron microscopy with X-ray to create detailed analysis of samples at a scale and pace not previously feasible.

We have also made good progress with the development of new products to be launched in FY27, including an extension to our range of scientific cameras, as set out in 'Sustained commitment to innovation and R&D' above.

Chief Executive Officer's review continued

Advanced Technologies

The Advanced Technologies division develops and manufactures compound semiconductor fabrication capital equipment (Severn Beach, UK), and X-ray tubes (Scotts Valley, USA).

Orders
£133.1m
(2025: £104.8m)

Revenue
£108.5m
(2025: £112.9m)

Key highlights

Advanced Technologies	2026	2025[1]	growth	CC growth[2]
Order intake	**£133.1m**	£104.8m	27%	28.1%
Revenue	**£108.5m**	£112.9m	(3.9%)	(3.2%)
Adjusted operating profit[3]	**£2.8m**	£6.3m	(55.6%)	(47.6%)
Adjusted operating profit margin[3]	**2.6%**	5.6%	(300bps)	
Operating profit margin OCC[3]	**3.0%**	5.6%		(260bps)
Statutory operating profit/(loss)	**£1.5m**	£0.7m		
Statutory operating margin	**1.4%**	0.6%		

1 FY25 restated to reclassify NanoScience business as a discontinued operation.
2 For definition refer to note on page 3.
3 Details of adjusting items can be found in Note 2 to the financial statements.

The Advanced Technologies division has a different profile from Imaging & Analysis, primarily selling much lower product volumes of larger-scale complex capital equipment for the compound semiconductor market. Our compound semiconductor business represents more than 90% of the division's revenue, with the remainder in our small components business specialising in X-ray tubes.

Chief Executive Officer's review continued

Compound semiconductor market dynamics

The market is currently in a phase of strong growth, driven primarily by surging demand for high-performance electronics in applications such as the hyperscale data centres needed to support growth in AI. Additionally, the shift toward electrification and renewable energy systems is accelerating adoption, as these materials enable smaller, faster, and more energy efficient power devices compared with traditional silicon.

Market insight from Yole Group indicates that the size of the overall semiconductor capital equipment market is c. $130bn with a CAGR of 10–12%. Compound semiconductor, which represents the majority of AT's business and therefore the majority of Oxford Instruments' activity at Group level, accounts for c. $10bn of that figure, growing rapidly and with an expanding number of applications.

Our own current positive momentum is underpinned by our expertise in, and our strategic focus on, select key markets with strong opportunity, such as power, datacomms, micro LED and augmented reality, where we know we can add value through our leading technology and partnerships with our customers.

As major semiconductor manufacturers ramp up production optoelectronics applications for data centres to support AI applications, our differentiated capabilities are attracting an increasing portfolio of reference customers, who use our equipment to fabricate laser transceivers. These include a significant and ongoing partnership with global advanced chips manufacturer Coherent Corp. to support its 6" indium phosphide fab ramp for AI data centres in Europe and the US, with several orders placed in FY26.

Post year-end, the business received a significant long-term purchase agreement from a US customer for a number of large, fully automated etch and deposition systems to be delivered over the latter part of FY27 and into FY28, aligned with the customer's fab build out. This order exemplifies the shift we have made from a relatively small-scale academic R&D specialist to become a strategic partner of many of the world's leading technology companies. The growing demand for our capabilities is testament to over 40 years of specialist expertise which have enabled us to develop market-leading capabilities in our chosen niches.

We have also been chosen by a leading provider of optoelectronic components to install a number of large, fully automated etch and deposition systems as it rolls out new manufacturing capacity to support the need for high-speed data transceivers. With existing customers, we see three primary drivers for sustained engagement:

- repeat orders to support capacity requirements, where we are the process of record;
- the opportunity to cross sell, both in terms of processes for next-generation devices and for 'commodity' applications, where production cost is key; and
- the capacity of our new facility which allows us offer highly competitive lead times on occasions where this makes a material impact on our ability to win orders.

Gallium nitride (GaN) power electronics applications, which enable customers to increase power and drive efficiency in applications including onboard automotive chargers, consumer devices and AI servers, are a further focus area for the business. With this market in the positioning stage, we continue to see strong customer interest in piloting and validating applications for future production.

Micro LED is a further future growth area, currently in a corporate research stage as customers explore the feasibility of future consumer technology. Advances in process technology are enabling more cost-effective manufacturing of micro LEDs which is critical for market adoption and unlocking new end market applications, such as display applications where high brightness and small emitter size are required. We are already working with globally recognised customers to advance their technology roadmaps for products such as augmented reality glasses, in applications including meta lenses, wireless charging and 3D sensors. We received a £10m micro LED order from a single customer in FY26, marking the business's largest ever order to that point (superseded since by the major multi-year optoelectronics order for data centres referenced above).

We also continue to play a role in the transition of quantum technology from academic research to corporate R&D, providing products and applications to support the fabrication of qubits, and the acceleration of capabilities in quantum sensing and quantum communications. We recently won a significant order from Rigetti to supply atomic layer etch capabilities to its dedicated quantum fab in California.

The silicon carbide market remains weak globally. However, we continue to be active in the sector, and are focusing on applications that enable next-generation devices, winning a small number of orders in the period.

Across our process portfolio, the combination of our deep expertise in our chosen niches, and the differing life cycle stage of each technology ramp, provides us with strong growth opportunities stretching well into the medium term, and protection against overconcentration on a single market area. Demand indicators are very positive, with a record pipeline of qualified compound semiconductor opportunities even after accounting for the significant order growth in FY26, and growing visibility of customers' fab ramp roadmaps.

Chief Executive Officer's review continued

Strategic and operational progress

As set out in 'NanoScience successfully divested' above, we divested our Oxford-based quantum-focused business at the beginning of January 2026. This strategic divestment crystallised the value of the business following its return to profitability and, as intended, will enable us to devote full management focus to maximising the division's opportunity for profitable growth amid tailwinds in the compound semiconductor market.

We also completed the move to our new compound semiconductor site during the year, giving us scope to increase capacity by 3x versus our legacy site at Yatton, in North Somerset. Following the transfer of tools via a phased programme over the summer of 2025, the Yatton site was sold in early September for £4.8m.

We are now focusing on maximising the benefits of our ISO 5-standard cleanroom and increased production capacity as we prepare to execute on our order book for FY27. Our new cleanroom dramatically increases our ability to demonstrate our IP and capability in a 'customer-equivalent' fab environment which improves our success rate in order conversion.

We continue to generate efficiencies by streamlining our product portfolio. More than 90% of system orders (up from 75% in FY25) were generated from sales of three core platforms – Plasma Pro, IonBeam and ALD (atomic layer deposition) – with modular assembly carried out in dedicated bays. The production of fully automated and larger production systems has grown significantly as a proportion of overall system orders year on year, supporting our strategy of growing our reach within compound semiconductor production markets.

Our new state-of-the-art Severn Beach facility is optimised to facilitate growth

A team from our OpEx programme has been embedded at the site since January 2026 to support the business' growth trajectory. The first phase of the programme has focused on:

- optimising clean room planning, prioritisation and operational execution;
- optimising front end operations in sales and engineering;
- improving sales, inventory and operational planning; and
- streamlining manufacturing operations by implementing lean methodologies and more modular builds.

Addressing these areas will support improved scheduling of production which is now feasible given our increased order book visibility, as well as helping to ensure that we extract full value from the new clean room. Good initial progress has been made, exemplified by a doubling of demonstration forecast visibility, ensuring that the most impactful demonstrations are prioritised, and a 40% reduction in build time on Plasma Pro ASP systems. A second phase of the programme is now getting under way.

Chief Executive Officer's review continued

Customer service is an important contributor to our current and future growth, with service contracts increasingly sold alongside systems (including, this year, our largest ever service contract at €1.4m). The business has achieved 34% year-on-year growth in service orders as we work to support the 24/7 uptime requirements of our high-volume production customers, including the introduction of a higher level of service whereby customers can have a dedicated representative embedded on site for all service needs.

As part of our commitment to maximising our customers' use of our technology, we have opened a dedicated technical training suite at Severn Beach, where customers can pursue in-depth hands-on training covering system operation, process optimisation, troubleshooting, and maintenance.

Positive impact and progress to net zero

Our products support a range of positive outcomes across our chosen market segments. Environmental examples include the contribution made by our compound semiconductor solutions to the development of more power-efficient data centres, as global demand for data grows ever larger; and the use of our materials analysis tools and software to facilitate the creation and optimisation of more sustainable materials, reducing the need to use finite resources. Elsewhere, our imaging and equipment and software are used by customers to research and develop improved treatments for cancer and other diseases. We are committed to running our own operations sustainably and supporting the wellbeing and career development of our employees.

Following last year's Science Based Targets initiative (SBTi) validation of our ambitious net zero targets and the publication of our transition plan, in FY26 we have focused on putting our plans into action. We are making good progress, with a 25% year-on-year reduction in Scope 1 and 2 emissions versus our 2024 baseline, and positive engagement with suppliers as we begin to address our Scope 3 emissions. We were pleased to achieve a B rating again in CDP's climate change assessment, reflecting our commitment and action in this area, and also to have our supplier engagement recognised by CDP with an A- rating.

The talented teams driving our progress

My thanks, and those of the whole Board, go to our talented and committed teams around the world. In a year of significant external disruption, combined with structural and operational changes within the business, they have maintained focus throughout, responding with flexibility, pace and creativity to support our customers and each other. I am extremely proud and privileged to work with such exceptional people, and grateful for their ongoing commitment as we work together to achieve Oxford Instruments' full potential.

Our second externally benchmarked global employee survey, carried out in April and May of 2026, saw Oxford Instruments achieve a 'One to Watch' rating from Best Companies, recognising that this is a good place to work. We will continue to build on our progress to ensure that Oxford Instruments remains a rewarding environment in which to build a fulfilling career.

Summary and outlook

Strong strategic progress and an effective response to market headwinds led to a good full-year performance, despite significant disruption in the first half. This is down to a combination of the agility and hard work of my colleagues and the continuing structural demand for our market-leading solutions, across a diversified portfolio.

Management initiatives in Imaging & Analysis, particularly within our Belfast-based imaging business, where we restructured the cost base and sharpened our product focus, drove a stronger second-half performance. The division enters the year ahead well positioned, benefiting from organic investment and good strategic progress.

In Advanced Technologies, our updated strategy, market-leading compound semiconductor technology and commercial focus have generated a record orderbook, providing revenue visibility in FY27 and into FY28. We are focused on executing this significant opportunity to drive sustainable profitable growth.

Whilst the macroeconomic and geopolitical environment remains uncertain, we are making clear progress against the strategy set out in 2024 and remain well positioned in structurally growing markets, supported by increased investment in innovation, operational excellence and our people.

With a strong order book, a robust balance sheet and clear priorities, we are confident in our ability to deliver attractive sustainable growth and value for all our stakeholders in the new financial year and beyond.

RICHARD TYSON
Chief Executive Officer
8 June 2026

Investment case

Exceptional technology and software in attractive structural growth markets

Our leading technology and customer-centric, focused market strategy provide a strong platform from which to deliver sustainable growth, margin expansion and enhanced shareholder returns.

This platform is now translating into a clear inflection point in Advanced Technologies, where exceptionally strong order intake underpins confidence in near-term delivery, alongside a sustained, structurally attractive growth opportunity in Imaging & Analysis, driven by increasing customer demand and expanding applications.

Further details on **pages 11 to 23**

Investment case continued

Aligned to powerful global megatrends driving sustainable long-term growth

- Our clear purpose to accelerate the breakthroughs that create a brighter future for our world is well aligned with global megatrends (see pages 26 and 27)
- Our technologies and services help customers to:
  - sustainably power an increasingly digital world with the advent of AI;
  - accelerate the electrification of global infrastructure and economies; and
  - develop new and enhanced medical treatments for an ageing population.

$US2.3tn
Record levels of global investment in the energy transition alone in 2025

Exceptional technologies and unique expertise provide high value add to customers

- Our differentiated solutions enable customers to accelerate meeting their objectives
- We have a competitive advantage across a broad base, spanning all scientific disciplines
- An outstanding team with deep expertise in scientific research and application engineering

8.8%
revenue invested in R&D in FY26

Leading positions in key structural growth markets, across the production life cycle

- Market leaders across three key structural growth markets responding to global megatrends: materials analysis, semiconductors, and healthcare & life science (together representing c.92% of revenues)
- Diverse commercial and academic customer base spanning the world's leading companies and scientific research communities, across North America, Europe and Asia
- Unique ability to leverage insights from research stage through to commercial production

90%+
revenue generated from three core structural growth markets

Strong financial profile supports investment in growth and innovation

- Improved cash flows and disciplined capital allocation (see page 46) have strengthened our net cash position, providing strong optionality
- Cash-generative growth and our strong balance sheet support investment in growth and innovation and a progressive dividend policy
- Strong ROCE of 28.2% (2024/25: 25.9%)
- Well invested, supporting operational gearing from capacity utilisation, new product development (8–9% pa), investment in talent and selected, value-accretive acquisitions

£94.0m
net cash at year end FY26

Clear opportunities to accelerate growth and enhance margins

- Enhancing margins through driving and leveraging growth, operational transformation and efficiencies, and generating synergies from simplification and standardisation (see CEO review, pages 11 to 23)
- Strong order book and pipeline provide a positive underpin for continued growth
- Attractive opportunities to accelerate growth through existing product portfolio, new product pipeline, enhanced sales and servicing, and selective M&A

8.0%
OCC order intake growth reflects strong demand

Source: Bloomberg NEF https://about.bnef.com.

Market review

Megatrends shaping our market positioning

Link to end market:
Materials analysis · Semiconductor · Healthcare & life science

Oxford Instruments is closely aligned with powerful global megatrends that are reshaping technology, energy and healthcare markets.

These long-term forces are driving sustained demand for solutions in our three chosen end markets: materials analysis, semiconductor and healthcare & life science. Our balanced portfolio positions us to respond at pace to strong growth drivers, such as the current demand for data centres, while providing resilience to changes of pace and focus.

Digitisation: AI and automation driving explosion in demand for data

Artificial intelligence is reshaping the world by accelerating innovation, productivity and decision-making across industries, driving sustained investment in computing, connectivity and energy efficiency as the demand for data grows exponentially. Companies and countries all over the world are investing in hyperscale data centres to fulfil ever-increasing infrastructure requirements.

US$650bn projected capex investment in AI-related infrastructure in 2026

The role we play

The build-out of AI data centre is accelerating demand for high-speed, energy-efficient optical interconnects using compound semiconductors. Our advanced fabrication and analysis capabilities support customers deploying indium phosphide-based optical devices for today's data centres and testing gallium nitride power solutions for the data centres of tomorrow.

Link to end market: Semiconductor

Energy transition: the push for electrification and efficiency

Electrification and power efficiency are central to the global energy transition, reshaping how energy is generated, distributed and consumed. The ongoing shift from fossil fuels to electricity, needed to reduce emissions and improve resilience to geopolitical pressures, is driving sustained investment in power electronics, grids, renewable solutions, storage and advanced materials worldwide across all sectors.

$US2tn IEA estimate of annual investment in clean energy, electrification and efficiency

The role we play

Advanced materials analysis is key to both the development and the production of energy efficient materials and the efficient deployment of renewable energy sources. Our analytical tools play an important role at the forefront of technological developments, enabling customers to test and optimise nanoscale properties at every stage of R&D and into production.

Link to end market: Materials analysis · Semiconductor

Global health: addressing the needs of an ageing population

Population ageing is reshaping global healthcare demand, increasing the prevalence of chronic disease and placing sustained pressure on health systems. Meeting these needs requires earlier diagnosis, more personalised and efficient care, and continued investment in medical technology, life sciences and innovation to improve outcomes and quality of life worldwide.

US$250bn OECD member spend on health-related research and development

The role we play

Our imaging & analysis tools and bespoke software accelerate research into the health needs of an ageing population by enabling rapid acquisition and interpretation of high resolution biomedical and pharmaceutical data samples in both academic and commercial laboratory settings.

Link to end market: Healthcare & life science

Market review continued

Focusing on our three core markets

Revenue by market

Materials analysis	£178.2m
Semiconductor	£136.3m
Healthcare & life science	£71.6m
Other markets, including quantum	£37.1m

Materials analysis

Current position and competitive landscape

The structurally strong materials analysis market accounts for the majority of Imaging & Analysis revenue. As a market leader, we are focused on targeting our solutions to drive market penetration with commercial customers, with continued sustainable growth.

Key drivers

- Supporting advanced material development and sustainability progress
- Improving performance from finite resources
- Increasing complexity driving need for precision at a smaller scale

Market opportunity

Continued growth in Materials Analysis will be driven by requirements in materials optimisation and sustainability across a broad spectrum of end-use applications. We are increasingly leveraging market insights from our strong existing position in academia to support commercial applications.

% of Group revenue in 2026

42%

Semiconductor

Current position and competitive landscape

Demand in semiconductor end markets has been exceptionally strong in recent periods. We have a strong and growing presence across the development life cycle and our target use cases, from R&D to commercial application and production environments.

Key drivers

- Growth in demand for data driven by AI
- Supporting growth in bandwidth and connectivity, faster devices, power efficiency, augmented reality and quantum technology
- Enabling development of new compound semiconductors

Market opportunity

We have leading semiconductor capabilities across both Imaging & Analysis and Advanced Technologies, with expertise in fabrication, process development and quality control driving strong growth. Digitisation provides opportunities across the development and production life cycle, particularly with commercial customers.

% of Group revenue in 2026

32%

Healthcare & life science

Current position and competitive landscape

While there have been market headwinds in recent years, including OEM destocking and funding uncertainties, we are well positioned in a structurally growing market and focused on developing our portfolio and maintaining strong relationships with key customers.

Key drivers

- Personalising medicine & therapies and caring for an ageing population
- Improving treatments & vaccines, whilst reducing the cost of development
- Well positioned in our main markets and strong geographic position

Market opportunity

The medium-term prospects for our end markets are exciting; with our leading products and technologies and globally diverse competitive position, we are well placed to take advantage of opportunities in the future. We have worked to enhance operational efficiencies and are able to pivot to areas of opportunity as they arise.

% of Group revenue in 2026

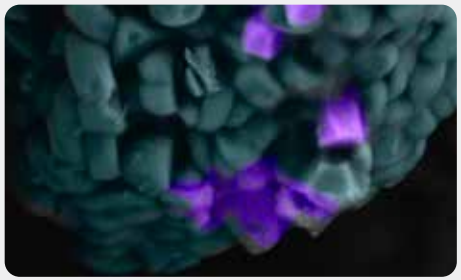
17%

Our business model

Accelerating the **breakthroughs** that create a **brighter future** for our world

We add value across the research and commercial production life cycle:

Explore



Our market-leading technology and expertise enable academic researchers and scientists to make new breakthroughs across all areas of fundamental research, providing the underpin to our global reach and longstanding reputation for innovation.

Academia provides a resilient global market with diversified funding

Find out more on **pages 11 to 23**

Develop

Our key enabling technologies and solutions cut the time from discovery to real world progress, and by leveraging our market insights from the academic research stage, our technology is used to develop new products for commercial applications.

Attracting commercial R&D spend as we support customers to develop new products

Find out more on **pages 11 to 23**

Produce and test

Our products support the commercialisation of technology, addressing today's manufacturing challenges and helping an increasing number of volume production customers to increase their productivity.

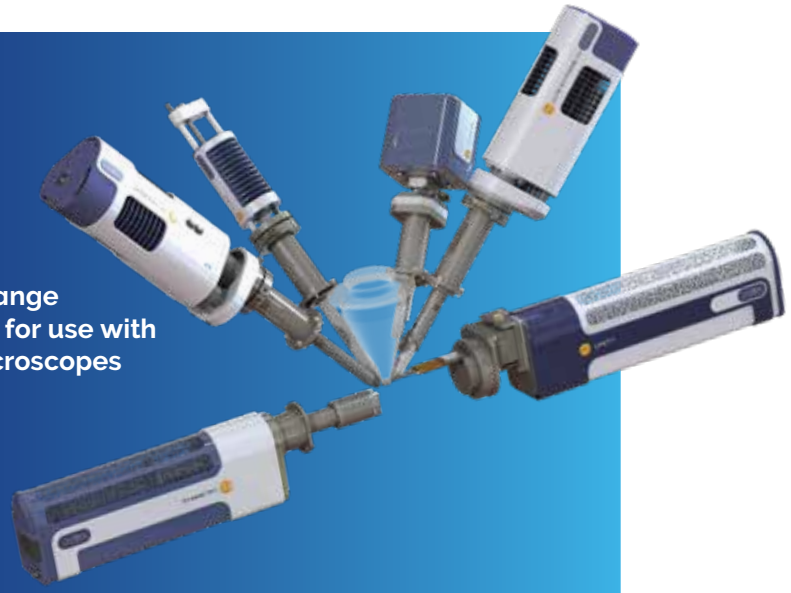
Our biggest opportunity area as we extend our reach into the much larger production market

Find out more on **pages 11 to 23**

Our business model continued

Working through two divisions:

Imaging & Analysis



We offer a range of detectors for use with electron microscopes

in FY26
74%
of Group revenue

in FY26
96%
of Group profit

Manufacturing sites in the UK, France, Germany, Switzerland and the US

Capabilities:
- Microscopy
- Analysis tools for microscopy
- Scientific cameras
- Specialist software

The division brings together similar smaller-scale imaging & analysis equipment and analytical software tools, which are high margin products with a common operating framework, routes to market and customer base.

Markets served
- Academia & research
- Industrial R&D
- High volume manufacturing

Routes to market

Direct to end users
- Via global sales & service organisation

Subsystem OEM partnerships
- Deep integration with leading instrument OEMs
- Platform influence & scale

Value creation
- High market share in core niches
- Strong voice of customer
- Software led differentiation
- Recurring life cycle revenues

Outcomes
- Balanced growth
- Resilient, repeatable revenue
- Continuous innovation driven by customer insight

Find out more on **pages 17 to 19**

Our business model continued

Advanced Technologies

We are increasingly supplying large automated systems for production manufacturing

in FY26
74%
of Group revenue

in FY26
4%
of Group profit

Manufacturing sites in the UK and US

Capabilities:
- Compound semiconductor etch and deposition equipment
- X-ray tubes

The division includes low volume, longer lead time, complex and larger scale systems in distinct specialist markets, with different customer bases and growth drivers.

Markets served
- Semiconductor manufacturers in the consumer technology supply chain
- Corporate R&D
- Academic institutions

Routes to market

Direct to industrial customers
- Engagement at process definition stage
- Close collaboration with device manufacturers

Direct to academia
- Partnerships and consortia with universities and research institution, including nationally and internationally funded initiatives

Selective regional channel partners
- Targeted local support where appropriate

Value creation
- Deep process expertise
- High switching costs
- Long equipment life cycles
- Repeat revenue from service and upgrades

Outcomes
- Exposure to structural growth in compound semiconductors
- Strong order visibility
- Sustainable long-term value creation

Find out more on **pages 20 to 23**

Our business model continued

Operating across three key structural growth end markets:

The health and resilience of our chosen end markets has played a critical role in our strong performance.

We believe our strong position in these end markets, along with their structural growth drivers, will continue to create value for our customers and present significant opportunities for sustainable growth.

Our global footprint, with operations in 23 countries across Europe, Asia and the Americas, provides excellent reach and resilience to changing international dynamics.

Market overview on **pages 26 and 27**

Delivering value and positive outcomes

How the group creates value

- Recurring revenues from service, upgrades and consumables
- Reinvestment of customer insight into innovation
- Operational leverage from global footprint

Outcomes

- Resilient and diversified revenue base
- Strong order visibility and life cycle economics
- Exposure to structural growth, led by compound semiconductors
- Sustainable long-term value creation for stakeholders

Our business model continued

Creating value for our stakeholders

For our customers

We develop strong, long-standing relationships with our customers, understanding their needs, challenges and opportunities. Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress.

+8
percentage points year-on-year uplift in average NPS score

For our people

Our culture reflects our values – we are committed to creating the best possible working environment for our employees, enabling them to build rewarding careers in an exciting, purpose-driven organisation.

24,294
training courses undertaken by our teams to expand their knowledge

For our shareholders

Our leading technology and customer-centric, focused market strategy provide a strong platform from which to deliver cash-generative, sustainable growth, margin expansion and enhanced shareholder returns.

£75.2m
returned to shareholders in FY26 through buyback and dividend

For our planet

Sustainability is central to Oxford Instruments. Our solutions support advances that address global challenges. while our commitment to responsible operations underpins long-term value creation for customers, communities and the environment.

25%
reduction in Scope 1 and 2 emissions versus our 2024 baseline

Group outcomes in FY26

Revenue
£423.2m
(3.0%) at organic constant currency

Adjusted operating profit
£73.7m
(1.6%) at organic constant currency

Adjusted EPS
100.7p
2025: 109.1p

Return on capital employed
28.2%

How we invest our capital:

Organic cash investment with R&D of £39.2m and capital expenditure of £7.4m

£62.2m allocated to share buyback in FY26

Shareholder distributions with proposed full-year dividend payments of £13.0m

Balance sheet flexibility for organic growth and inorganic opportunities with net cash of £94.0m

Our strategy for growth

Strong foundations maximise growth opportunity

Two years into the delivery of our strategy, the positive impacts of the changes we've made are clear, with foundations now in place for strong medium-term growth.

Restructured and more customer focused, Oxford Instruments today is a fundamentally simpler, stronger and more cohesive organisation, better equipped to respond to structural growth in our chosen markets.

- **Deliver strong growth through 'customer first' Ways of Working**
- **Simplify the organisation**
- **Embed our values and Ways of Working**
- **Deliver a step change in operational performance**
- **Significant investment in new technology and products**
- **Reach net zero in our own operations by 2030**

Further details on **pages 33 to 38**

Deliver **strong growth** through **'customer first'** Ways of Working

Progress in 2025/26

- Shifted accountability for sales and service fully into our regional teams
- Expanded our manufacturing footprint, enabling customers in China and Europe to buy locally made products (see page 18)
- Created new demonstration centres in Seoul and Taiwan, increasing our ability to show customers our products in action
- Grew service orders by 8% through increased collaboration and sharing of best practice across regions (see page 37)

Focus for 2026/27

- Ongoing investment in improved customer journeys, including increasing opportunities for customers to experience our products at first hand during the buying process through further demonstration hubs
- Increasing the availability of in-region servicing and repairs
- Further mapping of our installed base to offer targeted support for customers

Strategy in action

New demonstration centres in Seoul and Taiwan take global total to 11, giving customers more opportunities to see our products in action

11
demonstration centres globally

Our strategy for growth continued

Deliver a step change in **operational performance** (delivery, quality, efficiency)

Progress in 2025/26

- Enhanced profitability of Belfast product lines through quality improvements, the discontinuation of a limited number of products, and improved inventory management (see page 12)
- Improved resource planning and introduced effective production performance management at High Wycombe and Severn Beach
- Early outcomes of Group-wide strategic sourcing programme delivered £1m logistics savings and margin improvements on new products

Focus for 2026/27

- Continued operational improvement programme at Severn Beach to support future growth trajectory, focused on clean room operational execution, and improved sales inventory and operations planning
- Invest in improvements at our Belfast production facility, including a new cleanroom layout

Strategy in action

Standardisation of a key capital equipment product for compound semiconductor customers has delivered a significant reduction in build time

40%

reduction in build time for Plasma Pro ASP atomic layer deposition system

Simplify the organisation, increasing **collaboration** and **accountability**

Progress in 2025/26

- Improved the customer journey through our new, clearer regional operating model (see page 13), bringing sales closer to customers
- Integrated the Imaging & Analysis division under a single leadership team with a shared innovation roadmap
- Created a new EMEAI operating region, bringing teams for Europe, the Middle East and India under a single leadership team with a shared strategy
- Centralised key functions including Finance, HR, Legal and IT to share best practice and ensure strong governance

Focus for 2026/27

- Fully embed operating model changes through ongoing change management
- Continue to simplify and streamline business processes, including deploying AI agents with appropriate human oversight and governance
- Increase cross-training of sales and service colleagues

Strategy in action

New focused approach to EMEAI operating region has facilitated 10.4% order growth in FY26

+10.4%

Constant currency order growth in new EMEAI region in FY26

Our strategy for growth continued

Continue to **invest in new technology and products**, protecting and enhancing our core strengths

Progress in 2025/26

- Successful product launches in atomic force microscopy, nuclear magnetic resonance, Raman and scientific cameras retain Imaging & Analysis' leading edge (see pages 17 to 19)
- Advanced Technologies' state-of-the-art cleanroom fully installed and operating close to capacity
- Advances in semiconductor processing capabilities support rapid order growth from commercial customers (see pages 20 to 23)

Focus for 2026/27

- Additional investment in key initiatives, including supporting semiconductor customers to move to larger wafer sizes, updating our scientific camera portfolio and widening the scope of our well-regarded software
- Deliver effective launches for key new Imaging & Analysis products
- Work with compound semiconductor customers to hone new processes to improve their productivity

Strategy in action

Awarded Business Innovation of the Year by the Institute of Physics for our ground-breaking Unity detector

Business Innovation of the Year

Embed our **values and Ways of Working** so that they are lived every day

Progress in 2025/26

- Increased focus on effective people management using Best Companies' personalised feedback tool
- Successfully addressed external headwinds through improved collaboration across product lines and regions
- Leadership conference held for c.75 leaders to equip them with the skills to role model and embed Ways of Working
- Ways of Working reinforced at local level through workshops and visual prompts

Focus for 2026/27

- Continued emphasis on collaboration and clarity as we embed our new operating model
- Improved awareness and adoption of Ways of Working at all levels of the organisation
- Target improvements to Best Companies score as evidence of improved engagement

Strategy in action

We achieved a 'One to Watch' rating from Best Companies in our 2026 employee survey, reflecting our position as a good place to work

'One to Watch'
rating from Best Companies

Our strategy for growth continued

Reach net zero in our own operations by 2030 and contribute to **global sustainability through our products**

Progress in 2025/26

- 25% reduction in Scope 1 and 2 emissions versus 2024 baseline, taking us closer to our medium-term (2030) emissions reduction targets
- Oil-fired boiler replaced at Tubney Woods and plans fully scoped for gas boiler replacements at two of our UK sites
- Scope 3 emissions reduction pathway improved through engagement with top suppliers
- Carbon footprinting carried out on two representative products to inform our approach to design and procurement

Focus for 2026/27

- Full scoping of solution to abate process emissions at our Severn Beach compound semiconductor facility
- Transitioning more of our global sites to renewable electricity
- External verification of our emissions data

Strategy in action

We were delighted to achieve an 'A-' score from CDP for our approach to supplier engagement

A-

CDP supplier engagement score for 2025

"Our strategic priorities underpin every choice we make, from day-to-day decision making to the long-term planning shaping our future."

RICHARD TYSON
Chief Executive Officer

Read more in the **CEO statement** on **pages 11 to 23**

Our strategy for growth continued

Spotlight

Getting closer to **our customers**

A transformative shift in our approach to customer service is beginning to generate tangible positive outcomes for customers, and supporting the positioning of service as a driver of growth.

At Oxford Instruments, our reputation for innovation and pushing scientific boundaries has been our USP for many years. As we grow our business, we are determined to make first-class customer service a key positive differentiator too.

In FY26, we have made significant progress in bringing our service teams closer to customers, delivering support that is faster, more capable and more locally responsive. In China, for example, we have invested in growing our capabilities, upskilling colleagues to support a wider range of systems, and implementing service support through WeChat to engage with customers in real time. We have strengthened technical support, improved availability of parts, and introduced local repair centres, reducing repair times in some instances from as long as two months to just 10 days. In the US, too, we have adopted new systems to track service targets and target improvements.

Customers are feeling the positive impact, particularly in commercial settings where product uptime and rapid issue resolution are critically important to maintaining high production volumes. Our capabilities now extend to a 'white glove' platinum service, providing on-site support 24/7 to key production customers with large, complex installations.

Globally, tailored packages now allow customers to choose the elements of service which add most value for them, ranging from preventative maintenance to rapid response on-site repairs.

This targeted focus on customer service has supported an 8% uplift in service orders at constant currency. And there is scope to grow more in FY27, with standardised reporting highlighting opportunities for improvement across regions, and improved mapping of our installed base supporting increased opportunities for service contracts, upgrades and new system sales. A further project is under way to extend local repairs, reducing the need to return products to manufacturing sites.

Further details on **pages 11 to 23**

Link to strategy:

Improvement in average NPS for service and install year on year

+8 points

Global service order growth

+8%

Our strategy for growth continued

Spotlight

State-of-the-art clean room at the **heart of growth**

With growing demand for our compound semiconductor solutions, particularly among volume manufacturing customers, we're reaping the benefits of the significant investment made in our new facility at Severn Beach.

Our ISO5 and ISO6-certified clean room is key to our ability to grow. It is here that our cutting-edge compound semiconductor fabrication technology is developed and refined to enable innovations in datacommunications, augmented and virtual reality, and quantum technology. Our plasma equipment is used to etch and deposit with atomic-level precision the critical layers of semiconductor devices which define their capabilities, ranging from light transmission to improved power efficiency.

Demonstrations performed in the clean room are an important differentiator and proof point for these critical layer processes, enabling us to work directly with existing and new customers to showcase our capabilities, test repeatability and hone performance. Several of the world's largest technology companies have entrusted us with their samples as we collaborate with them to accelerate their progress.

Further details on **pages 20 to 23**

And it's not just our plasma technology which is showcased at Severn Beach. The clean room is also equipped with an extensive range of Oxford Instruments' latest imaging and analysis solutions, including Raman and atomic force microscopy systems and detectors for electron microscopy.

With market tailwinds underpinning strong demand, it is crucial that we use the clean room as effectively as possible. This has been a key focus of our operational excellence programme over the past year, working with the clean room team on improved sales, inventory and operations planning (SIOP) to support effective prioritisation and maximise uptime. Optimisation will continue into FY27 to ensure that the clean room can support increasing numbers of demonstrations as more and more commercial customers seek out our expertise.

Link to strategy:

Read more at **plasma.oxinst.com**

Order growth in FY26

28%

Production and test customers as % of orders

53%

Key performance indicators

The Group uses a range of measures to **monitor progress** against its strategic plans

Measuring our performance

Our goal through our financial KPIs is to deliver shareholder returns through profitable, sustainable growth and strong cash conversion and efficient use of capital.
The Group uses a range of measures to monitor progress against its strategic plans.
The key performance indicators are presented here.

Key to alignment with remuneration (R) and strategic priorities

- **Deliver strong growth through 'customer first' Ways of Working**
- **Simplify the organisation**
- **Embed our values and Ways of Working**
- **Deliver a step change in operational performance**
- **Significant investment in new technology and products**
- **Reach net zero in our own operations by 2030**

Financial KPIs

Revenue growth (%)

(3.0%) organic constant currency

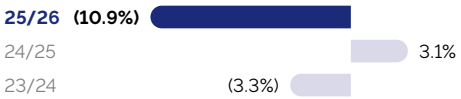
Why we measure: To drive profitable, sustainable growth through the implementation of our strategy against its strategic plans.

Progress: A challenging Q1 FY26 and currency headwinds have meant revenue has been below our target range on a reported basis. With a return to growth in CAGR I&A and a very strong order book in AT, we remain confident in our ability to deliver medium-term organic revenue growth.

Alignment to remuneration and strategic priorities:

Adjusted earnings per share (EPS) growth (%)

(7.7%)



Why we measure: To achieve long-term growth in EPS.

Progress: Adjusted earnings per share decreased by 7.7% in FY26, reflecting the fall in operating profit partially offset by a lower tax charge versus the prior year.

Alignment to remuneration and strategic priorities: R

Key performance indicators continued

Financial KPIs continued

Cash flow conversion (%)*

89%

Why we measure: To maintain a strong operating cash conversion ratio and high level of free cash flow.

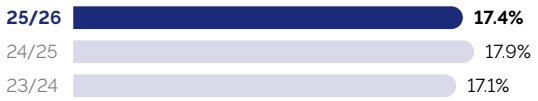
Progress: Free cash flow generation has been resilient in FY26 and we continue to generate strong operating cash flow conversion. We remain confident that average cash conversion over the medium term will be at or above our goal of 85%.

Alignment to remuneration and strategic priorities:

* Normalised.

Adjusted operating profit margin (%)

17.4% reported



Why we measure: To assess progress towards our target of 20%+ adjusted operating profit margin.

Progress: Group margin continues to progress towards our target of 20%+ see page 15 despite the currency headwinds since 2024 which have impacted reported margin, and we remain confident in our medium-term margin goal of 20%.

Alignment to remuneration and strategic priorities: R

Return on capital employed (ROCE) (%)

28.2%

Why we measure: To deliver ROCE in excess of our cost of capital.

Progress: ROCE is currently below our target range; however with the expected future growth profile of the business, we expect to see average ROCE above 30% over the medium term, even with our additional organic investment plans.

Alignment to remuneration and strategic priorities: R

Strategic KPIs

Investment in R&D (%)

8.8%

What we measure: Investment in R&D as a percentage of revenue.

Why we measure: To measure the effectiveness of our R&D programmes.

Progress: We continue to invest in R&D aligned to our target range of 8–9% of revenue, recognising that our differentiated technology is a key source of strength for Oxford Instruments.

Alignment to remuneration and strategic priorities:

Key performance indicators continued

Strategic KPIs continued

Absolute carbon emissions (Scope 1 and 2) tCO_2e

3,485

25/26	**3,485**
24/25	3,599*
23/24	4,677*

What we measure: Market-based carbon emissions from our own operations, Scope 1 and 2, measured using the Green House Gas Protocol methodology.

Why we measure: To track our progress towards our Scope 1 and 2 2030 net zero target.

Progress: We have reduced market-based Scope 1 and 2 carbon emissions by 25% versus our 2024 baseline.

Alignment to remuneration and strategic priorities: R

Carbon emissions intensity (tCO_2e per £m revenue)

12.71

25/26	**12.71**
24/25	13.23*
23/24	12.56*

What we measure: Carbon intensity = Absolute location-based carbon emissions/Revenue.

Why we measure: To track our progress towards our Scope 1 and 2 2030 net zero target.

Progress: We have achieved a 4% reduction in carbon intensity in FY26.

Alignment to remuneration and strategic priorities:

Non-financial KPIs

Employee engagement

'One to Watch'

rating awarded by Best Companies 2026
2024: 'One to Watch'

What we measure: Employee engagement through the externally benchmarked Best Companies survey.

Why we measure: To assess employee engagement via a recognised external benchmark and identify areas of focus.

Progress: We have maintained 'One to Watch' status for a second time, reflecting that Oxford Instruments is a good place to work.

Alignment to remuneration and strategic priorities:

Serious injuries (#)

2

25/26	**2**
23/24	0
22/23	0

What we measure: Rate of serious injuries to employees for ongoing businesses.

Why we measure: To measure the impact of our safety drive, Push for Zero, to reduce accidents.

Serious injuries are defined as those which are reportable under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulation) and are measured as an absolute number.

Progress: Following a number of years with no serious accidents, we have recorded two accidents requiring seven or more days of absence from work; we remain committed to driving global safety standards through our 'Push for Zero' initiative.

Alignment to remuneration and strategic priorities:

* Adjusted figure following rebaselining in 2026; please see pages 47 to 51.

Finance review

A strong performance against a challenging backdrop

"After a challenging start to FY26, we have seen performance progressively return to growth during the year, with strong margins in our Imaging & Analysis division and a step change in order book for our Advanced Technologies division. Free cash flow generation has been resilient, with continued strong operating cash flow conversion."

PAUL FRY
Chief Financial Officer

Further details on **pages 43 to 50**

At a glance

Orders
£450.4m
(2025: £423.4m)

Revenue
£423.2m
(2025: £443.4m)

Net cash
£94.0m
(2025: £84.4m)

Dividend per share
23.6p
(2025: 22.2p)

Adjusted operating profit
£73.7m
(2025: £79.5m)

Statutory profit before tax
£58.5m
(2025: £38.2m)

Adjusted operating margin
17.4%
(2025: 17.9%)

Cash conversion
89%
(2025: 102%)

Finance review continued

Financial highlights

	FY25[1] £'m	FX £'m	Acquisitions £'m	OCC £'m	FY26 £'m	OCC change %	Change %
Order intake	**423.4**	(8.7)	2.0	33.7	**450.4**	+8.0	+6.4
Revenue	**443.4**	(8.1)	1.4	(13.5)	**423.2**	(3.1)	(4.6)
Adjusted operating profit	**79.5**	(4.6)	0.1	(1.3)	**73.7**	(1.6)	(7.3)
Adjusted operating margin	**17.9%**			18.2%	**17.4%**	+30 bps	(50) bps

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

In the year to 31 March 2026 the Group completed the disposal of its NanoScience business. The FY25 and FY26 financial statements have been re-presented to reflect the classification of the NanoScience business as a discontinued operation.

All growth rates described in the text of this review are organic constant currency (OCC) measures unless otherwise stated. All tables are labelled accordingly.

The Financial review includes a mixture of reported IFRS measures and alternative performance measures (APMs) which have been derived from our reported results to provide a useful basis for measuring our operational performance. Movements in revenue and adjusted operating profit are given on an organic constant currency (OCC) basis so that the assessment of performance is not distorted by acquisitions, disposals and movements in exchange rates. Note 2 provides further information on APMs and how they reconcile to reported IFRS measures.

Challenging macro backdrop

As we reported in our Interim statement in November, the first half of FY26 proved a very challenging period driven by retrenchment in academic spending and broader geopolitical uncertainty.

However, order intake has recovered well in the second half, with overall order intake up +14.1% in H2 and up +8.0% for the full year on an OCC basis.

Order intake by end customer

	FY26 £'m	FY25[1] £'m	Change %	CC change %
Academia	187.3	208.9	(10.3)	(9.0)
Commercial	263.1	214.5	22.7	+25.4
Total	**450.4**	**423.4**	**+6.4**	**+8.4**

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

We began the year with uncertainty in academic funding, especially in the US, accentuated by new tariffs and trade barriers. Academia has continued to be a headwind to order growth in FY26. US academia, which accounted for 11% of all orders, saw order intake for the year fall 11.2%, and academia outside of the US by 8.1%. This decline was more than offset by strong demand from commercial customers, growing 25.4% over the prior year, mainly related to semiconductor applications and positively impacting both our divisions.

Order intake by end market segment

	FY26 £'m	FY25[1] £'m	Change %	CC change %
Materials analysis	176.0	176.8	(0.5)	+1.6
Healthcare & life sciences	73.9	75.6	(2.2)	+0.3
Semiconductors	165.7	131.5	26.0	+28.0
Other	34.8	39.5	(11.9)	(10.4)
Total	**450.4**	**423.4**	**+6.4**	**+8.4**

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

The materials analysis market continues to be Oxford Instruments' largest source of new orders, at around 39% of the total. Order intake remained robust for the full year, growing +1.6% on the prior year, with growth of +5.5% in the second half following a difficult start to the year characterised by tariffs and by supply constraints for rare earth materials used in magnets. Whilst the second half benefited from a less volatile geopolitical backdrop, the quick and effective action from our engineering and supply chain teams to adapt to this new paradigm was impressive.

Semiconductors made up around 37% of new order intake in FY26, with strong growth in both our Imaging & Analysis (I&A) +13.7% and Advanced Technologies (AT) +37.3% divisions. Both divisions have benefited from the current AI data centre growth cycle, with strong orders for analysis tools and chip production equipment, which has been especially strong in H2. This semiconductor growth has come largely from commercial R&D and commercial high volume chip manufacturers, which together have driven commercial order intake up from 51% of the Group in FY25 to 58% in FY26.

Finance review continued

Healthcare & life science order intake has seen declines over recent years as a result of a tough market backdrop and reduced competitiveness in our Belfast-based cameras and microscopy business. Whilst we have not seen declines in this segment demand has remained subdued, with our focus being on growing market share through an improved OEM commercial offering and new products.

Imaging & Analysis return to growth, maintaining strong margins

Imaging and Analysis division performance

	FY25[1]	FX	Acquisitions	OCC	FY26	*OCC change*	Change
Order intake	**318.6**	(7.6)	2.0	4.3	**317.3**	*+1.3%*	(0.4%)
Revenue	**330.5**	(7.3)	1.4	(9.9)	**314.7**	*(3.0%)*	(4.8%)
Adjusted operating profit	**73.2**	(4.1)	0.1	1.7	**70.9**	*2.4%*	(3.1%)
Adjusted operating margin	**22.1%**			*23.3%*	**22.5%**	*+120 bps*	+40 bps

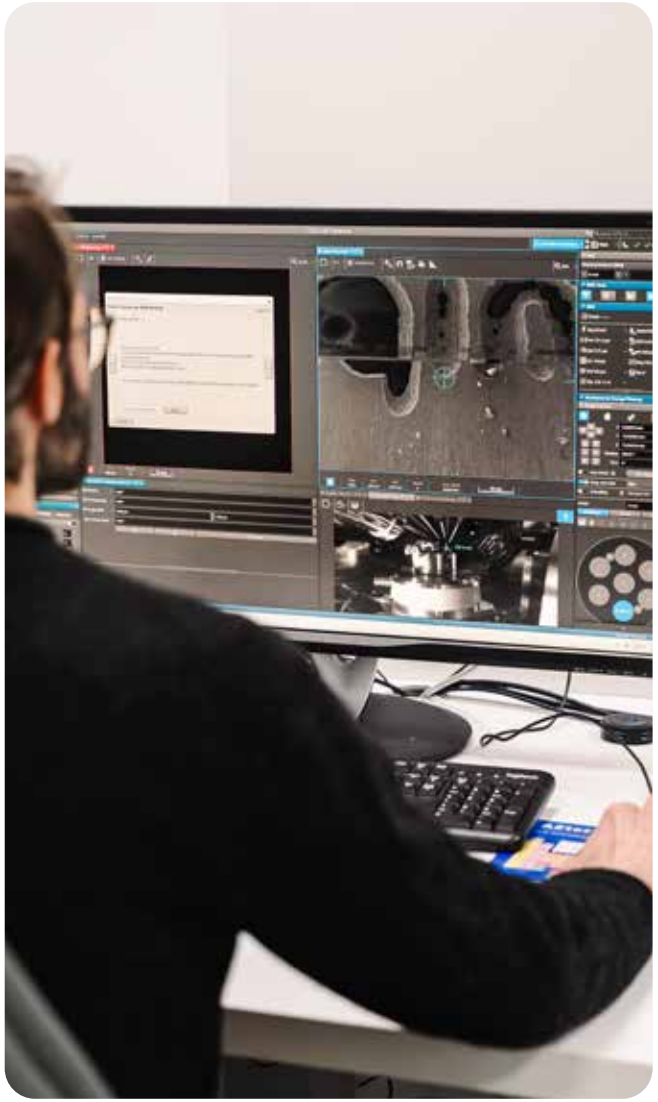
1 FY25 restated to reclassify NanoScience business as a discontinued operation.

Order momentum has steadily returned to Imaging & Analysis (I&A) over the course of the year. First quarter orders were down (11.4%) on the prior year, but a consistently improving picture quarter on quarter resulted in H2 order intake growth +8.4% above the prior year, a growth of +1.3% for the full year. Growth in H2 has come from the division's core materials analysis market, but it is also benefiting from growth in the semiconductor sector, with full year order intake up +13.7% in this segment.

Revenue growth has naturally lagged order growth, but H2 showed a return to revenue growth, up 1.9% on the prior year, with a greater than normal concentration of shipping in the last quarter, accentuated by rare earth constraints from earlier in the year being resolved. Overall reported revenue declined by (4.8%), and by (3.0%) on an organic constant currency basis.

Whilst revenue declined, gross margins progressed versus the prior year. Reported operating margins increased 40 basis points versus the prior year, and were up 120 basis points on an OCC basis. Our restructuring of the Belfast cameras and microscopy business has been a significant contributor to this margin performance, delivering approximately £5m of cost reduction versus FY25.

With second half order and revenue momentum, a divisional book-to-bill ratio of around 1.0, and recovery in the camera and microscopy business, we expect to deliver low single digit revenue growth in FY27, being mindful also of macroeconomic backdrop, which remains uncertain.



Finance review continued

Advanced Technology step change in outlook

Advanced Technologies division performance

	FY25[1]	FX	Acquisitions	OCC	FY26	*OCC change*	Change
Order intake	**104.8**	(1.1)	–	29.4	**133.1**	*+28.1%*	+27.0%
Revenue	**112.9**	(0.8)	–	(3.6)	**108.5**	*(3.2%)*	(3.9%)
Adjusted operating profit	**6.3**	(0.5)	–	(3.0)	**2.8**	*(47.6%)*	(55.6%)
Adjusted operating margin	**5.6%**			*3.0%*	**2.6%**	*(260) bps*	*(300) bps*

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

Accelerating demand for compound semiconductors has driven a transformation in the AT order book. The first half of the year saw order growth of +25.3% versus the prior year, helping to replenish the order book, pushing the September (P6) order book 6.8% above FY25. Second half orders have continued to build, growing +30.2% versus the prior year, with the March (P12) order book closing 25% ahead of last year.

A further large order received post-year end builds further confidence for FY27 and is supportive to our medium-term outlook for the AT business.

Around two thirds of FY26 order intake has been driven by commercial customer demand, predominantly for volume production equipment, with the remainder from academia. The main applications for equipment have been optical switching for data centres (InP) and augmented and virtual reality (uLED or lens etchings), with orders in both cases growing over 200% versus the prior year, and continued growth in the opportunity pipeline. We continue to also ensure the business is well positioned for future growth for both GaN and SiC applications.

This order momentum has not materially fed through into revenue in FY26, with revenue for the division declining 3.2% versus the prior year. Revenue decline in our X-ray tube business accounted for most of this, with the semiconductor equipment business revenue remaining broadly flat.

Conversion to revenue has been slower than expected, with revenue growth beginning to pull through in late Q4, and continuing in Q1 FY27. This delay in revenue growth has been partly driven by the need to replenish orders in H1 before growing orderbook materially in H2. It is also due to the size and complexity of the large commercial volume manufacture systems which are now a feature of the AT orderbook. This has meant in some cases customer readiness was delayed, as their facilities were not ready, or there were delays in production due to supply chain, planning or technical challenges. The team is rapidly adapting to these new demands, and we are continuing to invest in capabilities and our supply chain to support revenue growth in FY27.

Adjusted operating margin for the division has been impacted by the decline in revenue, increased depreciation and maintenance costs of Severn Beach (+£2.5m versus FY25) and changes to our inventory valuation approach versus the prior year. The result has been lowering divisional adjusted operating margin to 2.6%, from 5.6% in the prior year. However, given the strong opening order book, and a revenue growth of high teens, our expectation is for operating margins to move significantly forward in FY27.

Focus on cash generation and returns

During FY26 we completed the divestment of the NanoScience business, which has positively impacted both operating margins and cash conversion. The restatement of FY25 to exclude the NanoScience business improved the prior year adjusted operating profit margin by 150 basis points, from 16.4% to 17.9%.

Reported adjusted operating margin for FY26 was 17.4%. On an organic constant currency basis operating margins progressed by a further 30 basis points to 18.2%, due to restructuring actions taken in Belfast, and improved gross margins.

We expect to see continued constant currency margin progress in FY27, driven by better margins in our cameras and microscopy business, supported further by a shift of focus to higher contribution product lines, coupled with a significant operational leverage benefit from the growth in AT. Reported margin is expected to remain broadly in line with FY26, as we absorb an approximately £3.2m FX headwind to adjusted operating profit (AOP) in FY27. On a constant currency basis we expect to remain on track to our medium-term operating margin goal of 20%.

Cash conversion has remained high in FY26, at 89%, with free cash flow remaining strong despite the reduction in operating profit versus the prior year. Working capital represented 12.6% of sales, as receivables reached 5% of revenue at year end due to high shipping levels in the final part of the year. Despite the decrease in operating profit, free cash flow was resilient, supported by lower cash tax following overpayments in prior years. Reducing exceptional costs and the ceasing of future pension contributions will provide significant headroom to both increase organic investment in FY27, and maintain high levels of FCF.

Finance review continued

Overall net cash increased by 11.4% to £94.0m, following receipt of proceeds from the sale of NanoScience, and shareholder returns of £75.2m through dividends and our share buyback programme. Return on capital employed (ROCE) was 28.2% in the year (FY25: 27.1%), supported by the divestment of the NanoScience business. The calculation of ROCE is contained in note 2 to the accounts.

Disciplined capital allocation

We set out our capital allocation priorities in 2025 with our number one priority being to invest organically to drive growth and margin opportunities. Investment in R&D at 8%–9% of revenues remains core to our growth plans, and we have continued to invest at these levels. The growth in semiconductors presents opportunities in both divisions to widen our offering for this sector, adapting our current analysis product set to fit better into a production environment, and supporting customers with moving towards larger wafer sizes. We see opportunities to widen the scope of our well-regarded software interface, and incorporate more AI-based capabilities, both of which will allow us to reach further into the commercial user base, and support our customers' productivity goals. With a return to growth in our cameras business we are investing to refresh our product lines to drive greater OEM uptake, and allocating capital expenditure to upgrade our production suite. As we ramp our production facility in Severn Beach we will also be looking to invest to ensure capacity is available for accelerating order growth, both in terms of resources, but also our supply chain and inventory levels. Within the next two years both our Belfast and Severn Beach sites will require significant ERP upgrades to support growth and margin.

With these priorities we expect to see capital expenditure increase by £7–8m in FY27, and capitalised R&D to increase by £3–4m. Expensed R&D is expected to continue at our target range of 8–9% of revenue. With the continued deployment of our growth strategy, it is also clear there are opportunities for significant simplification of the Group's operating model, with the priority being in I&A. An historically siloed business model, coupled with multiple acquisitions, has led to a fragmented operating model, process and system landscape that makes pursuing growth and margin together more challenging. It also complicates the experience for our customers. We have therefore committed to evaluating a simplified and standardised trading model for the Group, and supporting a higher level of automation and data analytics.

As with all organic investments we will apply a disciplined approach to ensure we are driving incremental returns above our cost of capital.

Our second capital allocation priority remains our dividend which we have committed to grow in line with underlying earnings. The full-year dividend for FY26 will be 23.6p, up 6.3% on last year.

Cash generation in excess of these priorities will either be deployed against inorganic opportunities, or returned to shareholders. We continue to actively review potential M&A opportunities which will enable us to drive growth and/or margin upside to our plans, with returns in excess of our cost of capital, but to date we have not identified an opportunity to fit our disciplined criteria. However, we aim to maintain a strong balance sheet to ensure we are well positioned in competitive processes should they arise.

We announced the company's first buyback programme in June 2025 of £50m, and a further £50m extension of this in November 2025. As at the end of March we had completed £62.2m of the programme and expect to complete the remainder by the end of the calendar year.

Results summary

	FY26	FY25[1]	Change
Reported operating profit	**£58.0m**	£37.6m	+54.3%
Reported operating margin	**13.7%**	8.5%	+520 bps
Reported profit before tax	**£58.5m**	£38.2m	+53.1%
Reported basic EPS	**84.6p**	44.8p	+88.8%
Adjusted profit before tax	**£75.0m**	£80.7m	(7.1%)
Adjusted basic EPS – continuing operations	**100.7p**	109.1p	(8.4p)
Dividend per share	**23.6p**	22.2p	+6.3%
Net cash	**£94.0m**	£84.4m	+11.4%

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

In the year to 31 March 2026 the Group completed the disposal of its NanoScience business. The FY25 and FY26 financial statements have been re-presented to reflect the classification of the NanoScience business as a discontinued operation.

Finance review continued

1. Research and development

The Group has set out as a medium-term goal to spend between 8% and 9% of revenue on R&D. R&D expenditure charged to the income statement in FY26 was £37.1m, equivalent to 8.8% of sales (FY25: £38.7m; 8.7% of sales). A further £2.4m of R&D was capitalised in the period (FY25: £0.9m).

2. Adjusting items

Adjusted measures are presented alongside statutory results to support users of the accounts in their understanding of the Group's performance from one period to the next, as well as comparison to other peers in the sector. Further details on adjusting items relating to continuing operations are provided in note 2 to the accounts.

Alternative profit measures are adjusted to exclude amortisation of acquired intangibles and movements in fair value related to foreign exchange hedging contracts between reporting periods. We expect to continue to adjust for these categories of items in FY27.

The following adjustments were also made to operating profit in FY26:

- costs relating mainly to the restructuring of the I&A division, including downsizing of the Belfast workforce, a new organisational model and other leadership changes
- costs and income related to the completion of the move of our compound semiconductor equipment production from Yatton to Severn Beach
- costs related to the move of the Group's defined pension scheme to an insurance provider ('buy-in').

The table below details the adjustments made to statutory results relating to continuing operations. Adjusting items related to discontinued operations are set out in Note 12 to the accounts. Items included as 'Other' above relate to non-cash adjustments arising from the acquisition of First Light Imaging and FemtoTools.

The adjusting item related to discontinued operations (£6.8m) represents the post-tax gain on disposal of the NanoScience business. Details of this calculation are set out in note 13.

3. Taxation

The adjusted tax charge of £17.6m (2025: £17.4m) represents an effective tax rate of 23.5% (2025: 21.6%). In the prior year the adjusted tax rate was depressed as a result of prior year credits, which do not repeat in the current year and therefore has led to an increase in the effective tax rate. The reported tax charge of £14.0m (2025: £13.0m) represents a reported effective tax rate (ETR) of 23.9% (2025: 34%). The decrease in reported ETR was as a result of a non-tax deductible impairment charge in FY25 which did not repeat in FY26.

	Statutory results £'m	Amortisation £'m	Derivative fair value movements £'m	Other adjusting items £'m	Adjusted measure £'m
Operating profit	58.0	7.3	1.0	7.4	73.7
Profit before tax	58.5	7.3	1.0	8.2	75.0
Tax	(14.0)	(1.9)	(0.3)	(1.4)	(17.6)
Profit after tax	**44.5**	5.4	0.7	6.8	**57.4**
Effective tax rate	*23.9%*				*23.5%*

Finance review continued

The increase from the adjusted tax rate reflects the impact of prior year adjustments (noted above), a change in the rate at which the US deferred tax is recognised and also an increase in the level of disallowances as a result of the NanoScience disposal.

When compared to the prior year the overall tax rate has reduced, as the prior year was impacted by goodwill impairment which was not tax deductible.

We expect the adjusted effective tax rate to return to approximately 24% in FY27. This is a reduction of 1.5% on previous guidance reflecting increased benefits arising from our UK patent box arrangements.

Cash tax for the year was £11m (FY25: £19.8m) mainly as a result of benefiting from overpayments of UK tax in the prior year which should reduce in FY27.

4. Discontinued operations

The Group disposed of the NanoScience business in January 2026 for a gross consideration of £54.7m, with a net cash inflow of £42.4m. The consideration is still subject to final agreement of completion accounts with the buyer. The gain on disposal was £6.8m, and has been treated as an adjusting item. The adjusted loss after tax from discontinued operations was £3.1m. The NanoScience business has been reported as a discontinued operation in both FY26 and in the FY25 comparator results. It is reported after tax and is therefore not included in operating profit. As a result of this change in reporting, the adjusted operating profit margin for FY25 moved from 16.4% in the annual report and accounts last year, to 17.9% as reported in this year's, an increase of 150 basis points. The FY25 reported operating profit margin was similarly restated from 7.8% to 8.5%.

5. Earnings per share

Adjusted basic earnings per share from continuing operations decreased by -7.7% to 100.7p (FY25: 109.1p), reflecting the fall in operating profit partially offset by a lower tax charge versus the prior year. The number of undiluted weighted average shares in issue decreased to 57.0m (FY25: 58.0m) as a result of the ongoing execution of the share buyback programme.

Reported basic earnings per share increased from 44.8p to 84.6p benefiting from the gain on disposal of the NanoScience business in FY26, as well as a non-recurrence of the impairment of the Andor cash generating unit (CGU) in FY25.

6. Currency

The impact of currency on the Group arises predominantly from transactional effects, as the Group bases the majority of its production, R&D and central costs in the UK, whereas revenue is largely denominated in US dollars, euros, and Japanese yen. Translational impacts can also arise on the consolidation of overseas company results into sterling.

The Group's translation and transaction foreign currency exposure for the FY26 is summarised below. The Group is most exposed to USD movements as 49% of revenue is denominated in USD,

£m equivalent	Revenue	Adjusted operating profit
Sterling	38.7	(127.7)
US dollar	206.8	122.8
Euro	115.5	43.6
Japanese yen	41.4	26.1
Chinese renminbi	9.7	0.5
Other	11.1	8.4
	423.2	**73.7**

To mitigate the transactional effects of the movement in exchange rates the Group implements a rolling hedging programme against the major currencies it trades in.

The Group aims to have hedged a significant proportion of expected currency inflows at least 12 months ahead, with the remainder transacted at spot rates during the year. The weighted average blend of these hedged rates and spot rates represents the effective exchange rate at which the Group transacted currency for the year.

The table below details the effective exchange rate at which the Group transacted foreign currency and the headwind or tailwind impact on Group adjusted operating profit:

GBP exchange rate	FY26	FY25	% change	AOP impact versus PY £'m
US dollar	**1.31**	1.26	(3.7%)	(4.5)
Euro	**1.15**	1.16	+1.0%	0.4
Japanese yen	**192.69**	185.13	(4.1%)	(1.1)
Other				0.6
Total transactional impact				**(4.5)**
Total translational impact				**0.2**
Total currency (headwind)/tailwind				**(4.3)**

Over the same period the average spot rate for USD moved (2.3%), EUR +1.5% and JPY (2.3%).

Taking into account hedged rates for FY27 and currently prevailing spot rates for the major currencies, the Group expects a headwind to adjusted operating profit in FY27 of £3.2m. This includes an assumption of 1.335 as an average spot rate for the USD. A one cent movement in the GBP to USD exchange rate would have an approximately £0.6m impact on adjusted operating profit.

Finance review continued

7. Capital expenditure

Total expenditure on property, plant and equipment in the year was £7.4m. Of this £2.9m related to the completion of the Severn Beach investment, with the site becoming fully operational in July 2025. A further £1.3m relates to investment in new property adjacent to our High Wycombe facility, providing more space options to expand headcount at the site. The remaining £3.2m relates to general maintenance and improvement of facilities, including upgrades to the clean room at our Belfast facility.

8. Working capital

Working capital related to continuing operations increased in FY26 by £12.1m (FY25: £2.0m), driven by the late timing of shipments in the year and the higher than normal receivables balance that resulted. Trade receivables increased by £20.9m, but were partially offset by increases in payables and customer deposits. Inventory increased by £1.6m as the business ramps for stronger growth in FY27, and as we continue to deploy supply chain risk management plans. Working capital equated to 12.7% of revenue in FY26 (FY25: 12.8%).

9. Pensions

The Group has a defined benefit pension scheme in the UK which has been closed to new entrants since 2001 and closed to future accrual from 2010.

In December 2025, the Trustee of the Scheme completed the purchase of a bulk annuity policy (buy-in) with Royal London covering the whole of the Scheme's membership. The bulk annuity policy is in the name of the Trustee and is an asset of the Scheme. The purchase price of the bulk annuity policy was set by Royal London. Following the purchase of the bulk annuity policy, and in accordance with IAS 19 accounting standards, the value of the policy as an asset of the Scheme is set to the same value as the Scheme liabilities covered by the policy. More information on the accounting of the buy-in can be found in Note 25 to the accounts.

Following the confirmation of policy pricing the Group ceased further contributions to the Scheme, and does not expect to make any contributions in future years. Contributions in FY26 were £5.3m (FY25: £8.7m).

10. Cash generation

The Group ended the year with £94.5m in cash or cash equivalents (£94.0m net cash). Adjusted cash from operations, including capital expenditure, was £67.5m (FY25: £75.6m) and represents a cash conversion of 92% (FY25: 95%). Cash conversion is calculated as adjusted cash from operations divided by adjusted operating profit. Excluding capital expenditure relating to our new semiconductor systems facility (including the proceeds from Yatton) and the purchase of property adjacent to our High Wycombe facility, cash conversion on a normalised basis for continuing operations was 89% (FY25: 102%). An explanation of how cash conversion is calculated can be found in note 2 to the accounts.

The reduction in cash from operations was mainly driven by the reduction in adjusted operating profit versus the prior year (£5.8m) and the increase in working capital of (£12.1m) as a result of a higher trade receivables balance resulting from the timing of shipments late in the year.

Despite the decrease in cash from operations, free cash flow (FCF) was broadly similar to the prior year (FY26: £41.9m; FY25: £43.8m), due to a reduction in cash tax following overpayments in prior years (£9.4m), and proceeds from the sales of the Yatton site (£4.8m).

In addition to FCF generated by the core business, net cash proceeds of £42.4m were also received following the disposal of the NanoScience business. During the year £75.2m of cash was returned to shareholders through dividend payments (£13.0m), and the continuation of our share buyback programme £62.2m. We expect to complete the remaining £47.8m of the buyback programme in Q3.

The Group maintains an unsecured multi-currency revolving facility agreement which expires in March 2028, with two extension options. The facility is supported by four banks and comprises a euro-denominated multi-currency facility of €95.0m (£80m) and a US dollar-denominated multi-currency facility of $150.0m (£116m).

Debt covenants are net debt to EBITDA less than 3.0 times and EBITDA to interest greater than 4.0 times.

Finance review continued

11. Dividend

The Group's policy on the dividend takes into account changes to underlying earnings, dividend cover, movements in currency and demands on our cash. The Board remains confident in the long-term performance of the business and has proposed a final dividend of 18.2p (FY25: 17.1p) per share. This results in a total dividend of 23.6p (FY25: 22.2p) per share, growth of 6.3%. An interim dividend of 5.4p per share was paid on 7 January 2026. The final dividend will be paid, subject to shareholder approval, on 18 August 2026 to shareholders on the register as at 10 July 2026.

12. Return on capital employed (ROCE) and Return on invested capital (ROIC)

ROCE measures effective management of capital employed relative to the profitability of the business. ROCE is calculated as adjusted operating profit less amortisation of intangible assets divided by average capital employed. Average capital employed is defined as the average of the closing balance at the current and prior year end. Capital employed for FY25 includes the NanoScience business which was classified as a discontinued operation during FY26. Average capital employed for FY26 excludes the NanoScience business.

ROCE has increased to 28.2% versus 27.1% in the prior year. The Group has a medium-term target to deliver ROCE of 30% or more.

ROIC measures the after-tax return on the total capital invested in the business. It is calculated as adjusted operating profit after tax divided by average invested capital. Invested capital is total equity less net cash, including lease liabilities. Average invested capital is defined as the average of the closing balance at the current and prior year end. Average invested capital for FY25 includes the NanoScience business which was classified as a discontinued operation during FY26. Average invested capital for FY26 excludes the NanoScience business. ROIC for the year was 19.9% (FY25: 20.3%).

Further detail on how ROCE and ROIC are calculated is contained in note 2 of the accounts.

Forward-looking statements

This document contains certain forward-looking statements. The forward-looking statements reflect the knowledge and information available to the company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future, thereby involving a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the company.

PAUL FRY
Chief Financial Officer

8 June 2026

Sustainability

Sustainability is central to Oxford Instruments, with our purpose, values, strategy and products all aligning around the positive impact we seek to have on our planet and the societies in which we operate

Through our products and services, we are working to accelerate the breakthroughs that create a brighter future for our world. And through our commitment to operating responsibly, in line with our values, we strive to operate with the highest standards and integrity.

We take a holistic approach to sustainability, ensuring that it is embedded throughout the organisation, from our Board-level Sustainability Committee, joined by all Board members, to our workforce around the world. We also seek to embed principles of sustainability in our interactions with all stakeholders, including customers, supply chain partners and our local communities.

We are committed to building on past progress and continuing to challenge ourselves to go further. Our environmental, social and governance (ESG) strategy focuses on driving positive action across the following areas: progress to net zero and environmental impact; health and safety; investing in our people; culture and engagement, ethical business practices and regulatory financial compliance. We set out our progress throughout this section.

Environment

Our products and services have a key role to play in achieving a more sustainable future. We are committed to minimising our own impact on the environment, reflected in our ambitious net zero targets: 2030 in our own operations, and 2045 across our whole value chain.

For more information / **Pages 53 to 68**

Social

Our purpose and values-driven social programme seeks to uphold our deeply held sense of responsibility to our employees, the communities we impact, and the generations to come. We strive to create a safe and inclusive culture where colleagues can build rewarding careers, and to be a responsible corporate citizen everywhere we operate.

For more information / **Pages 69 to 75**

Governance

We are committed to upholding the highest ethical standards in all our interactions with our colleagues, customers, suppliers, and the stakeholders in our wider network. How we run our business is as important as what we do. We seek to operate in an inclusive, responsible and sustainable way, and with integrity at all times.

For more information / **Pages 76 to 77**

Sustainability continued

Our sustainability ratings

CDP climate change:

B (2025: B)

MSCI ESG Ratings:

AA (2025: AA)

CDP supplier engagement assessment:

A- (new metric in 2026)

S&P:

37

(77th percentile, up from the 82nd in 2025 putting us in the top 25% of our peer group of 439 companies for ESG management)

ISS:

C (2025: C-) fifth decile

Sustainalytics ESG Risk Rating:

11.5 Low risk

(up from 12.1 in 2025, putting us on the 10th percentile among technology hardware companies)

Introduction

We are committed to advancing our positive progress on sustainability each year. Following last year's SBTi validation of our targets and the publication of our net zero transition planning, in FY26, we have focused on putting our plans into action. We have carried out detailed scoping and planning for the key capital investment projects which will facilitate the largest reductions in our Scope 1 and 2 emissions (see page 55) and deepened our engagement with our suppliers to better model our Scope 3 reduction pathway. We were pleased to achieve a B rating again in CDP's climate change assessment, reflecting our commitment and action in this area, and also to have our supplier engagement recognised by CDP with an A- rating.

Health and safety remains a key priority at all levels of the organisation, and our performance continues to compare favourably to industry benchmarks. We have recorded a small rise in the number of accidents during the year; we will redouble our efforts to ensure all our sites are managed effectively and that all incidents are reviewed so that lessons can be learned. We continue to roll out our targeted IOSH-accredited H&S training programme.

Supporting our colleagues to work and collaborate effectively, and building a positive working environment, is fundamental to our company culture. This year, we have focused on embedding our Ways of Working (set out on page 69) with colleagues around the world, as well as listening to and acting on feedback from colleagues generated through the externally benchmarked global engagement survey carried out in November 2024. A further global survey was carried out in April and May 2026 (see page 70). We were pleased to be rated as 'One to Watch', reflecting that Oxford Instruments is a good place to work. We will digest the detailed survey outputs and take action on feedback over the course of this year.

We believe in fostering career development at every level of our global organisation. This year, we ran a second cohort of our Foundations programme, which supports high-potential colleagues in their early career, following last year's successful pilot. Three cohorts of our long-running Leadership programme also benefitted from bespoke training.

We have continued to embed and strengthen our compliance training programme, driving employee awareness through training and regular communications. Colleagues completed 6,246 compliance training courses during calendar year 2025. For more on our people and governance-centred initiatives, see pages 69 to 78.

Sustainability – environment

We are proud of the role our products play in **supporting decarbonisation**, and we are **committed to reaching net zero emissions** across our value chain by 2045

Strategy and targets

We have committed to reach net zero (where we add no incremental greenhouse gases to the atmosphere) across our own operations (Scopes 1 and 2) by 2030. We are making good progress, with emissions down 25% versus our 2024 baseline year. For Scope 3, we are committed to reducing our emissions by 25% by 2030. Our carbon reduction targets were validated by the Science Based Targets initiative (SBTi) in 2025.[1] Our plans for how to achieve them are set out in our net zero transition plan (see pages 54 to 55). Implementation of our plan is progressing with a clear glidepath to hit our 2030 Scope 1 and 2 target. In common with many other businesses, the most challenging of our targets is reducing our Scope 3 emissions, with emissions from the goods and services we procure forming the largest part of our Scope 3 footprint (96%). Our Scope 3 emissions have reduced by 7% since our baseline. We are currently 831 tCO_2e (1%) over our glidepath to hit our 2030 target. This has led us to undertake deeper engagement with our supply chain on their carbon emissions, asking key suppliers for more details on both their carbon emissions and their plans to reduce them.

We continue to implement programmes across the Group to reduce our environmental impact, including purchasing 100% renewable electricity at our UK sites, as well as at some international sites. A key focus of the coming years will be to expand the purchase of renewable electricity to more sites.

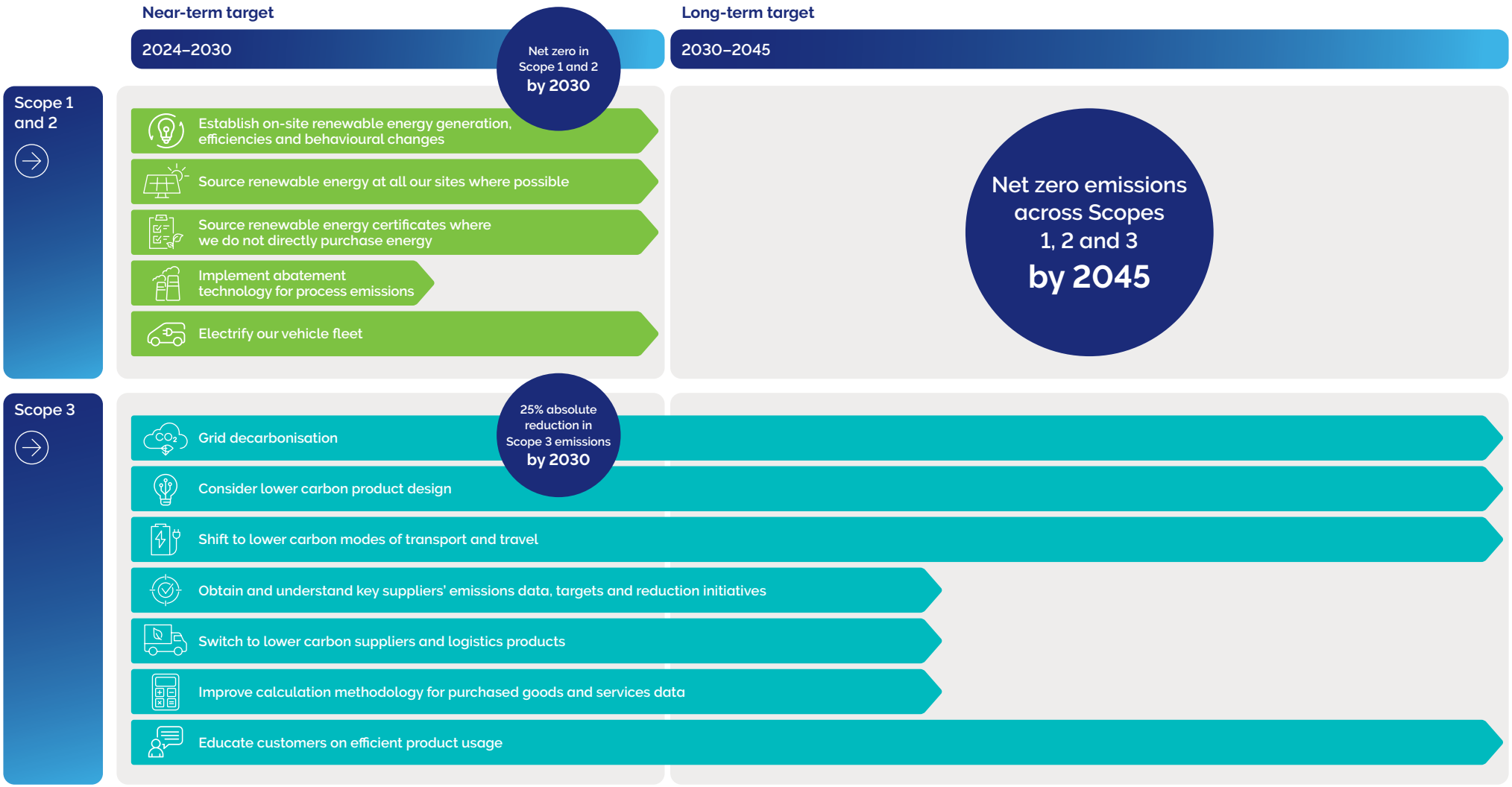
We are also assessing further opportunities to self-generate renewable electricity. Scoping work has been undertaken at all our UK sites to utilise roof space for solar developments. We currently generate solar power from arrays at our sites at Scotts Valley, Severn Beach and Ulm, generating 348,590 kWh in FY26.

In line with our transition plan, activities to replace our fossil fuel boilers have continued. Before the divestment of NanoScience in January 2026, the oil-fired boilers at this site were replaced with electric heating, cutting emissions by 271 tCO_2e. Boiler replacement projects at Belfast and High Wycombe are fully scoped (see 'Transition plan to net zero' on page 55). The largest single source of Scope 1 and 2 emissions at Oxford Instruments is the process emissions generated by plasma processing at our semiconductor facility at Severn Beach. Work has been undertaken this year to better understand these emissions and gain an insight into viable abatement technologies. Development of a technology solution to these emissions will be progressed in FY27.

1 https://sciencebasedtargets.org/target-dashboard.

Sustainability – environment continued

Our science-based net zero transition plan



Sustainability – environment continued

Net zero target and re-baselining

Following the divestment of the NanoScience business, our carbon emissions have reduced by more than 5%. In line with our re-baselining policy, this has triggered a full re-baselining of our emissions, with those previously generated by NanoScience removed. This is in line with the Greenhouse Gas Protocol methodology, as the emissions have not been eliminated from the environment.

Emissions scope	FY24 rebased	FY26	% change from baseline	Target goal by 2030	Status
Scope 1	2,916	3,011	3%	Net zero	On target
Scope 2 (market-based)	1,751	474	(73%)	Net zero	On target
Scope 3	89,226	82,621	(7%)	66,919 (25% reduction)	On target

Emissions scope	FY24 baseline rebased	FY26	% change from baseline	Target goal by 2045	Status
Scope 1, 2 and 3	93,893	86,106	(8%)	Net zero	On target

Today, our location-based carbon intensity metric for Scopes 1 and 2 stands at 12.71 tonnes CO_2e per £million revenue. This is a decrease from 13.23 tonnes per £million revenue in FY25[1]. This reduction is primarily as a result of a year-on-year reduction in Scope 1 combustion emissions and fugitive emissions along with a reduction in Scope 2-related emissions.

Transition plan to net zero

In November 2024, we published our net zero transition plan, created in line with the recommendations of the Transition Plan Taskforce. This key document available on our website at www.oxinst.com/investors/sustainability/ sets out how we intend to hit our 2030 and 2045 targets. We have already begun our implementation plan.

- **Heat decarbonisation** – Heating systems are a large contributor to our Scope 1 emissions. Plans to decarbonise the heating systems at Belfast and High Wycombe by switching from gas to air source heat pumps are fully scoped and awaiting upgrades to the power network before they can progress. Both systems will remove the use of natural gas from the sites, saving a combined 196 tonnes CO_2e per year.
- **Process emissions** – Process emissions have become a significant part of our Scope 1 footprint from the processes at our compound semiconductor facility. A significant proportion of these gases representing c. 2,761 tonnes CO_2e per year can be abated. An engineering design is expected to be delivered during FY27.
- **Renewable electricity** – We purchase renewable electricity contracts at all our UK sites and three sites internationally. The sites that are currently not on renewable electricity contracts will be reviewed, with the intention to switch to purchasing renewable electricity, or to purchase energy attribute certificates to cover their consumption where contracts are not possible. Moving to renewable electricity will reduce our Scope 2 emissions by 468 tonnes CO_2e per year.
- **Energy efficiency** – We have deployed energy efficiency measures such as server room temperature controls. Server rooms are often over cooled, so increasing the temperature set point of a server room can reduce energy consumption by circa 9,500 kWh or 1.6 tCO_2e/year.
- **Fleet** – As vehicles in our fleet come up for replacement we will switch from internal combustion engine vehicles to electric vehicles.
- **Facilities portfolio** – We will prioritise positive environmental attributes when we are looking for new sales, services or manufacturing facilities.
- **Scope 3 emissions** – The largest proportion of our emissions comes from our purchased goods and services. Work has continued this year to engage with our key suppliers, and wider supply chain. As well as direct communication with suppliers, new tools have been deployed to increase engagement. Questionnaires have been used to gain insight into key suppliers' carbon emissions and their plans to reduce their own emissions. Where suppliers have provided good quality data, this will be used to help to improve our carbon footprint data and project reductions in our own footprint.

Streamlined Energy and Carbon Reporting (SECR)

We have outlined our emissions and energy usage across the whole Group, accounting for all Oxford Instrument sites.[1] As mentioned above, we have re-baselined our footprint to reflect the change in business structure caused by the divestment of NanoScience. Along with the baseline data, subsequent reporting years have also been amended to reflect the change and allow comparison.

1 Figures have been re-baselined in FY24.

Sustainability – environment continued

Absolute location-based Scope 1 and 2 emissions decreased by 6% during the year. This is primarily due to the carbon associated with the electricity we are using and an increase in the quantity of self-generated solar electricity being consumed.

Scope 1 emissions have stabilised this year, decreasing slightly (0.4%). Scope 2 market-based emissions continue to be lower versus the baseline year (73% reduction) due to the continued purchase of renewable energy contracts at all our UK sites and three international sites. When available and appropriate, further international sites will be moved onto renewable energy contracts.

We are also scoping opportunities to develop on-site electricity self-generation, particularly through solar, at additional sites over the medium term.

Purchased renewable electricity has increased by 2% year on year, driven by increases at High Wycombe, with additional staff and resource now working from this location, and a net increase in consumption as Severn Beach fully opened and Yatton closed. Following the closure of Yatton FY27 consumption is projected to reduce by around 300,000 kWh.

Absolute energy consumed has reduced by 415,087 kWh from FY25. Part of this reduction followed the completion of the move to the Severn Beach site and the closure of the Yatton site, removing any energy from Yatton for the second half of the year. Further actions to reduce energy consumption are continuing, and are described on page 55.

We report our location-based emissions and energy intensity as tonnes CO_2e/£m revenue and kWh/£m revenue. Emissions intensity has reduced by 3.9% this year, while energy intensity has decreased by 0.33%.

GHG emissions (tCO_2e)

	2026			2025		
	UK	**Global (exc. UK)**	**Group total**	**UK**	**Global (exc. UK)**	**Group total**
Scope 1 fugitive emissions (tCO_2e)	**3**	**–**	**3**	26	0	26
Scope 1 process emissions	**2,671**	**–**	**2,671**	2,692	0	2,692
Scope 1 combustion emissions (tCO_2e)	**174**	**74**	**248**	200	104	304
Total Scope 1 (tCO_2e)	**2,937**	**74**	**3,011**	2,918	104	3,021
Scope 2 location-based (tCO_2e)	**1,822**	**662**	**2,484**	2,082	761	2,844
Scope 2 market-based (tCO_2e)	**0**	**474**	**474**	0	578	578
Total Scope 1 + 2 location-based (tCO_2e)	**4,759**	**735**	**5,495**	5,000	865	5,865
Total Scope 1 + 2 market-based (tCO_2e)	**2,937**	**548**	**3,485**	22,918	681	3,599
Upstream Scope 3 (tCO_2e)	**–**	**–**	**67,171**	–	–	63,864
Downstream Scope 3 (tCO_2e)	**–**	**–**	**15,450**	–	–	17,365
Total Scope 3 (tCO_2e)	**–**	**–**	**82,621**	–	–	81,229
Total Scope 1, 2 & 3 location-based (tCO_2e)	**–**	**–**	**88,116**	–	–	87,094
Total Scope 1, 2 & 3 market-based (tCO_2e)	**–**	**–**	**86,106**	–	–	84,828
Scope 1 + 2 location-based GHG emissions intensity ratio (per Group turnover) £m	**–**	**–**	**12.71**	–	–	13.23

Sustainability – environment continued

	Energy consumption (kWh)					
	2026			2025		
	UK	Global (exc. UK)	Group total	UK	Global (exc. UK)	Group total
Total renewable fuels consumption (kWh)	**0**	**0**	**0**	0	0	0
Liquid fuel (diesel, petrol, fuel oil)	**17,850**	**129,969**	**147,819**	82,151	151,926	234,077
Gaseous fuel (natural gas)	**926,607**	**218,631**	**1,145,238**	1,069,404	364,483	1,433,887
Total non-renewable fuels consumption (kWh)	**944,457**	**348,600**	**1,293,057**	1,151,555	516,409	1,667,964
Total fuels consumption (kWh)	**944,457**	**348,600**	**1,293,057**	1,151,555	516,409	1,667,964
Consumption of purchased or acquired electricity renewable (kWh)	**10,295,051**	**498,305**	**10,793,357**	10,056,750	488,661	10,545,411
Consumption of purchased or acquired electricity non-renewable (kWh)	**–**	**1,643,823**	**1,643,823**	-	1,872,295	1,872,295
Consumption of self-generated non-fuel renewable energy (solar) (kWh)	**120,518**	**228,072**	**348,590**	28,867	183,222	212,089
Total electricity consumption (kWh)	**10,415,569**	**2,370,201**	**12,785,770**	10,085,617	2,544,178	12,629,795
Consumption of purchased or acquired heating, steam and cooling non-renewable (kWh)	**–**	**32,901**	**32,901**	–	250,034	250,034
Consumption of purchased or acquired heating, steam and cooling renewable (kWh)	**–**	**70,650**	**70,650**	–	49,673	49,673
Total renewable energy consumption (kWh)	**10,415,569**	**797,028**	**11,212,597**	10,085,617	721,556	10,807,173
Total non-renewable energy consumption (kWh)	**944,457**	**2,025,324**	**2,969,782**	1,151,555	2,638,738	3,790,293
Total energy consumption (kWh)	**11,360,026**	**2,822,352**	**14,182,378**	11,237,172	3,360,294	14,597,466
% renewable electricity from total electricity	**100%**	**31%**	**87%**	100%	26%	85%
Energy intensity ratio (per Group turnover) £m	**–**	**–**	**32,814**	–	–	32,922

1 This section has been prepared for the reporting period of 1 April 2025 to 31 March 2026. We report on all of the material emission sources in line with an operational control approach method, as required in Part 7 under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and under the UK's Streamlined Energy and Carbon Reporting (SECR) requirements.

Our energy consumption and emissions data is reported in accordance with the reporting requirements of the Greenhouse Gas Protocol ('GHG Protocol'), Revised Edition and the Environmental Reporting Guidelines, including the SECR guidance dated March 2019. The GHG Protocol standard covers the accounting and reporting of seven greenhouse gases (GHGs) covered by the Kyoto Protocol.

We report on Scopes 1 and 2 GHG emissions, as well as select Scope 3 emissions, providing a detailed breakdown of the Group's emissions by type and intensity measurement.

In our calculations, we have taken into account instances where sites generate their own renewable electricity or purchase electricity backed by contractual instruments, such as Renewable Energy Guarantee Origin (REGO). Consistent with the Greenhouse Gas Protocol, we regularly review our reporting procedures in response to changes in business structure, calculation methodologies, and data accuracy and availability. Consequently, we have restated our Scope 1 and 2 2024 emissions data to reflect the divestment of the NanoScience business.

For Scope 1 emissions, we have used emission factors from the UK Government's GHG Conversion Factors for company Reporting 2025 (provided by the Department for Environment, Food and Rural Affairs (DEFRA)). Scope 2 emissions, calculated using the GHG Protocol location-based method, have been determined using country-specific emission factors from the International Energy Agency (IEA) and DEFRA for UK sites. For Scope 2 emissions calculated using the GHG Protocol market-based method, we have used residual mix emission factors from the Association of Issuing Bodies (AIB) 2022 where applicable. In cases where residual mix emission factors were not available, we employed country-specific emission factors from the IEA in accordance with GHG Protocol guidelines.

Sustainability – environment continued

Scope 3 emissions

Our Scope 3 emissions are still our most significant source of emissions, contributing 96% of our total emissions.

We calculated all applicable Scope 3 categories for our carbon footprint, with five categories not applicable to our business. In line with the Greenhouse Gas Protocol, we continue to review our reporting in light of any changes in business structure, calculation methodology and the accuracy or availability of data.

Due to recognised inherent uncertainties in calculating Scope 3, we have adopted a continuous improvement approach. We will continue to review our processes and disclose any restatements in a timely and transparent manner. We disclose our most material Scope 3 categories for our FY26 footprint below.

Overall Scope 3 emissions have increased by 1.7% from last year. This was due to an increase in spend towards higher emission factor sectors in category 1 emissions, including computers and electronics and fabricated metals, despite an overall year-on-year reduction in spend. Category 6 business travel also increased, as we focus on strengthening relationships with our customers through face-to-face meetings. There were falls in category 11 emissions as grids have decarbonised.

Purchased goods and services (67% of Scope 3) – The largest contributor to our Scope 3 emissions are the goods and services we purchase. For our calculations we have continued to use a 'spend-based' approach, which allocates emissions to an amount spent on specific commodities. Primary data is being sought from suppliers in our supply chain, with the aim of moving to supplier-specific emissions calculations.

Use of sold products (19% of Scope 3) – We calculate the lifetime energy use for representative products of our key product ranges, using our annual sales volume, average power use per product and estimated hours in use over life. Emissions factors for our key sales regions are applied to this data.

Upstream transportation and distribution (5% of Scope 3) – All inbound, intragroup and outbound logistics paid for by the Group are mapped against the transportation mode, weight and distance travelled to calculate emissions on a well-to-wheel basis.

Category	Description	Status	2026 Scope 3 emissions (tCO_2e)	2025 Scope 3 emissions (tCO_2e)
1	Purchased goods and services	Relevant, calculated	**55,073**	53,393
2	Capital goods	Relevant, calculated	**Inc. in category 1**	Inc. in category 1
3	Fuel- & energy-related activities	Relevant, calculated	**931**	910
4	Upstream transportation and distribution	Relevant, calculated	**3,904**	4,310
5	Waste generated in operations	Relevant, calculated	**10**	13
6	Business travel	Relevant, calculated	**5,830**	3,922
7	Employee commuting	Relevant, calculated	**1,424**	1,316
8	Upstream leased assets	Not relevant, not applicable	**–**	–
	Upstream emissions		**67,171**	63,684
9	Downstream transportation and distribution	Relevant, calculated	**inc. in category 4**	inc. in category 4
10	Processing of sold products	Not relevant, not applicable	**–**	–
11	Use of sold products	Relevant, calculated	**15,449**	17,363
12	End-of-life treatment of sold products	Relevant, calculated	**2**	3
13	Downstream leased assets	Not relevant, not applicable	**–**	–
14	Franchises	Not relevant, not applicable	**–**	–
15	Investments	Not relevant, not applicable	**–**	–
	Downstream emissions		**15,450**	17,365
	Total Scope 3		**82,621**	81,229

Sustainability – environment continued

Environmental management and legislation

As a Group, we are committed to strong environmental management and to ensuring compliance with environmental legislation in the countries where we operate. We maintain certification to the ISO 14001 environmental management system standard at all our UK manufacturing sites.

No environmental fines or penalties have been placed on the Group in the last three years. Some of the primary frameworks which drive our environmental compliance actions are as follows:

- Waste Electronic and Electrical Equipment (WEEE) Directive;
- Restriction on the use of Hazardous Substances (RoHS) regulations;
- Registration, Evaluation, Authorisation of Chemicals (REACH) Directive; and
- European Waste Framework Directive.

Water and waste

Water withdrawal and waste data has been collected across the Group from sites with independent water supplies and direct control of their waste collection services. This includes all the primary UK manufacturing sites, which account for more than 80% of Group revenue.

Some of our operations are in regions with high or extremely high levels of water stress. However, water is not seen as a material risk as it is not used significantly as part of our production processes.

In total the Group recorded 16,385 m^3 of water withdrawal, down from an adjusted total with the divestment of NanoScience of 28,975 m^3 in FY25 and produced 16,385 m^3 of water discharged.

UK sites are sending zero waste to landfill; our waste from these sites is either recycled or used at energy from waste facilities to generate electricity. We are committed to reducing the quantity of hazardous waste we produce.

Total waste – treatment	kg	% split of waste
Recycled	130,212	53.7%
Landfill	11,641	4.8%
Energy from waste	100,751	41.5%
Total	**242,605**	

Hazardous vs non-hazardous	kg	% split of waste
Hazardous	6,626	2.7%
Non-hazardous	235,979	97.3%
Total	**242,605**	

Water	m^3	Intensity ratio (per Group turnover) £m
Withdrawal	16,385	37.91
Discharge	16,385	37.91

Sustainable product development

Oxford Instruments provides academic and commercial organisations worldwide with market-leading scientific technology and expertise across our key market segments: materials analysis, semiconductors, and healthcare & life science. Our Imaging & Analysis division develops, manufactures and services microscopes, scientific cameras, analytical instruments and software. Our Advanced Technology division develops, manufactures and services compound semiconductor fabrication equipment and X-ray tubes.

Our new product introduction (NPI) process considers sustainable design alongside customer and market demands. This will allow us to continue to produce technologies that enable and facilitate the transition to a low-carbon economy.

Our NPI process considers the sustainability attributes of new products from the feasibility and design stage through to development, launch and scale up. Some of the key sustainable design considerations for reducing product-related emissions include: seeking recycled or low emission raw materials with suitable technical properties, reducing the weight and number of components in our products, and enhancing their overall efficiency during the use phase.

We are in the early stages of building our ability to assess embedded carbon in our products, and this year carried out a carbon footprinting exercise on two representative products to better understand opportunities to reduce their footprint.

Sustainability – TCFD statement

Task Force on Climate-related Financial Disclosures (TCFD) Statement for the year ended 31 March 2026.

Introduction

In tandem with our net zero commitment, this report addresses our climate governance and describes how we integrate climate risks and opportunities into our risk management, strategic planning, and decision-making, in line with our ambition to achieve net zero emissions across Scopes 1 and 2 by 2030, and across Scopes 1, 2 and 3 by 2045.

As a global manufacturer of high-technology products, mitigating, adapting and responding to the impacts of climate change is central to our strategy, both in terms of how we operate our business, and in terms of the key role our products and services play in the technology pathway to enable the transition from fossil fuels to a low-carbon economy. This year, we have continued to progress delivery of our net zero transition plan and have reviewed and refreshed our assessment of climate-related risks and opportunities, reflecting any changes in impact, likelihood and emerging developments over the past year.

Compliance statement

For clarity around compliance of the following information with the TCFD framework, and requirements arising from UK Listing Rule 6.6.6(8), we consider our disclosure to be consistent with all TCFD recommendations and recommended disclosures as detailed in 'Recommendations of the Task Force on Climate-related Financial Disclosures' (2017) and the additional guidance as set out in the 2021 Annex, 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures' and with the climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CA 414CB), as shown in the TCFD and CFD cross reference and disclosure consistency summary below.

TCFD pillar	Recommended disclosure	Disclosure location	CA 414CB
Governance: Disclose the organisation's governance around climate-related risks and opportunities	a. Describe the Board's oversight of climate-related risks and opportunities.	Page 61	(a)
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 62	(a)
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pages 63 to 67	(d)
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Pages 63 to 68	(e)
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 68	(f)
Risk management: Disclose how the organisation identifies, assesses, and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 62 and 63	(b)
	b. Describe the organisation's processes for managing climate-related risks.	Page 62	(b)
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Page 62	(c)
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 68	(h)
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pages 56 to 58	(h)
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Pages 53 to 58, 68	(g)

Sustainability – TCFD statement continued

Governance

Board level

The Board of Directors has ultimate responsibility for the oversight of climate-related issues and is supported by its Committees (primarily the Sustainability Committee, the Audit and Risk Committee and the Remuneration Committee), the Senior Leadership Team, the Environmental Leadership Forum (ELF) (previously Sustainability Leadership Forum), and the wider leadership team. Climate-related considerations are embedded throughout our governance structure, and at every level across the organisation, as set out in the graphic and explained in more detail below. The Board engages regularly with a range of external advisers and internal subject matter experts on environmental legislation, decarbonisation and climate risk.

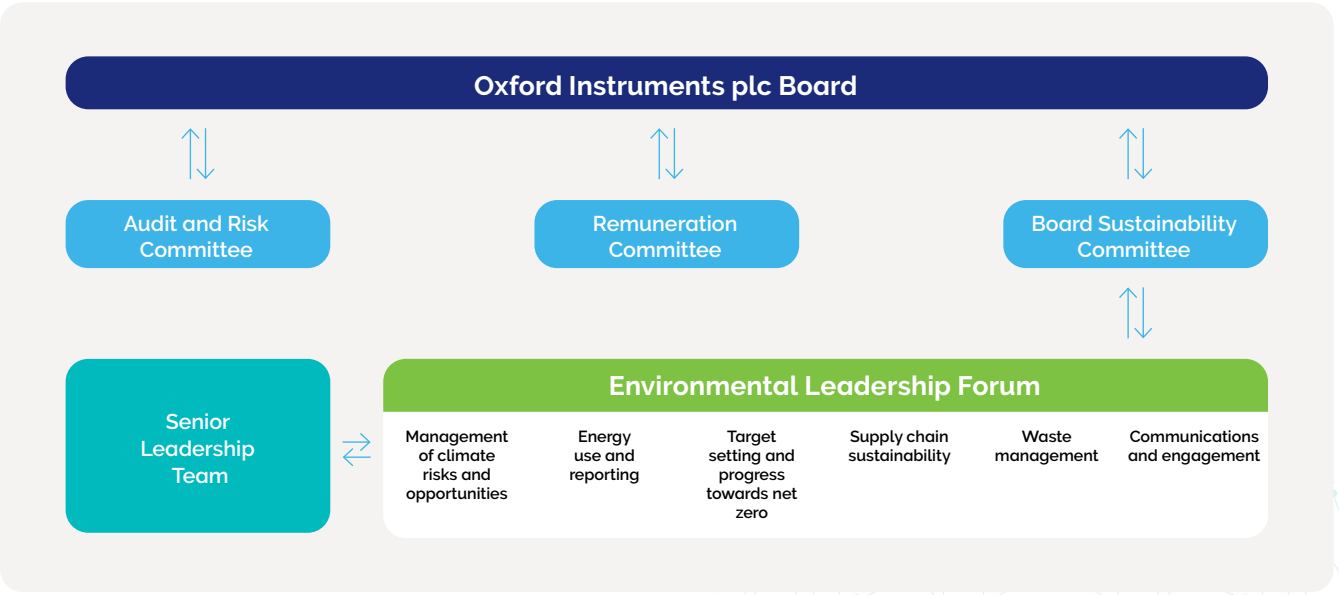
The Group's environmental strategy and the management of climate-related risks and opportunities is set and directed by the CEO and the Senior Leadership Team. Any major capital expenditure, including climate-related initiatives such as solar arrays or energy efficiency upgrades to sites, is approved by the CEO and CFO and, if required, the Board.

The Board, through its Sustainability Committee (comprising all the Non-Executive Directors), provides oversight and governance over environmental strategy, including monitoring progress to SBTi-aligned net zero targets through its review of emissions data, and assessing how these are being managed. The Sustainability Committee meets at least three times a year.

The Audit and Risk Committee provides oversight and governance in relation to climate change-related risks and opportunities, while the Remuneration Committee is responsible for setting and overseeing climate change-related remuneration incentives, together with any other sustainability-related incentives.

The current climate-related executive remuneration objectives can be found on pages 142 and 143. The Sustainability Committee, in turn, provides strategic guidance and oversight to the management-level ELF, primarily through the attendance of relevant ELF members at the Committee's meetings.

Climate-related governance framework organogram



Sustainability – TCFD statement continued

Management level

The ELF is a cross-functional forum, chaired by the Chief HR Officer, with a remit across the full spectrum of the Group's net zero strategy. It holds responsibility for environmental issues at a management level, including identifying and assessing climate-related risks and opportunities and the delivery of the Group's environmental strategy, including its ambitious emissions reduction targets across Scopes 1, 2 and 3. The chair of the ELF attends the Sustainability Committee to share strategic updates and seek the Board's input on them. Other members of the ELF attend the Sustainability Committee when required. The ELF meets once per quarter, and is primarily responsible for detailed development of strategy, and the assessment, management and tactical delivery of the environmental remit.

The ELF's membership includes functional heads, subject matter experts and site leaders, whose responsibilities include:

- facilitating the exchange of sustainability activities and good practices across the business through:
  - progress updates on capital investment projects;
  - maintaining a sustainable supply chain, including logistics; and
  - sustainable packaging and product design;
- reviewing existing reporting requirements and accurate and timely delivery of metrics;
- staying abreast of future legislation/requirements; and
- reviewing renewable energy contracts, ensuring all facilities use renewable energy or have a renewable energy strategy in place.

ELF members lead liaison with external consultant CEN-Group on climate, energy and progress to net zero. In addition, members monitor the KPIs outlined in the Metrics and Target section on page 68.

A key part of the ELF's remit, working in collaboration with the Senior Leadership Team, is to foster two-way engagement with manufacturing sites and regional leadership to drive and accelerate Oxford Instruments' progress towards net zero and our management of climate risks and opportunities.

Risk management

Our process for identifying and assessing climate-related risks

As a principal risk, climate-related risks and opportunities are identified and assessed in line with Oxford Instruments' processes for wider enterprise risk management. This allows the importance of climate-related risks and opportunities to be compared with other risks and opportunities. All physical and transition risk categories (current and emerging) outlined by the TCFD are considered by Oxford Instruments, regardless of whether they occur within our operations, upstream or downstream of the Group. Our approach to identifying and assessing risks and opportunities is set out in detail in the Risk Management section on pages 79 to 95 of the Annual Report 2026.

Relevant risks and opportunities are identified with help from external consultants, CEN Group, and involve collaboration with key internal stakeholders such as senior management, legal and regulatory, product management, and health and safety functions. As part of this process, we carry out horizon scanning to identify potential threats, particularly regulatory changes, and any emerging risks and opportunities, which allows for better preparedness to support decision making. We consider climate-related risks and opportunities across the short, medium and long term, with these timeframes defined on page 63. Generally, transition risks are considered at a macro level by the Group in collaboration with internal stakeholders and senior management, while physical risks are typically more granular and therefore more relevant at a business unit and site level.

Any new regulatory requirements are implemented as they arise, and further actions taken as appropriate.

As with all other Group risks, climate risks and opportunities are assessed on a 4x5 matrix, which incorporates an assessment of both Likelihood (Highly Unlikely to Highly Likely) and Impact (Insignificant to Catastrophic[1]). The financial impact of climate risk is defined below.

Financial impact[2]

Insignificant	Low	Moderate	Severe	Catastrophic
Reduction in annual adjusted operating profit (AOP) of up to **£2m**	Reduction in annual AOP between **£2–3m**	Reduction in annual AOP between **£3–5m**	Reduction in annual AOP between **£5–6m**	Reduction in annual AOP more than **£6m**

1. Likelihood is a measure of the risk occurrence while impact is a measure of the combination of financial, reputational and compliance impacts.
2. Materiality limits are set in line with the Group's financial statement materiality levels. Last year Group financial materiality was £3m based on 5% of profit before tax.

Through this assessment, risks are assigned a Risk Score and classified as either Low, Moderate, High or Significant. Risks that are classified as High or above are reported to the Group for further assessment. This process allows prioritisation of risks and ensures that the significance and scope of climate-related risks are considered in relation to non-climate-related risks.

Sustainability – TCFD statement continued

Climate-related risks scored as High or above are reflected in the Group risk register, which is reported to the Audit and Risk Committee on a quarterly basis. Risks below this threshold are still monitored and considered for future review. The decision to tolerate, transfer or treat a risk is determined by the outcome of the Risk Score; higher scoring risks need to be managed to bring the risk impact back in line with the Group's appropriate risk appetite. Action plans for each risk are outlined in the risk register, including mitigating actions and who is responsible for these actions.

Additional information regarding each risk and opportunity has been elaborated upon, including an assessment of their implications, including but not limited to financial and reputational implications, strategic responses, associated costs, and the variability within climate-related scenarios, where feasible. This detailed analysis, coupled with evaluations of impact and likelihood, facilitates the determination of appropriate risk responses, such as mitigation, acceptance, or control. Consequently, resources can be allocated effectively to address the most consequential climate-related impacts, while other risks necessitate additional scrutiny or are deemed acceptable within the Group's customary risk tolerance.

Strategy

Climate-related risks and opportunities

Our approach to managing climate-related risks and leveraging opportunities is incorporated into our business strategy, with our climate identification exercise refreshed every three years. In 2026, we reviewed and refined the climate-related risks and opportunities we identified as part of our previous climate scenario analysis in 2024. This has ensured we are aware of any new climate-related risks and opportunities that have become relevant throughout the year, and also that we understand whether the impact or likelihood of any previous risks or opportunities has changed.

Transition risks and opportunities

The TCFD defines transition risks in four categories (Policy and Legal, Market, Technology, and Reputation) and transition opportunities in five categories (Resource Efficiency, Energy Source, Products & Services, Markets and Resilience). These categories were considered as part of the transition risk assessment. Risks and opportunities identified in these categories were ranked, with only the most significant being reported below. Short, medium and long-term time horizons defined below were used as part of this assessment to identify the impact of climate on our business strategy.

The following International Energy Agency climate scenarios have been used to perform scenario analysis on our transition risks and opportunities.

- Net Zero 2050 (NZE): a narrow but achievable pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. This scenario meets the requirement for a 'below 2°C' scenario and is used as a positive climate pathway. NZE also informs the decarbonisation pathways used by the SBTi.
- Stated Policies Scenario (STEPS): This scenario represents projections based on the current policy landscape and is used as a base case pathway. Global temperatures rise by around 2.5°C by 2100 from pre-industrial levels, with a 50% probability.

Impact time horizon	Year from	Year to	Rationale
Short term	2026	2028	In line with the existing risk management time horizon and specific business plan strategy.
Medium term	2028	2035	Encompasses Oxford Instruments' near-term emission targets, set at 2030.
Long term	2035	2050	Encompasses the Group's net zero by 2045 target, the UK Government's net zero by 2050 target and the useful life of the organisation's assets.

Sustainability – TCFD statement continued

Significant risk/opportunity – Report to Group
High risk/opportunity – Report to Group
Moderate risk/opportunity – Do not report to Group mitigation plan expected to be in place
Low risk/opportunity – Do not report to Group

Transition risks and opportunities

Transition risks identified

Risk	Risk description	Risk type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario 2028	NZE scenario 2035	NZE scenario 2050	STEPS scenario 2028	STEPS scenario 2035	STEPS scenario 2050	Scenario implications
Current and emerging environmental regulation and increasing reporting requirements	Increased exposure to environmental regulation – such as regulation on Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS).	Policy and legal	Rise in material prices for switching to compliant products or disruption to production if unable to react in sufficient time. Could also result in component/process obsolescence.	We have product compliance processes in place to manage the regulatory environment. We use existing processes to meet Restriction of Hazardous Substance (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) requirements, which remain appropriate to manage future changes in standards. Further, our new product development process considers environmental regulation.	• Frequency of horizon scanning for new regulation	Moderate	High	High	Low	Moderate	High	Regulation increases under NZE, but long-term risk remains aligned with STEPS through mitigation.
	The global regulatory landscape for ESG issues is changing rapidly, and uncertainty remains with respect to the adoption of global reporting standards such as EU CSRD, UK SRS and CSDDD. Failure to keep up with emerging regulation could increase costs of compliance.	Policy and legal	Penalties for non-compliance with regulation. Further, cost of compliance could increase through being late to address regulation.	Oxford Instruments has dedicated internal risk, legal and environmental management resources, as well as investing in external consultancy, to ensure that we are aware of, and remain compliant with, legislation. Further, we implement any new regulatory requirements as they arise. Our certified ISO 14001 systems at our three UK manufacturing sites support our mitigation of climate risk.	• Percentage of sites with ISO 14001 certification	Moderate	High	High	Low	Moderate	High	Regulation increases under NZE, with no long-term change in risk exposure versus STEPS.
Price inflation in the value chain	Value chain exposure to carbon pricing impacts. Globally, there is an increase in carbon pricing mechanisms – both policy and market instruments – for example UK Carbon Border Adjustment Mechanism (CBAM) and EU CBAM, which may result in high supplier costs and embedded carbon charges.	Policy and legal	Potential of higher supply chain costs through increased raw material prices.	As part of our net zero plan, we are aiming for a 25% reduction in Scope 3 by 2030 and net zero across the value chain by 2045, thereby mitigating the impacts of carbon pricing on our value chain. Our net zero transition plan highlights key levers to reduce supply chain emissions. We are engaging with our key suppliers, globally, through a third-party platform, alongside direct engagement with several of our top spend suppliers to gather information on their carbon footprints, reduction targets and decarbonisation programmes.	• Scope 3 – category 1, 4 emissions • Global carbon prices	Low	Moderate	The company plans to be net zero by 2045	Low	Low	The company plans to be net zero by 2045	Exposure is higher under NZE due to higher carbon costs and wider carbon pricing.
	Global supply chains are implementing more expensive production methods and changing raw materials to facilitate decarbonisation, although the extent to which increased costs will be passed on is largely unknown.	Market	Potential of higher supply chain costs.	Oxford Instruments maintains close relationships with key suppliers. Product Development and Strategic Sourcing teams identify and evaluate viable alternatives in materials and processes and work closely with key suppliers to deliver supply chain solutions.	• Percentage of supply chain spend with decarbonisation dialogue • Percentage of suppliers engaged to collect emissions data	Moderate	Moderate	Low	Moderate	Moderate	Moderate	Change is faster and pricing impact greater under NZE than STEPS.

Sustainability – TCFD statement continued

Significant risk/opportunity – Report to Group
High risk/opportunity – Report to Group
Moderate risk/opportunity – Do not report to Group mitigation plan expected to be in place
Low risk/opportunity – Do not report to Group

Transition risks identified continued

Risk	Risk description	Risk type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario 2028	NZE scenario 2035	NZE scenario 2050	STEPS scenario 2028	STEPS scenario 2035	STEPS scenario 2050	Scenario implications
Increasing stakeholder, regulatory and reporting expectations	Key stakeholders are demanding sustainability performance from Oxford Instruments.	Reputation	Reputational damage could result in loss of customers and shareholders and reduced access to capital.	Board-level scrutiny and oversight, and an organisation-wide focus on addressing the risks and opportunities arising from climate change, together with a focus on impact reporting, wider communications and stakeholder engagement. Our net zero transition plan and SBTi-approved targets reduce exposure to this risk and set out our clear pathway to net zero.	• Rating agency scores	Low	Moderate	Moderate	Low	Moderate	Moderate	Stakeholder expectations rise short to medium term under NZE; emissions targets balance risk over time.

Transition opportunities identified

Opportunity	Opportunity description	Opportunity type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario 2028	NZE scenario 2035	NZE scenario 2050	STEPS scenario 2028	STEPS scenario 2035	STEPS scenario 2050	Scenario implications
Investment in R&D for a low-carbon economy	The transition to a low-carbon economy requires significant investment in R&D for more sustainable technologies. Innovation and development in technology areas such as batteries are critical for the transition to a low-carbon economy.	Products and services	Increased revenue	Our products and services play a key role in the technology pathway to enable the transition from fossil fuels to a low-carbon economy. Our enabling technologies, such as materials analysis solutions, and semiconductor equipment, help customers address these challenges.	• Low-carbon market segments growth • Industry investment in low-carbon R&D	Moderate	High	Significant	Low	High	High	Greater investment in renewables and alternative technologies under NZE; slower transition under STEPS.
	In-house R&D and our new product development process have the potential to address the need for products with sustainability credentials, eg energy-efficient products.	Products and services	Increased revenue	Our new product development process takes environmental considerations into account. Developments in our semiconductor equipment are implicitly geared towards energy efficiency, while our materials analysis instrumentation supports battery development and analysis, and the development and optimisation of renewable energy technologies, and more sustainable structural materials.	• Internal R&D investment • Scope 3 – category 11, 12 emissions	Moderate	Moderate	Low	Low	Low	Moderate	Greater investment in renewables and alternative technologies under NZE; slower transition under STEPS.
	Proactive collaboration with suppliers to drive low-carbon innovation helps improve the sustainability credentials of our product portfolio.	Products and services	Increased revenue	We have been directly engaging with key suppliers to understand the existing mechanisms they are using to reduce their carbon footprint, and subsequently to embed material and energy efficiencies into the products we purchase.	• Number of suppliers' carbon data obtained from Scope 3 – category 1, 11 emissions	Low	Moderate	Moderate	Low	Low	Moderate	Greater investment in renewables and alternative technologies under NZE; slower transition under STEPS.

Sustainability – TCFD statement continued

Significant risk/opportunity – Report to Group
High risk/opportunity – Report to Group
Moderate risk/opportunity – Do not report to Group mitigation plan expected to be in place
Low risk/opportunity – Do not report to Group

Transition opportunities identified continued

Opportunity	Opportunity description	Opportunity type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario 2028	NZE scenario 2035	NZE scenario 2050	STEPS scenario 2028	STEPS scenario 2035	STEPS scenario 2050	Scenario implications
Services that facilitate the reduction of carbon emissions and deliver value for customers	Remote Services Solutions is a developing service across the Group. This service area not only provides an area for growth but also allows for reduction of emissions in our own operations and for our customers.	Products and services	Increased revenue and decreased transport cost and emissions	Almost all our products are already shipped with remote connectivity and we are building business system infrastructure to enable remote service capabilities.	• Revenue from remote services	High risk/opportunity	High risk/opportunity	High risk/opportunity	Moderate risk/opportunity	High risk/opportunity	High risk/opportunity	Increased opportunity under NZE from organisations pursuing carbon reduction.
	Local sourcing and strategic placement of services delivers efficiency to customers and allows Oxford Instruments to reduce logistics travel.	Resource efficiency	Decreased transport cost and emissions	We are engaging in strategic building of capabilities, supply chain sourcing and services to deliver efficiency to customers. Load optimisation in logistics is also part of this strategy. We continue to look for opportunities in this area.	• Scope 3 – category 4, 9 emissions	Low risk/opportunity	Low risk/opportunity	Moderate risk/opportunity	Low risk/opportunity	Low risk/opportunity	Moderate risk/opportunity	Increased opportunity under NZE from organisations pursuing carbon reduction.
Operational energy and carbon reductions	Obtaining renewable electricity through renewable electricity certificates (RECs) and power purchase agreements (PPAs) reduces reliance on local grids and helps to reduce Scope 2 emissions as an interim measure whilst exploring opportunities to reduce energy usage.	Energy source	Reduced costs and Scope 2 emissions. Renewable electricity can also provide operating cost savings and reduce operational exposure to carbon pricing.	Our current renewable energy programme utilises REGO-certified or REGO-equivalent certifications of renewable electricity. We make use of solar arrays on our Severn Beach, Ulm and Scotts Valley manufacturing sites, along with our Tokyo office. We are adding additional renewable generation capacity to suitable sites, with scoping assessments completed at High Wycombe.	• Scope 2 market-based emissions • Percentage of renewable electricity out of total electricity	Low risk/opportunity	High risk/opportunity	Moderate risk/opportunity	Low risk/opportunity	Low risk/opportunity	Low risk/opportunity	Greater supply availability under NZE; STEPS sees slightly reduced REC availability.
Resource efficiency	Internally, Oxford Instruments can implement resource efficiency programmes to improve waste, water use and energy savings.	Resource efficiency	Reduced costs and emissions	Group-wide, we are continually looking for opportunities to embed resource efficiency into our operations. We are in the process of replacing gas boilers at Belfast with air source heat pumps, with installation planned for summer 2027. We also seek to invest in long-term, alternative technologies as they become suitable and economically feasible.	• Scope 1 and Scope 2 (location-based) emissions • Total waste • Total water	Low risk/opportunity	High risk/opportunity	Moderate risk/opportunity	Low risk/opportunity	Low risk/opportunity	Low risk/opportunity	Greater exposure under NZE due to more investment in resource efficient products and services.

Sustainability – TCFD statement continued

Significant risk/opportunity – Report to Group
High risk/opportunity – Report to Group
Moderate risk/opportunity – Do not report to Group mitigation plan expected to be in place
Low risk/opportunity – Do not report to Group

Physical risks

The frequency of physical climate-related impacts is expected to increase in the future through an increased frequency and severity of extreme weather events. Oxford Instruments has used a location risk tool to assess the Group's sites and key suppliers' current and future risk exposure to climate-related disruptions. Sites have been assessed for both acute and chronic physical risks, including potential risks such as drought stress, tornadoes, storms, sea level rise and flooding events, among other hazards.

Particular attention has been paid to the three UK manufacturing sites (Severn Beach, High Wycombe and Belfast) as they contribute approximately 75% of Group revenue. Since physical climate-related risks are expected to manifest over a longer time frame than transition risks and opportunities, different time horizons have been used.

These are: 2030 (short term), 2050 (medium term) and 2100 (long term). During this reporting year we had no insurance claims that were climate-related.

The following scenarios have been used for the physical risk assessment:

- RCP 2.6 is an optimistic scenario whereby atmospheric concentrations of greenhouse gases lead to a global temperature rise of less than 2°C by the end of the century relative to the pre-industrial period (1850–1900).
- RCP 8.5 is a pessimistic high emissions scenario, consistent with a future with no policy change to reduce emissions and leading to a global temperature rise of around 4°C by 2100.

Risk	Risk description	Risk type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	2.6 Scenario			8.5 Scenario			Scenario implications
						2030	2050	2100	2030	2050	2100	
Flooding	One manufacturing site is projected to be a Zone 50 (2% chance each year of a flood event) site under all future scenarios from 2030 onwards. A further manufacturing site is located in a Zone 100-year return period for storm surges (1% chance of occurring each year).	Acute	Increased costs and decreased revenue through decreased manufacturing output, delayed production times and damage to site infrastructure, equipment, or inventory.	Oxford Instruments' sites are insured for asset/property damage as well as business interruption. Each site has a business continuity plan and emergency response measures in place to deal with significant events. The flood risk exposure at the Zone 50 site has been mitigated by constructing the building on a 1.5m raised platform.	• Number of days operations are disrupted due to flooding events • Revenue loss from site disruption • Insurance premiums	●	●	●	●	●	●	Minimal change in exposure between RCP2.6 and 8.5.
Wildfire	One manufacturing site is currently at a high risk level and projected to remain high against future scenario projections. A further manufacturing site increases from medium to high risk across all projections including the most optimistic scenario by 2030.	Acute	Increased costs and decreased revenue through disrupting manufacturing output such as road closures, evacuation orders, restricted access, or damage to site infrastructure.	Oxford Instruments' sites are insured for asset/property damage as well as business interruption. Each site has a business continuity plan and emergency response measures in place to deal with significant events.	• Number of days operations are disrupted due to fire events • Revenue loss from site disruption • Insurance premiums	●	●	●	●	●	●	Increased exposure under RCP8.5, particularly in the long-term 2100 projections.
Supplier disruption from extreme weather	Increasing extreme weather events can cause supply chain disruptions or site shutdowns. Analysis indicates low physical risk for our key suppliers currently.	Acute	Decreased revenue	Business interruption insurance provides a degree of cover in the event that supply chain issues cause significant disruption to production.	• Number of days our operations are disrupted due to supply chain issues resulting from extreme weather events	●	●	●	●	●	●	Minimal change in exposure between RCP2.6 and 8.5.

Sustainability – TCFD statement continued

Impact on strategy and financial planning

We consider climate change to be a principal risk for Oxford Instruments, but also a source of material opportunity, given our focus on accelerating breakthroughs, and the end markets we serve. Our assessment is based on having evaluated key climate-related risks and opportunities, including understanding the potential impact of each in terms of its time horizon, likelihood and magnitude, and the stakeholders or areas of the business that may be affected.

Although there is not a dedicated climate-related R&D budget, our existing R&D expenditure incorporates climate change. Our products are designed to address our structurally growing markets in advanced materials development and semiconductors, which both have a key role to play in decarbonisation and addressing the impacts of climate change. In terms of the direct impact of our products, considerations are incorporated into the Group's New Product Development process, to ensure the ongoing reduction of the carbon footprint of our products through energy use, packaging and distribution, as well as increased recyclability and upgradability. In addition to R&D considerations, the costs of planned climate initiatives are included within each site's annual budget plans of capital expenditure requests. When purchasing or leasing new offices and manufacturing sites, environmental considerations form part of the procurement process.

Resilience of the organisation's strategy to climate change

The scenarios used in our climate scenario analysis are explained in more detail above. They have been selected to provide contrasting scenarios which allow us an understanding of how resilient the Group is under different situations and temperature pathways. Our identified climate-related risks and opportunities, and action plans to address these, highlight that in aggregate, our overall climate risk exposure is moderate.

We believe, given our current mitigation plans, that we can incorporate climate risks into our business-as-usual activities and that the Group is financially resilient to climate change. Therefore, we do not currently envisage any additional significant capital expenditure or changes to business strategy as a result of climate change that sits outside of our normal planning. Please see page 186 of our financial statements where the impacts of climate change have been considered.

The outputs of the scenario analysis we have carried out can be found on pages 63 to 67. The limitations of this scenario analysis are:

- scenarios often only provide high-level global and regional forecasts;
- not all risks are easily subject to scenario analysis;
- scenario analysis requires analysis of specific factors and modelling them with fixed assumptions;
- impacts are to be considered in the context of the current financial performance and prices;
- impacts are modelled to occur in a linear fashion when, in practice, dramatic climate-related impacts may occur suddenly after tipping points are breached;
- the analysis considers each risk and scenario in isolation when, in practice, climate-related risks may occur in parallel as part of a wider set of potential global impacts; and
- carbon pricing is informed by the World Energy Outlook 2025 report from the International Energy Agency.

Metrics and targets

Climate-related metrics

We disclose our Scope 1, 2 and 3 emissions in line with the Greenhouse Gas (GHG) Protocol A Corporate Accounting and Reporting Standard, with additional guidance from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.

This covers the accounting and reporting of the seven greenhouse gases covered by the Kyoto Protocol. An operational control approach was adopted, with all material emissions sources reported.

We also disclose a wide range of metrics to help us to track our progress across a number of climate-related and sustainability-related areas. This includes electricity consumption, GHG emissions intensity and water and waste usage. The specific metrics used to track our climate-related risks and opportunities are identified on pages 63 to 67. Please see the environment section, pages 53 to 59, for further information, and for this year's SECR reporting, the primary means by which we report our progress and track our impact.

Climate-related targets

As set out in the environment section, we are committed to reaching net zero carbon emissions (where we add no incremental GHGs to the atmosphere) against Scopes 1, 2 and 3 by 2045. These targets are ambitious, getting us to net zero ahead of the UK Government's pledge, and demonstrate our commitment to operating responsibly. Our Scope 1, 2 and 3 emissions targets have been validated by the SBTi, as set out on page 53, while we have also published our net zero transition plan which details our actions to achieve these targets. Our SBTi-validated targets are as follows:

- to reach net zero emissions across Scopes 1 and 2 by FY30 from a FY24 base year;
- to reduce absolute Scope 3 GHG emissions 25.00% by FY30 from a FY24 base year; and
- to reach net zero GHG emissions across the value chain by FY45.

Sustainability – social

We believe that businesses have a **valuable contribution to make to society**. We are acutely aware of our **responsibility to our employees**, the communities we impact and the generations to come.

Our social sustainability agenda

Our social sustainability agenda comprises six key subject areas, as follows:

- Culture, values and engagement
- Inclusive workplace
- Health, safety and wellbeing
- Investment in our people
- Next-generation talent
- Community impact

Culture, values and engagement

Our Ways of Working

We start with the customer

We succeed by being focused

We make and keep our promises

We work together as one team

We help and trust each other to succeed

Our values

Inclusive
By seeking out different perspectives and diverse collaboration, we deliver better solutions and lasting success.

Innovative
Through our knowledge, expertise and focused curiosity, we create new possibilities for ourselves and for our customers.

Trusted
We build successful, long-term relationships based on accountability, integrity and respect.

Purposeful
We care, and our passion and commitment drive positive change in the world.

Sustainability – social continued

We strive to create an open, inclusive and values-driven culture, where colleagues feel able to share their views in a two-way dialogue with senior leaders.

CEO Richard Tyson and the leaders of our business units and regional teams based around the world hold regular in-person and virtual briefing meetings where employees are encouraged to, and do, ask a wide range of questions. The Board discusses current workforce issues regularly with management, and meets a broad range of employees, for example at site visits by the Chair and Non-Executive Directors. We also gather our people's views through our externally benchmarked global engagement survey, monitoring a range of cultural KPIs and taking action on opportunities for improvement at site, regional and Group level.

A key focus of the year was on responding to colleague feedback shared via our first externally benchmarked survey undertaken with leading survey provider Best Companies. Activities focused on socialising our bespoke 'Ways of Working', summarised above, which are designed to support the delivery of our strategic priorities while fostering a positive working environment. Workshops were held around the Group to explore how to bring them to life in day-to-day working.

We also maximised the value of receiving personalised manager feedback through the survey, using it to celebrate our most effective people managers, and to work with others to help them lead and support their direct reports as effectively as possible. Our most recent survey was carried out in April and May 2026 and we were pleased to be awarded a 'One to Watch' rating, recognising that Oxford Instruments is a good place to work.

We held residential Leadership Conferences in September 2025 and April 2026 for around 75 senior leaders. Both conferences aimed to support effective collaboration and drive improved awareness and adoption of our Ways of Working at every level of the organisation, as well as focusing on strategic delivery and exploring external perspectives on Oxford Instruments and the global landscape.

The Ways of Working are now fully embedded into our corporate vernacular, strategic planning, decision making and performance frameworks, and are regularly reinforced by leaders at key touch points with colleagues. Posters, wall art and desktop reminders help to keep them front of mind.

Creating an inclusive workplace

We are committed to creating an inclusive culture. We seek to develop and sustain a supportive and collaborative working environment where difference is recognised, valued and celebrated. However, we also recognise that we operate globally, and that legislative frameworks and cultural landscapes vary hugely across our footprint. Wherever we operate, we aim to be inclusive and progressive in our working practices, but will ensure that we are not in conflict with legislative frameworks.

Our approach to inclusion is overseen by the Board Sustainability Committee.

We are committed to eliminating our gender pay gap. We monitor, measure and take action globally to ensure that men and women are paid fairly. Our external data reporting is focused on UK legislation, which requires companies to report their pay gap annually if they have more than 250 employees, and is published in our Gender and Ethnicity Pay Gap Report, www.oxinst.com/corporate-content/gender-pay-report.

Our Oxford Instruments Nanotechnology Tools entity in the UK, representing 818 employees in 2025, reported a gap of 7.5% (mean) and 9.8% (median) in its 2025 report, a reduction of 1.5 and 2.7 percentage points respectively.

We continue to build on the work we have done so far to establish balanced recruitment shortlists (that is, shortlists including candidates from groups which are underrepresented in our workforce).

Our inclusive approach to recruitment includes the use of technology to ensure that the language used in job advertisements is free from bias. We operate a hybrid working policy which helps employees to balance work and personal commitments. We also offer support and, where appropriate, special leave, for those with caring needs for dependants.

Following the reconfiguration of our internal employee data portals to include the Office for National Statistics ethnicity categories, 96% of UK employees and 79% of employees globally have provided data on their ethnicity. Our UK ethnicity pay data indicates that 13% of our UK workforce identify as being part of an ethnic minority group, and reflects an ethnicity pay gap of 12% mean and 1.4% median in favour of employees from white British ethnic backgrounds. The gap for both metrics was down, by 3.2 percentage points and 1.1 percentage points respectively.

We are committed to using this data to help to ensure that our processes and pay are fair and equitable with respect to race and ethnicity, as well as the characteristics on which we have had full data for several years. As an international company, we recognise the importance of ensuring we have strong, ethnically diverse leadership role models and a diverse decision-making team that reflects our customer base and the communities in which we operate.

Sustainability – social continued

We are signatories to the Business in the Community Race at Work charter, underlining our commitment to improving equity of opportunity in the workplace.

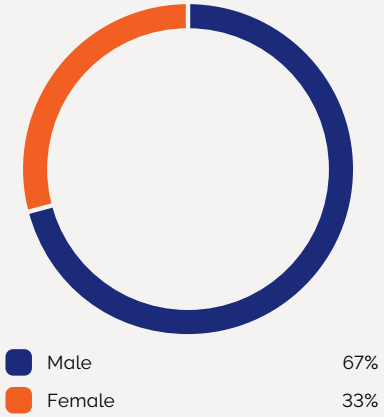
At the date of the Annual Report, the Senior Leadership Team of Oxford Instruments plc comprises 14 persons, of whom 28% are of Asian or mixed ethnicity. There are 108 direct reports of this team, of whom 26% identify as belonging to an ethnic minority group. We will be seeking to maintain and improve the ethnic diversity of this cohort.

Our Gender and Ethnicity Pay Gap Report provides more information on all these areas:
www.oxinst.com/investors/sustainability/gender-pay-report

View our Gender and Ethnicity Pay Gap Report:

www.oxinst.com

New employees in FY26 by gender



Gender split

	Male	Female
Global Oxford Instruments	71%	29%
Plc Board	57%	43%
Senior Leadership Team	75%	25%
Managers	70%	30%
Employees	71%	29%

Gender split by region

	Male	Female
UK	75%	25%
EMEA-I	70%	30%
Asia (excluding China)	69%	31%
China	60%	40%
North America	69%	31%

Sustainability – social continued

Health, safety and wellbeing

We are committed to fostering a healthy, safe and productive work environment for our entire workforce, and to driving continuous improvement in our health and safety (H&S) performance.

The Board is responsible for oversight of our approach to H&S, supported by the Sustainability Committee.

Our six-step strategic framework supports continuous improvement via six key areas of management.

Our H&S management strategy, grounded in continuous risk identification and mitigation, safeguards employees through proactive measures. We employ chemical management software to oversee hazardous substances, provide training across known risk areas, enforce stringent PPE adherence and utilise asset management software for equipment integrity.

This approach reduces risk before escalation into incidents or near-miss events, thereby ensuring a secure and compliant workplace.

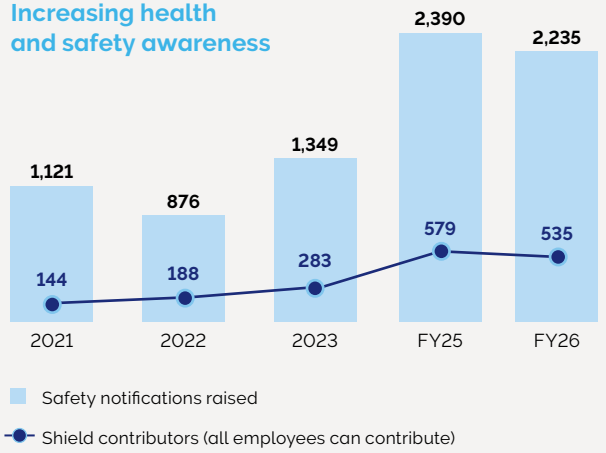
Recognising that our entire workforce has a role to play in creating a safe working environment, we use, and regularly promote, the Shield incident reporting system, through which we record, manage and monitor accidents and safety observations, and to which all employees have access. The system has supported our improved performance since its introduction in 2019.

Through targeted campaigns, we have maintained high levels of H&S awareness and engagement throughout the organisation, The safety notifications and number of contributors remain high, reflecting a stable environment and ongoing staff engagement. Our accident frequency rate has shown a small increase, partly explained by the Q4 reduction in headcount on the divestment of NanoScience.

There were two RIDDOR-reportable accidents, both reportable as classified as "Over-7-day incapacitation of a worker". Both were correctly actioned and reported, with no further action taken by the Health and Safety Executive, Work has continued to proactively lower our accident numbers and ensure all of our locations and work scenarios are managed safely. No employee/contractor fatalities have been recorded over the five-year period from 2021 to 2026. Our H&S performance continues to compare favourably with industry benchmarks, and we remain committed to driving global safety standards through our Push for Zero initiative, which targets a sustained reduction in work process-related accidents over time.

This year, we continued to roll out our accredited Institution of Occupational Safety and Health (IOSH) training programme globally, extending across all business units and regions. To date, more than 190 employees have successfully completed this training.

Increasing health and safety awareness



Health and safety five-year performance

1 Reporting transitioned in FY25 from the use of calendar year data to financial year data.

Sustainability – social continued

The training is equipping our executive teams, as well as eligible members of our management, production and services workforce, with enhanced H&S competency and awareness.

During FY26, 1,390 employees have received H&S training. This figure comprises new content, training renewals and onboarding of new joiners.

Our structured management systems, subject to external audits as required, underpin our commitment to safe working practices, environmental management and quality manufacturing. At our primary manufacturing facilities in the UK, representing c. 75% of Group revenue, we maintain certification to ISO 45001, ISO 14001 and ISO 9001. The effectiveness of our management systems is further supported by a robust internal audit programme across all operational domains.

We are committed to ensuring our continued compliance with regulatory requirements relating to the reduction and elimination of certain harmful chemical substances used in the development and manufacture of our products.

We have engaged a leading external environmental compliance partner to help us ensure that we keep pace with existing and new regulatory requirements and to facilitate the collection and assessment of data from our supply chain partners. This will improve our ability to react to requirements and proactively remove substances of concern from our products as evidence of their harmful nature is identified.

In tandem with these efforts, we are equally dedicated to meeting global health, safety and environment (HSE) requirements. We have engaged an external global consultancy to help us ensure that our operations not only minimise environmental impact but also safeguard the wellbeing of our employees, customers and communities worldwide.

By aligning our product compliance initiatives with our broader HSE obligations, we strengthen our ability to deliver sustainable, safe and responsible solutions. As well as seeking to ensure safe and responsible working conditions, we also support our employees and their families by providing a range of opportunities to enhance their wellbeing, including readily accessible support services on a wide range of topics from financial wellbeing to mental health and health assistance programmes.

We strive to empower individuals coping with mental health challenges or disabilities to thrive in their professional roles, encouraging colleagues to seek assistance when needed, via our team of Mental Health First Aiders and through the provision of independent and confidential digital platforms and services, accessible to employees globally.

Further, we are proud to support our local community groups and charities alongside being inclusive of our people and culture through the celebration of events and achievements.

Employee turnover rates

Year	Turnover
2025/26	**18%, of which 9% was voluntary**
2024/25	14%, of which 8% was voluntary
2023/24	12%, of which 9% was voluntary
2022/23	11%, of which 9% was voluntary
2021/22	14%, of which 11% was voluntary

Employee numbers

	Full time	Part time	Contract workers
2025/26	**1,760**	**94**	**53**
2024/25	2,117	104	53
2023/24	2,090	144	69
2022/23	1,894	134	86
2021/22	1,662	126	70

All employees are guaranteed a fair salary and other employment benefits in accordance with their role and responsibilities. We ensure compliance with minimum wage legislation and strive to offer competitive compensation packages suitable for each position and our business needs. In the UK, representing more than half of our workforce, we are an accredited Living Wage employer.

All employees, regardless of location, are entitled to legally required benefits such as annual leave, sick leave, maternity leave and standard working hours. All UK-based employees have access to our Share Incentive Plan scheme after six months' service. Furthermore, in compliance with UK regulations, all UK employees have the option to enrol in our workplace pension scheme.

Sustainability – social continued

Our bespoke leadership programme brings together high-potential candidates from across the Group

Investment in our people

Our people and their capabilities are core to what makes Oxford Instruments a great company. We are committed to being the company where the best people in our sector want to work, and to training our people and enabling their career development and employability.

We provide a range of opportunities for our employees across technical, commercial, operational and business support functions to gain knowledge, skills and experience. This includes challenging assignments, learning from colleagues and targeted training. Colleagues have completed a total of 24,294 training courses in FY26 (23,631 online and 663 classroom/virtual), pursuing more than 350 different courses.

Our learning and development programmes include core skills training courses, e-learning opportunities, secondments, career breaks, apprenticeships and support towards external qualifications. In FY26, three cohorts (31 employees) have undertaken our bespoke Oxford Instruments Leadership programme, which brings together high-potential candidates from across the Group and covers a wide range of topics including interviewing skills, self-development, developing others and managing remote teams. Following its successful launch in 2024, a second cohort benefitted from training through our bespoke Foundations programme for emerging talent. The programme is designed to give aspiring leaders a variety of tools and techniques to allow them to work effectively as they progress their career at Oxford Instruments.

We have a robust system of regular feedback. 100% of our employees have undergone an evaluation process in the year, embedded through our annual performance review, which also encompasses career development with a focus on training opportunities.

This year, we have strengthened our recruitment processes, introducing Zinc background checks for all employees to improve governance. We have also broadened the use of psychometrics and verified G+ cognitive testing, extending these to the majority of new hires in order to support positive onboarding experiences and improved integration into existing teams.

Next-generation talent

We take our responsibility towards developing the next-generation workforce seriously and are committed to inspiring the next generation of scientists, engineers and business people by showing them the difference they can make in the world.

For us, this begins in schools, colleges and universities, where we equip and encourage our employees around the world to take any opportunity they can to talk to young people about careers in our industry. We partner with schools, universities and post-graduate schools to help students understand the range of careers available in a technology company, supporting this with interviews for school-age students and work experience for students from mid-teens to graduate and post-graduate level, engaging with employees from a broad range of backgrounds. We are also pleased to facilitate work experience placements for employees' family members aged between 16 and 25.

We remain committed to providing structured apprenticeships, sponsorships, internships, early career jobs and graduate programmes. We intentionally reach out to attract a diverse range of people and those from untapped talent pools, ensuring we are inclusive and accessible.

Sustainability – social continued

Our High Wycombe site's Go Green team takes part in regular volunteering opportunities

Community impact

We actively engage in locally focused activities that make our communities and environments a better place to live and work. All employees are offered up to two paid volunteering days a year to share their professional or practical skills in the community, including activities such as river restoration, litter picking and maintaining local nature reserves and hiking trails. We also participate in charity outreach programmes and offer sponsorship of local community events.

Our global network of Go Green teams drives action to be more environmentally friendly, both as a business and as individuals.

When we arrange gifts, celebrations, events and activities for our teams we aim to support the small, independent businesses near our sites. We also participate in a range of charity outreach activities, including raffles, marathon sponsorships, pub quizzes and coffee mornings.

Spotlight

OI Academy building key skills

Supporting our growth by providing in-house training and exciting career opportunities for the technicians of the future

The UK faces a significant technical skills shortage, with 76% of engineering employers struggling to recruit for key roles.[1] At our compound semiconductor facility near Bristol, we're addressing the challenge head on through our OI Academy. Welcoming apprentices from post-16 to degree level, our academy is training the next generation of young engineers and people who are retraining in their second or third careers. At the academy, apprentices benefit from the opportunity to build their mechanical and electronical engineering skills in a bespoke training area within our production floor.

As well as creating new career opportunities in engineering, the scheme has proven revolutionary for our Severn Beach business, supporting continual growth and improvement and creating a pipeline of talent across nearly every department.

"*The success of our apprentices is not just that they are developing skills that the UK economy needs, it's the fact that they contribute to our business from day one, learning fast, asking great questions and challenging us to see things in new ways.*"
Matthew Northey, Senior Manufacturing Engineer and Academy Manager

1 Institute of Engineering and Technology skills stats, November 2025.

Sustainability – governance

We are wholly committed to conducting our **business responsibly** and holding ourselves to **high ethical standards**.

Upholding high ethical standards

Our strong values (see page 69) underpin everything we do; from how we work with each other and our customers to how we trade with suppliers. Every representative of Oxford Instruments is expected to behave in a way which is consistent with these values.

Our approach to governance is overseen by our Board of Directors and summarised in our Code of Conduct (see www.oxinst.com/codeofconduct), which is updated regularly and issued to all permanent and contracted employees as a mandatory training module. All employees, customers and suppliers also have round-the-clock access to our widely publicised and independent whistleblowing hotline, Safecall (www.safecall.co.uk/en/clients/oxinst/), should they encounter any behaviour not in keeping with our ethical standards. A team reviews any whistleblowing reports which are made, and each report is escalated and investigated as appropriate. We received five reports via Safecall in 2025/26. None of the reports led to a compliance concern being identified.

Our governance sustainability agenda comprises eight key areas

Our overarching governance sustainability agenda, set out below, is overseen by our Board Sustainability Committee (see pages 137 to 138); with the exception of anti-bribery and anti-corruption, sanctions, export control and customs, and financial sustainability and tax transparency, which are overseen by the Audit and Risk Committee (see pages 127 to 136).

1 Anti-bribery and anti-corruption

When dealing with business partners, suppliers and customers, or when engaging with public officials, we expect our employees and associated persons to act in a transparent and fair manner. We choose our business partners and suppliers carefully and avoid working with anyone who does not meet and adhere to the same high standards. During the reporting year we carried out a comprehensive audit of our distributors and channel partners, reducing the number of partners to support effective governance.

The key principles we expect everyone to follow include not offering or accepting bribes or improper payments; not improperly influencing any individual; and not participating in any kind of corrupt business activity, either directly or through a third party. To help our employees understand what is expected of them we provide a comprehensive training course, refreshed regularly, which all new joiners must complete to pass their probationary period, and which all employees must retake annually; we also maintain a detailed policy document, www.oxinst.com/investors-content/compliance/anti-bribery-and-corruption.

Our compliance and onboarding programme for our channel partners includes completion of a mandatory compliance training course covering anti-bribery and anti-corruption and a certification to confirm compliance with our anti-bribery and anti-corruption policy for channel partners.

No one has been dismissed during FY26 as a result of having committed bribery.

2 Sanctions, export control and customs

We review our Sanctions Policy regularly (most recently in February 2026) to align with UN, UK, EU and US sanctions and adapt the policy, processes and controls as required to manage compliance risks arising from changes in regulations, notably with regard to Russian sanctions programmes.

We are committed to adhering to both the letter and the spirit of export controls governing our activities, and engage regularly with the UK Government's Export Control Joint Unit and its equivalents in other jurisdictions.

Sustainability – governance continued

3 Inside information and share dealing

As a listed company on the London Stock Exchange, Oxford Instruments and its employees must comply with the relevant laws relating to inside information and share dealing, including the UK Market Abuse Regulation, as well as our internal Share Dealing Policy and associated procedures. We ensure that there are adequate processes and controls in place to identify, manage and disclose inside information and also support our employees and anyone working on our behalf with understanding their obligations.

4 Supply chain responsible sourcing

We operate our business in compliance with all applicable laws and regulations and expect our suppliers to do the same. The overarching standards we expect from our suppliers, covering all operations, are set out in our Supplier Quality Manual, which incorporates our Code of Conduct for Representatives and Suppliers, www.oxinst.com/assets/uploads/documents/OI_COC_REPS_SUPPLIERS.pdf.

In addition, as part of our supplier contracts, suppliers are required to warrant that they and their sub-contractors will comply with all applicable laws, statutes, regulations and codes relating to modern slavery, anti-bribery and anti-corruption, and Oxford Instruments' Supplier Quality Manual, which incorporates our Code of Conduct for Representatives and Suppliers.

We are committed to avoiding the use of controversial materials and proactively eliminating the use of so-called 'conflict minerals', ie minerals sourced from mines in the Democratic Republic of Congo and adjoining countries which support or fund conflict from products and the supply chain. Our conflict minerals policy covers all operations.

We undertake due diligence on our key suppliers and expect them, in turn, to conduct due diligence on their own supply chain to help eliminate the use of conflict minerals. The recent engagement of a leading external environmental compliance partner will support us in ensuring our due diligence and risk assessment of suppliers is robust.

Our supplier portal allows us to store and audit our key supplier documents, enabling us to collect information on product environmental compliance, quality and sustainability. We are nearing the end of a transitioning process to a partnership with a leading external compliance partner, Assent, to help us ensure that we keep pace with existing and new regulatory requirements and to facilitate the robust collection and assessment of data from our supply chain partners, including conflict minerals and carbon footprint data.

5 Human rights and modern slavery

We are committed to preventing acts of modern slavery and human trafficking from occurring within our business and supply chain. We take a zero-tolerance approach to all forms of modern slavery, including servitude, forced, bonded and compulsory labour, and human trafficking, and we expect our suppliers to adopt the same approach.

We recognise the importance of educating our employees on human rights issues and have launched bespoke training for relevant employees to help them understand human rights risks and to recognise indicators of modern slavery and human trafficking in our business and supply chain. This training is reviewed periodically to ensure it remains effective and aligned with evolving risks and regulatory requirements.

We maintain an established Whistleblowing Procedure for employees and third parties to report any concerns in confidence (and if requested, anonymously), without fear of retaliation. Further guidance is made available in our Global Human Rights Policy. In addition, we have extended the availability of our Whistleblowing hotline to all our suppliers, representatives, and other business partners, reinforcing our commitment to transparency and accountability throughout our value chain.

Our global Code of Conduct sends a clear message to our employees, business partners, investors, and other stakeholders about our business principles and ethics. In addition, our Supplier Quality Manual and Code of Conduct for Representatives and Suppliers mandates that our suppliers take action to prevent modern slavery occurring in their business and supply chain.

Our Anti-Slavery and Human Trafficking Statement is updated annually and can be found both on our website and on the Government's Modern Slavery Statement Registry, and demonstrates how we seek to continuously strengthen our approach and enhance transparency over the effectiveness of the measures we take to address modern slavery risks.

6 Intellectual property and confidentiality

Our intellectual property (IP) is one of our most important assets; it is key to our success in the market and enables us to secure and maintain a competitive advantage. We have comprehensive policies and procedures in place to protect it, including templates, guidance and training for colleagues. We continue to protect our inventions, brand and designs through the use of registered IP rights. In the year we filed a number of new priority patent applications.

Oxford Instruments often collaborates with third parties on projects which generate new IP, further enhancing our product offerings to our customers. In these situations, we will not use any IP without it first being legitimately acquired or licensed.

Sustainability – governance continued

7 Data protection, data privacy and data security

Our global privacy standard www.oxinst.com/corporate-content/privacy sets out the principles that guide our approach to handling personal information, and all employees are required to undertake mandatory training on data protection.

Our marketing teams work closely with our legal teams to ensure our marketing activities are compliant with the European General Data Protection Regulation (GDPR), UK GDPR and related privacy legislation in other territories. Our CRM and marketing business systems infrastructure enables us to enhance our security and controls.

Our legal team horizon scans for developments in data protection legislation around the world and develops compliance programmes where necessary to ensure we can respond quickly to any changes made in legislation and guidance from regulators.

We have implemented annual mandatory Information Technology (IT) Security training for all employees. We take a multi-layered approach to cyber security, using a range of technical and procedural controls to protect our systems and data. Through continual improvement, we regularly assess and improve our IT controls across the organisation in line with UK Government recommendations and recognised industry best practice. See pages 85 and 86 for further details of how we manage IT risks.

8 Financial sustainability and tax transparency

We manage our tax affairs in accordance with the following objectives:

- ensuring compliance with all relevant tax law in all jurisdictions in which the Group operates whilst managing the associated tax costs in a manner that is consistent with our Code of Conduct and its attitude to commercial risk;
- seeking to maintain stable effective and cash tax rates which reflect the geographic markets in which we operate, and the Group's tax attributes, such as brought-forward losses and special deductions such as for research and development; and
- ensuring that all communication with tax authorities is conducted in a transparent and professional manner.

Our Group Tax Strategy is available on our website at www.oxinst.com/investors/oxford-instruments-policy-hub/group-tax-strategy

Risk management

Audit, **risk** and **internal control**

The Board is responsible for establishing and maintaining a sound system of risk management and internal control, and for determining the nature and extent of the principal risks the Group is willing to take in pursuit of its long-term strategic objectives.

An ongoing process for identifying, evaluating and managing the significant risks faced by the Group is embedded throughout the organisation. Day-to-day management of this process has been delegated by the Board to the Executive Directors, as detailed in the Audit and Risk Committee Report. Our risk management and internal control systems have been in place throughout the financial year and up to the date of approval of this Annual Report and are subject to annual review by the Audit and Risk Committee. In respect of the year ended 31 March 2026, the Board considered that these processes remained effective.

The Board has carried out a robust assessment of the principal risks facing the Group, including those which threaten its business model, future performance, solvency and liquidity. Details of all major risks identified, and the mitigating actions adopted, are reported to and reviewed by the Audit and Risk Committee throughout the year. All business units follow a standard process for risk identification and reporting.

Risk Management Framework

Top Down

Board of Directors
Assess principal risks and set risks appetite. Overall responsibility for maintaining sound risk management and internal controls.

Audit and Risk Committee
Set risk management framework. Assess effectiveness of the Group's risk framework and internal controls.

Executive Leadership Team
Implement risk management framework. Assess effectiveness of the Group's risk framework and internal controls.

Risk and Internal Audit
Test internal controls and coordinate risk management activity, provide support to business risk owners and report risk information across the Group.

Operational management
Own and review operational risks, operate controls and implement mitigation actions.

Bottom Up

Monitor and report
- Periodic reports provided to the Executive Leadership Team and Board on how effectively risks are being managed

Identify
- Strategic reviews with Executive Leadership Team
- Group principal risks reviewed and agreed with Executive Leadership Team and the Board

Respond
- Controls defined to address risks within tolerance and ownership defined
- Risk action plans created to manage risks within appetite

Measure
- Risk appetite set by the Board for all principal risks
- Measurement of risks against appetite and escalation process

Risk management continued

Priorities during financial year ended 31 March 2026

During the year ended 31 March 2026, we continued to strengthen our internal audit and risk management capability. The Head of Internal Audit, with responsibility for risk management and assurance, has embedded regular six-monthly formal reviews of principal risks by the Executive Leadership Team. These include the identification and evaluation of key risks and focus on the mitigating strategies and actions required. New and emerging risks are also reviewed to support the risk reporting process.

We have further strengthened our resilience to cyber security risk through the appointment of a Chief Information Security Officer and implementation of enhanced threat intelligence and monitoring capabilities.

A significant development during the year has been the refinement of our risk appetite framework and the establishment of target risk scores for each principal risk, providing clear boundaries for risk-taking aligned with our strategic objectives.

Risk appetite framework

The Board has established a risk appetite framework with three categories that define our tolerance for different types of risk:

- **Averse:** Low tolerance for risks that could cause serious harm, loss of life, or fundamental business disruption. We seek to minimise these risks to the lowest level reasonably practicable.
- **Balanced:** Moderate tolerance where risks are managed through robust controls and active monitoring. We accept these risks as part of normal business operations, provided they remain within defined boundaries.
- **Open:** Higher tolerance for strategic risks where the potential upside justifies the exposure. We are willing to accept elevated risk levels where they align with strategic growth objectives and competitive advantage.

Each principal risk is assigned a target score aligned with this framework. Where current exposure is above the target appetite, structured mitigation plans are in place and progress is regularly reviewed by the Audit and Risk Committee. The Board's approach to risk appetite balances robust governance with commercial pragmatism, ensuring that risk decisions are informed by thorough cost-benefit analysis and aligned with the Group's capacity to manage risk while pursuing strategic growth.

Principal risks and uncertainties

Principal risks are reported and discussed at every meeting of the Audit and Risk Committee. We consider principal risks to be those which could have a significant adverse impact on the Group's business model, financial performance, liquidity or reputation. Each principal risk is assigned to an executive risk owner who is accountable for ensuring appropriate mitigation strategies are in place and monitored.

The Board and Audit and Risk Committee have continued to refine the Group's risk framework to ensure it remains aligned with our business strategy. Key changes during the year include:

- **Risk disaggregation:** Cyber/IT has been separated into Cyber security and ERP resilience, while Legal and regulatory has been separated into Laws and regulations and Product compliance to provide more granular oversight.
- **Elevation of health and safety:** This has been elevated to a standalone principal risk to reinforce our commitment to a 'zero-harm' culture and an Averse risk appetite.
- **Integration of business interruption:** This has been removed as a standalone risk, with its components integrated into relevant principal risks (eg, Supply chain and Health and safety) for a more holistic approach to resilience.
- **Macroeconomic and geopolitical sensitivity:** While these risks remain within our appetite, we have increased their impact assessment to reflect the persistent inflationary environment and tightening global export control regimes.

Risk management continued

Principal risks and uncertainties matrix

Our principal risks are mapped onto a probability and impact matrix to assess their relative importance.

Commentary

The Group's risk profile over the last 12 months has been shaped by a complex interplay of persistent external volatility and the deliberate internal strengthening of our risk management framework. While our core operational controls remain robust, the global environment has necessitated a more agile and granular approach to risk oversight.

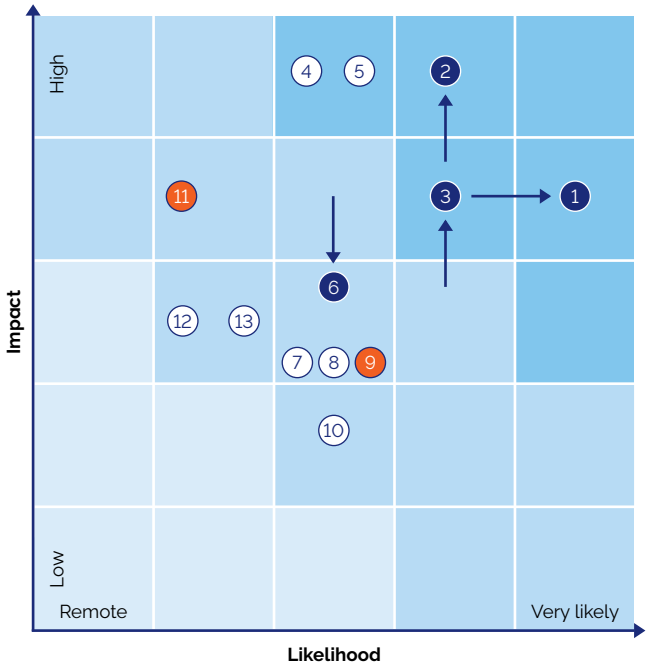
External risk drivers and movements

The external risk landscape remained challenging throughout the financial year, leading to an increase in the residual risk scores for geopolitical and macroeconomic risks.

Geopolitical volatility: We have seen a continued tightening of global export control regimes and escalating trade tensions in key jurisdictions. While our compliance framework is mature, the external environment is increasingly restrictive, requiring constant monitoring and scenario planning.

Macroeconomic headwinds: Persistent inflationary pressures on our cost base and significant volatility in foreign exchange markets have led to an increased impact assessment for macroeconomic risk. We have also noted increased sensitivity in public sector research funding in certain geographies, which we continue to monitor through our commercial planning.

Supply chain stabilisation: The Group's supply chain risk has increased during the year due to global shortages of electronic components caused by geopolitical events in 2025. These shortages have affected component availability and lead times across several product lines, requiring enhanced supplier engagement and proactive inventory management. We have accelerated our dual-sourcing and supplier diversification programmes to mitigate these dependencies and enhance supply chain resilience.



Comparability note: The FY26 principal risk matrix is not directly comparable with FY25 due to refinements to the Group's principal risk framework and assessment methodology during the year, including changes to risk grouping and the incorporation of business interruption within other principal risks. Changes in numbering and matrix position should therefore not be interpreted on a like-for-like movement against the FY25 Annual Report.

Summary of risk direction

Of our 13 principal risks, 3 have increased during the year primarily due to heightened external volatility and specific supply chain constraints, while 1 has decreased reflecting improved channel diversification. The remaining 9 risks remain stable, reflecting the effectiveness of our internal mitigation strategies. The Board remains confident that our refined risk framework provides the necessary resilience to navigate this period of global uncertainty.

#	Principal Risk/(Risk Owners)	Risk Appetite
1	Geopolitical (CEO)	Open
2	Supply chain (COO)	Balanced
3	Macroeconomic (CEO)	Balanced
4	Cyber/IT: Cyber-attack (CFO)	Balanced
5	Cyber/IT: Major ERP/system failure (CFO)	Balanced
6	Routes to market (CEO/MDs)	Balanced
7	NPI (MDs)	Balanced
8	Operational transformation (COO)	Balanced
9	Product compliance (COO)	Balanced
10	People & capability (CHRO)	Balanced
11	Health & safety (COO)	Averse
12	Laws & regulations (GC)	Balanced
13	Climate change (CHRO)	Balanced

●	Current residual risk score
↑	Increase
↓	Decrease
○	Unchanged
●	New Risk

Detailed principal risk descriptions

1. Geopolitical

Risk owner: Chief Executive Officer (CEO) | **Risk appetite:** Open | **Year-on-year change:** Increase

Link to strategy:

Context
The Group operates globally and is subject to evolving geopolitical developments, including export controls, sanctions, and trade policy changes.

Risk appetite
Geopolitical risk is largely external and not directly controllable. The Group therefore adopts an open appetite, supported by robust compliance processes, scenario planning and portfolio diversification. Our focus is on agility, resilience and informed decision-making rather than attempting to eliminate exposure.

Risk and potential impact
Material disruption to market access or supply chains in key territories could lead to a significant reduction in Group revenue, increased landed costs through tariffs, or the inability to fulfil contracts due to export licence rejections. Prolonged instability in core markets may also impair the carrying value of assets or necessitate a strategic re-evaluation of regional operations.

Control mechanisms and mitigation
- Engagement with UK Government and regulatory authorities.
- Broad global customer base with contractual protection and market diversification.
- Strategic sourcing and dual sourcing to reduce landed costs.
- Focus on lower-risk markets and end users.
- Long-term investment planning strategies.

Changes since FY25
The risk has increased during the year, reflecting a more complex and volatile global geopolitical environment. This includes heightened uncertainty and recent developments in the Middle East, alongside ongoing trade tensions and the continued evolution of global sanctions regimes. While the Group has not experienced a material impact on its operations to date, we continue to monitor developments closely and maintain a robust compliance framework to manage potential secondary effects on global trade and regulatory requirements.

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Detailed principal risk descriptions continued

2. Supply chain

Risk owner: Chief Operating Officer (COO) | **Risk appetite:** Balanced | **Year-on-year change:** Increase

Link to strategy:

Context
The Group operates a global supply chain, sourcing from many suppliers across a wide range of categories. For certain technologies, there are limited alternative sources. Disruption may be triggered by global events such as conflict, natural disaster, geopolitical developments or pandemics.

Risk appetite
Oxford Instruments maintains a balanced appetite for supply chain risk, accepting moderate exposure where strategic sourcing benefits justify it. This approach is supported by proactive risk management through contingency planning, supplier diversification, and ongoing regulatory monitoring.

Risk and potential impact
Failure of critical or single-source suppliers could result in significant production delays, inability to meet customer delivery schedules, and a subsequent loss of market share. Supply shortages or sudden price volatility in key components (such as sensors or magnets) may lead to increased working capital requirements and a material adverse impact on operating margins.

Control mechanisms and mitigation
- Sales and operational planning process with long-term demand planning.
- Strategic, selective and diversified supplier base.
- Group strategic sourcing programme to consolidate demand and manage key supplier risks.
- Buffer stock in extended supply chain for high-risk suppliers.
- Relationship management with key suppliers and long-term contracts.

Changes since FY25
The risk increased during the year, primarily driven by shortages of certain electronic components resulting from wider geopolitical events during 2025. Our multi-year resilience programme remains under way, including dual-sourcing and supply chain diversification initiatives. We also remain vigilant to potential logistics or cost disruptions arising from recent developments in the Middle East.

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Detailed principal risk descriptions continued

3. Macroeconomic

Risk owner: CEO | **Risk appetite:** Balanced | **Year-on-year change:** Increase (impact)

Link to strategy:

Context
Macroeconomic factors such as recession, inflation and government budget priorities (particularly US university funding) can affect demand and place upward pressure on key cost elements. The Group operates in international markets exposed to inflationary pressures, currency movements and public sector funding dynamics.

Risk appetite
Oxford Instruments maintains a balanced appetite for macroeconomic risk, actively managing exposure to currency fluctuations, inflationary pressures, tax burdens, and tariff risks through hedging, strategic sourcing, operational efficiencies, and agile commercial practices.

Risk and potential impact
Persistent inflation or recessionary trends in major economies could dampen demand for high-technology capital equipment. Significant volatility in foreign exchange rates, particularly the GBP/USD relationship, may lead to material fluctuations in reported revenue and profit, while rising labour and energy costs could erode the Group's competitive cost base.

Control mechanisms and mitigation
- Strategic focus on growth markets and price reviews.
- Inflation protection in commercial response to long lead-time tenders.
- Strategic management of currency exposure with active hedging.
- Reviews of supply chain currency base.

Changes since FY25
The risk has increased, reflecting persistent inflationary pressures and volatility in foreign exchange markets. We are also monitoring the potential for secondary impacts arising from geopolitical developments, including recent events in the Middle East, which may influence energy prices and customer investment confidence in certain geographies. While no material impact has been observed to date, the Group maintains flexibility in its cost base and pricing strategies and continues to monitor funding sensitivity through its commercial planning.

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Detailed principal risk descriptions continued

4. Cyber/IT: Cyber security

Risk owner: Chief Financial Officer (CFO)/Chief Information Officer (CIO) | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:

Context
Elements of production, financial and other systems rely on IT availability. The Group faces evolving cyber threats including ransomware, malware and data privacy breaches.

Risk appetite
Oxford Instruments maintains a balanced appetite for cyber security risk, recognising that cyber threats cannot be eliminated entirely. The Group seeks to manage this exposure through layered technical controls, employee awareness, incident response capability and regular testing designed to strengthen resilience and recovery.

Risk and potential impact
A successful cyber-attack or ransomware incident could result in prolonged operational downtime, loss of sensitive intellectual property, and the compromise of personal or commercial data. Such events may lead to significant remediation costs, regulatory fines, and enduring damage to the Group's reputation and customer trust.

Control mechanisms and mitigation
- Managed service with third-party security specialists providing incident monitoring.
- Suite of IT protection mechanisms including firewalls, penetration testing and regular backups.
- Appointment of Chief Information Security Officer.
- Employee awareness training and phishing simulation exercises.
- Regular review and testing of key security measures.

Changes since FY25
Despite continued investment in threat detection and response capabilities, residual cyber risk remains elevated given the increasing sophistication, frequency and persistence of global cyber threats. The Group's focus remains on maintaining strong cyber hygiene, resilience and recovery capability.

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Detailed principal risk descriptions continued

5. Cyber/IT: ERP resilience

Risk owner: CFO/CIO | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:

Context
The Group operates across multiple enterprise resource planning (ERP) platforms as part of an evolving technology landscape.

Risk appetite
Oxford Instruments maintains an overall balanced appetite for IT risk. Recognising the complexity of enterprise systems, the company manages transformation through structured maintenance, phased upgrades, and legacy system migrations, supported by business continuity planning.

Risk and potential impact
Major failure of legacy ERP systems or inadequate disaster recovery could lead to a loss of data integrity and the inability to process orders, manage production, or report financial results accurately. This could cause significant business interruption, impacting both customer service levels and the Group's ability to meet its financial obligations.

Control mechanisms and mitigation
- Business continuity plans for all sites.
- Backup and recovery procedures.
- ERP modernisation roadmap.
- Regular disaster recovery (DR) testing and system redundancy for critical applications.

Changes since FY25
The risk remains stable as the Group continues to execute its ERP modernisation roadmap. Residual risk remains elevated due to the complexity of the legacy systems landscape and the time required to complete migration and standardisation activities. Management continues to prioritise resilience, disaster recovery capability and phased transformation.

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Detailed principal risk descriptions continued

6. Routes to market

Risk owner: CEO/Divisional and regional presidents | **Risk appetite:** Balanced | **Year-on-year change:** Decrease

Link to strategy:

Context
In some instances, the Group's products are components of higher-level systems sold by original equipment manufacturers (OEMs), and thus the Group does not fully control its route to market.

Risk appetite
Oxford Instruments adopts a balanced approach as it accepts moderate exposure to changes in its OEM and distributor base, while managing this risk through strategic marketing, enhanced due diligence, and strategic options such as 'Made in China'.

Risk and potential impact
The loss of a key OEM partnership or the failure of a major distributor could result in a sudden loss of access to specific market segments. Vertical integration by partners could turn current customers into competitors, leading to reduced sales volumes and the potential under-utilisation of manufacturing capacity.

Control mechanisms and mitigation
- Customer insight to match product performance to customer needs.
- Strategic relationships with OEMs to promote benefits of combined systems.
- Positioning of Oxford Instruments brand and marketing directly to end users.
- Product differentiation and direct marketing strategies.

Changes since FY25
The risk reduced during the year, reflecting progress made in broadening the Group's routes to market. This included expansion of OEM relationships and a wider customer base within ANDOR, reducing concentration risk and improving channel resilience. We continue to manage dependencies through our Channel Partner Strategy while selectively increasing direct end-user engagement.

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Detailed principal risk descriptions continued

7. New Product Introduction (NPI)

Risk owner: CEO/Divisional and regional presidents | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:

Context
The Group provides high-technology equipment, systems and services to its customers in rapidly evolving markets.

Risk appetite
Oxford Instruments maintains a balanced appetite for innovation, investing in new technologies and product development to stay close to customer needs and drive strategic growth. The company accepts a measured level of risk in its R&D activities.

Risk and potential impact
Failure to innovate or delays in bringing new technologies to market could lead to technological obsolescence and a loss of competitive advantage. This would result in lower-than-anticipated revenue growth, the impairment of R&D investments, and a failure to meet the long-term objectives of our stated business strategy.

Control mechanisms and mitigation
- 'Voice of the Customer' approach and deep market knowledge.
- Formal NPI processes to prioritise investment and manage R&D expenditure.
- Stage-gate process to challenge commercial business case and mitigate technical risks.
- Competitive intelligence and intellectual property monitoring.
- AI and emerging tech governance.

Changes since FY25
Risk levels remain stable. The Group's stage-gate governance has been further strengthened to ensure that R&D investment remains aligned with strategic priorities, customer need and expected return.

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Detailed principal risk descriptions continued

8. Operational transformation

Risk owner: COO | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:

Context
Following the Group's 2024 strategy review, an operational transformation programme (OpEx30) is in progress, aiming to improve operating efficiencies. Business plans include revenue growth and operating margin improvements that are, in part, dependent on realising those efficiencies.

Risk appetite
Oxford Instruments maintains a balanced appetite for operational transformation, accepting a measured level of risk in pursuit of margin improvement and increased output. This is underpinned by a strong performance monitoring framework and a culture of continuous improvement.

Risk and potential impact
Failure to execute the OpEx30 programme effectively could result in the Group missing its margin improvement targets and failing to achieve intended operational efficiencies. This may lead to a higher-than-planned cost base and could negatively affect investor confidence in the Group's ability to deliver its strategic roadmap.

Control mechanisms and mitigation
- CEO and steering group oversight of operational excellence programme.
- Programme headed by COO with proven track record, supported by Vendigital partnership.
- Dedicated support in key areas and structured tracking.

Changes since FY25
The risk is stable as the OpEx30 programme moves into its next phase. Governance remains strong, and early milestones are being met, though we remain vigilant regarding the execution of complex efficiency initiatives.

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Detailed principal risk descriptions continued

9. Product compliance

Risk owner: COO | **Risk appetite:** Balanced | **Year-on-year change:** NEW

Link to strategy:

Context
As a global business operating across multiple jurisdictions, Oxford Instruments manages evolving product compliance requirements including environmental regulations such as WEEE (Waste Electrical and Electronic Equipment) and packaging recycling standards.

Risk appetite
Oxford Instruments maintains a balanced appetite for product compliance risk, proactively managing regulatory obligations through robust governance frameworks, dedicated compliance resources, and continuous monitoring. The Group prioritises compliance with all applicable product safety, environmental, and labelling regulations, while accepting a measured level of risk during transition periods as standards evolve or new regulations are introduced. Non-compliance with safety-critical requirements is not tolerated.

Risk and potential impact
Non-compliance with evolving global standards (such as safety, environmental, or chemical regulations) could lead to product recalls, seizure of goods by customs authorities, and the exclusion of the Group from key markets. This would result in significant financial penalties and potential legal action against the Group.

Control mechanisms and mitigation
- Product compliance teams with established methodology for regulatory changes.
- Strategic sourcing and product compliance groups.
- External audits.

New for FY26
Product Compliance has been established as a standalone principal risk during FY25/26, having previously been reported within the combined Legal and Regulatory risk. This disaggregation reflects the growing complexity of global product compliance obligations and the Board's view that this area warrants dedicated principal risk oversight.

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Detailed principal risk descriptions continued

10. People and capability

Risk owner: Chief HR Officer | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:

Context
Delivering and protecting our core people capability and knowledge is a strategic priority for the Group.

Risk appetite
Oxford Instruments maintains a balanced appetite for people and capability risk, supported by targeted recruitment for specialist roles, competitive reward structures, and investment in development and succession planning.

Risk and potential impact
The inability to attract or retain specialist technical and leadership talent could lead to a loss of core knowledge and an inability to execute strategic projects. High staff turnover or capability gaps in key geographies may result in increased recruitment costs, lower productivity, and a loss of competitive edge in innovation.

Control mechanisms and mitigation
- Talent management and succession processes.
- Leadership and technical development programmes.
- Strategic focus on employee experience and competitive remuneration.
- Hybrid and remote working policies.

Changes since FY25
The risk has remained stable, notwithstanding the highly competitive global market for specialist scientific and engineering talent. Our retention rates remain healthy, and we continue to adopt a more proactive talent acquisition strategy to fill critical roles in the business.

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Detailed principal risk descriptions continued

11. Health and safety

Risk owner: COO | **Risk appetite:** Averse | **Year-on-year change:** NEW

Link to strategy:

Context
Oxford Instruments operates manufacturing facilities and service operations globally, with the health, safety, and wellbeing of our employees, contractors, and customers as a fundamental priority.

Risk appetite
Oxford Instruments maintains an averse appetite for health and safety risk, prioritising the protection of our people above all other considerations. The Group is committed to achieving zero-harm through robust risk assessments, comprehensive training, proactive hazard identification, and continuous improvement in safety culture. All operations must comply with applicable health and safety regulations, and the Group targets performance that exceeds regulatory minimums and industry benchmarks. Any serious incident or near-miss is subject to immediate investigation, root cause analysis, and Board-level review, with lessons learned shared across all locations.

Risk and potential impact
A serious health and safety incident could result in loss of life or life-altering injuries, leading to criminal prosecution, substantial fines, and the potential closure of manufacturing sites. Beyond the human cost, such incidents cause profound damage to the Group's reputation and its standing as an employer of choice.

Control mechanisms and mitigation
- Group H&S policies and procedures.
- Site-level risk assessments and regular H&S audits.
- Mandatory training programmes.
- H&S legal registers at all manufacturing and regional HQs.
- Group H&S Manager providing support and oversight.

New for FY26
Health and Safety has been elevated to a standalone principal risk during FY25/26, reflecting the Group's commitment to a zero-harm culture and the Board's determination that this risk warrants dedicated principal risk oversight at the highest level. Previously reported within the broader operational risk cluster, its elevation reinforces the Averse risk appetite the Board applies to the safety of our people.

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Detailed principal risk descriptions continued

12. Laws and regulations

Risk owner: General Counsel | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:

Context
As a global technology business, Oxford Instruments operates across multiple jurisdictions with diverse and evolving legal and regulatory frameworks. The Group proactively manages compliance obligations spanning corporate governance, financial reporting, anti-bribery and corruption, competition law, data protection, employment law, and export controls.

Risk appetite
Oxford Instruments maintains a balanced appetite for corporate legal and regulatory risk, operating within defined policies and established standards of compliance while supporting commercially viable opportunities within those parameters. The Group prioritises compliance with all applicable laws and regulations through robust governance frameworks, mandatory training, legal horizon scanning, and proactive engagement with regulators.

Non-compliance with anti-bribery, competition law, and data protection requirements is not tolerated, and any breaches identified are escalated and addressed through our established governance processes. The Group applies a risk-based and proportionate approach, whereby issues are assessed based on their nature, scale, and potential impact, with material breaches escalated and remediated in line with our defined oversight and reporting protocols.

Risk and potential impact
Breaches of corporate laws, such as anti-bribery, competition, or data protection regulations, could result in severe financial penalties, debarment from government contracts, and criminal sanctions. Such failures would fundamentally undermine the Group's integrity and its relationship with stakeholders and regulators.

Control mechanisms and mitigation
- Group Legal function with regional support.
- Compliance policies and procedures including Code of Conduct.
- Regular compliance training programmes.
- Legal and regulatory horizon scanning.
- Use of external legal advisers in specialist areas.
- Whistleblowing hotline and investigation procedures.

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Changes since FY25
The risk is stable. Our compliance framework, including anti-bribery and data protection, is well-embedded. We continue to monitor the regulatory horizon for changes in corporate governance and reporting requirements. There were no material breaches, fines or sanctions against the Group during the year.

Detailed principal risk descriptions continued

13. Climate change

Risk owner: Chief HR Officer | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:

Context
Climate change presents both physical and transition risks to the Group's operations, supply chain and markets. The Group is committed to achieving net zero emissions and supporting the transition to a low-carbon economy. Regulatory requirements for climate-related disclosures and carbon reduction are increasing globally.

Risk appetite
Oxford Instruments maintains a balanced appetite for climate-related risk, integrating sustainability into strategic decision-making and operational planning. The Group's approach is supported by Board oversight, dedicated ESG capability, climate risk assessment, and engagement across the supply chain. Management continues to balance ambition, operational feasibility and evolving regulatory expectations.

Risk and potential impact
Physical risks, such as extreme weather, could cause catastrophic damage to facilities or supply chain hubs. Transition risks, including carbon pricing and stricter emissions regulations, may increase operating costs. Failure to meet net zero commitments could lead to reputational damage, reduced access to capital, and a decline in demand from sustainability-conscious customers.

Control mechanisms and mitigation
- Net zero commitment and carbon reduction roadmap.
- Climate risk assessment integrated into enterprise risk management.
- Energy efficiency programmes and renewable energy procurement.
- Sustainable product design and circular economy initiatives.
- Supply chain engagement on climate and sustainability.
- TCFD-aligned climate disclosures.
- Board oversight through Sustainability Committee.

Changes since FY25
The risk level is stable as we continue to execute our net zero roadmap. We have made good progress in renewable energy procurement and supply chain engagement, keeping us on track with our long-term sustainability commitments.

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Detailed principal risk descriptions continued

Emerging risks and horizon scanning

The Group maintains an active horizon-scanning process to identify emerging risks that may develop into principal risks over time. Areas of ongoing focus include:

- acceleration of export control regimes;
- rapid technological disruption, including AI-enabled competition;
- evolving sustainability and ESG regulation; and
- regionalisation of global supply chains

Emerging risks are reviewed regularly by the Executive Leadership Team and Audit and Risk Committee.

Viability statement

For the year ended 31 March 2026

In accordance with Provision 31 of the 2024 UK Corporate Governance Code, the Directors have assessed the viability of the Group. The Group has traded successfully for over 65 years, been listed on the London Stock Exchange since 1983, and has an established track record of adapting to changing macroeconomic conditions and other challenges to its business model.

Our strategy for how we aim to deliver continued growth is set out on pages 33 to 38. Our principal risks to the success of this strategy are set out on pages 79 to 95. The Directors have assessed viability over five years to 31 March 2031, taking into account the Group's current position and the potential impact of our principal risks on future performance.

Whilst the Board has no reason to think the Group will not be viable over a longer period, five years is considered an appropriate period over which a reasonable expectation of long-term viability can be evaluated. The assessment period reflects an extension to the previous year's viability assessment period of three years, and is aligned to our planning horizon at both a Group and divisional level.

Assessment of viability

The Board has conducted a robust assessment of the principal risks during the year, including factoring in more recent geopolitical developments such as the conflict in the Middle East. It has also assessed these against a risk appetite framework, and has reviewed the mitigation plans in place to maintain or align risks within the Board's expressed appetite. Key risk indicators are also in place to monitor the progress of these mitigation actions.

In performing the viability assessment, the Board has considered how these risks individually or in combination may impact viability in a series of severe, but plausible scenarios. The Board has considered impacts associated with geopolitical instability, including tariffs and other trade protectionist measures which might limit the Group's access to certain territories.

These impacts may be combined with other resulting macroeconomic effects, including inflation or supply chain disruptions. Given the high proportion of the Group's turnover that is derived from non-UK territories, the Board has also considered the impact of significant changes in the value of sterling versus the US dollar, which represents the Group's most important trading currency, representing just under half of the Group's total revenues in FY26.

Financial modelling was carried out, using the Group's long-term strategic growth plan, annual budgets and five year financial forecasts as a base case, creating financial scenarios based on the Group's principal risks and uncertainties. The analysis has considered the Group's resilience under these scenarios, including impacts on profitability, and cash flow generation.

Consideration has also been given to the Group's current strong financial position. The Group had a net cash balance of £94.0m as at 31 March 2026, with borrowings of £0.5m. Free cash flow generation was £41.9m in the year, and the Group has continued to deploy capital to pay dividends and buyback of its own shares. However, suspension of capital returns to shareholders is a mitigating action the Group could take if the Board considered it was required to ensure viability. The Group maintains an unsecured multi-currency revolving facility agreement which expires in March 2028, with two extension options. The facility is supported by four banks and comprises a euro-denominated multi-currency facility of €95.0m (£80m) and a US dollar-denominated multi-currency facility of $150.0m (£116m).

The Directors have also considered mitigating actions available to management, which include implementing cost reduction and efficiency programmes, reprioritising or deferring discretionary capital expenditure, lease back of some of the Group's property assets, optimising inventory levels and supply chain strategies, or disposing of certain product lines or businesses.

Viability statement continued

Conclusion

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five year period of the assessment. Accordingly, the Directors consider the Group to be viable over that period.

This viability statement should be read in conjunction with the Principal Risks and Uncertainties on pages 79 to 95, the Finance Review on pages 42 to 50 and the Going concern statement as set out below.

Going concern statement

The Directors have considered the Group's current financial position and future prospects and have a reasonable expectation that the Group has adequate resources to continue in operational existence from at least 12 months from the date of signing the accounts. As set out in the Viability statement above, a longer-term assessment has been performed up to 31 March 2031. For these reasons, the Directors conclude that the use of the going concern basis of accounting is appropriate, the Group will continue operational existence for the foreseeable future, and that no material uncertainty related to going concern exists that would require disclosure in the financial statements.

The Directors have carried out a robust viability assessment, including stress testing and scenario analysis, which considered severe but plausible downside scenarios.

These scenarios include, individually and in combination:

Scenario modelled	Link to principal risks
Scenario 1 – Revenue reduction	
• Reduction in customer demand across key end markets, or limits on the Group's ability to trade in key territories • A 25% reduction in revenue over the five year assessment period versus the base case, with no cost mitigation. Negative impact on Group margins and cash generation	Risk 1 : Geopolitical Risk 2: Supply chain Risk 3: Macroeconomic Risk 6: Routes to market Risk 7: NPI Risk 9: Product compliance
Scenario 2 – Cost inflation	
• A 10% per annum increase in production and overhead costs • No additional price increase mitigation	Risk 1: Geopolitical Risk 2: Supply chain Risk 3: Macroeconomic
Scenario 3 – Global supply chain disruption	
• Sustained 10% reduction in revenue over the assessment period versus the base case • Increased production costs by 10% per annum over the assessment period	Risk 1: Geopolitical Risk 2: Supply chain Risk 3: Macroeconomic Risk 5: Major ERP system failure
Scenario 4 – Adverse FX movement	
• Weakening of USD to GBP to $1.40, impacting all US dollar denominated revenues • No price, currency mix, or hedging mitigation actions	Risk 1: Geopolitical Risk 3: Macroeconomic
Scenario 5 – Combined cost inflation and adverse FX movement	
• Weakening of USD to GBP to $1.40, impacting all US dollar denominated revenues • No price, currency mix, or hedging mitigation actions • A 10% per annum increase in production and overhead costs • No additional price increase mitigation	Risk 1: Geopolitical Risk 2: Supply chain Risk 3: Macroeconomic

Non-financial and sustainability information statement

In accordance with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006, the below table and the information it refers to, is intended to help stakeholders understand our position on key non-financial matters and sets out where relevant non-financial and sustainability information (NFSIS) can be found within this Annual Report. The description of our business model can be found on pages 28 to 32 and information regarding our approach to stakeholder engagement can be found on pages 112 to 119.

Key policies and procedures	NFSIS ref:	Description	Page ref:
Anti-bribery and Anti-corruption Policy*	5	Sets out our expectations and the responsibilities of all employees and business partners in relation to bribery and corruption, and provides information and guidance on how to recognise and address bribery and corruption issues.	132
Business Travel Policy	2	Provides guidelines to ensure that employees travelling for business purposes can do so in a safe, efficient, comfortable and sustainable manner, whilst upholding their wellbeing.	n/a
Code of Conduct*	2 3 5	Sets out the actions and behaviours expected of all those who work for and on our behalf around the world. It provides guidance on identifying ethical issues and suggests ways to either prevent or address them if necessary.	76, 120
Conflicts of Interest Policy	2	Provides guidance to employees on our expectations in relation to conflicts of interest and how they should be managed.	122, 173
Environmental Policy*	1	Outlines our commitment to achieving net zero carbon emissions by 2045 by significantly reducing our environmental footprint, addressing activities that may contribute to climate change, and continuously monitoring our progress.	53–68
Export Control Policy	2	Provides a framework for identifying and managing goods that are subject to export restrictions and end-use controls in accordance with the UK's Export Control Act 2002, the US' Export Controls Act 2018 and EU regulations.	76
Gender & Ethnicity Pay Gap Report	2 3	Describes the gender and ethnicity pay gaps among our employees and how we monitor, measure and take action to help ensure that all employees, regardless of gender or ethnicity, are paid fairly.	70–71
Global Human Rights Policy*	4	Describes our commitment to create an inclusive and safe working environment in which everyone is treated with dignity and respect. The policy is guided by internationally recognised human rights standards, including the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.	77
Group Sanctions Policy	3 4	Provides a framework for ensuring compliance with UN, UK, EU and US sanctions for international transactions including, but not limited to, financial transactions and the sale or purchase of products and services.	76
Group Tax Strategy*	5	Sets out our approach to managing tax risks and obligations across the Group in a manner that is compliant, transparent, and aligned with our strategic objectives.	78
Health and Safety Policy*	2 3 4	Sets out our commitment and approach to ensuring the health and safety of our employees, visitors, contractors and all stakeholders.	72–73
Modern Slavery Statement*	4	Outlines our commitment to preventing acts of modern slavery and human trafficking in our operations and supply chains, including due diligence reviews of key suppliers and providing support and guidance to help suppliers address any concerns they might have in their business and supply chains.	77
Opportunity and Career Policy	2	Sets out our commitment to encouraging and supporting the career development of our employees.	74
Privacy Policy*	2 3 4	Sets out our commitment to protecting the privacy and security of personal data of our employees, suppliers, customers and others who interact with our business. We have country-specific employee privacy notices, or equivalent, to ensure we are complying with our obligations to employees across the business.	78

Key

Environment	1
Employees	2
Social matters	3
Human rights	4
Anti-bribery and anti-corruption	5

Non-financial and sustainability information statement continued

Key policies and procedures	NFSIS ref:	Description	Page ref:
Reward and Recognition Policy	2	Outlines our principles for rewarding and recognising employees, underpinning our values and strategy.	n/a
Share Dealing Policy	2 5	Provides guidance to Directors and employees of the Group to comply with their obligations under the UK Market Abuse Regulation.	77
Supplier Due Diligence and Audit Procedures	1 5	Our Code of Conduct for Representatives and Suppliers complements our Code of Conduct by setting out the basic requirements mandated for the Group's representatives and suppliers concerning their responsibilities towards their stakeholders and the environment.	77
Ways of Working	2	Provides a framework to guide our behaviour and decision-making, helping colleagues to work effectively with customers, suppliers and others to deliver on our commitments and uphold our values.	69–70
Whistleblowing Policy*	2 3 5	Provides guidance to all Workers (meaning employees, whether permanent, contract, self-employed or employees of other individuals or contractors who are working on our premises or on behalf of the company) regarding how they can freely voice genuine concerns and/or disclose information relating to possible malpractice about the company's or a colleague's business activities, and how such concerns will be taken forward.	76–77

* Policy available on our website at oxinst.com

Additional non-financial and sustainability information

NFSIS reference	Information within this report	Page ref:
Business model	Business model	28–32
Principal risks	Principal risks and uncertainties matrix Detailed principal risk descriptions Audit and Risk Committee report	 79–94 127–136
Non-financial key performance indicators	Non-financial KPIs	41
Climate-related financial disclosures	TCFD Statement	60–68

Approval

The Strategic Report was approved by the Board on 8 June 2026.

RICHARD TYSON
Chief Executive Officer
8 June 2026

Key

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