Focusrite plc

40 YEARS of enriching lives through music

Focusrite plc

Annual Report and Accounts 2026

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WELCOME TO THE FOCUSRITE GROUP 2026 ANNUAL REPORT AND ACCOUNTS

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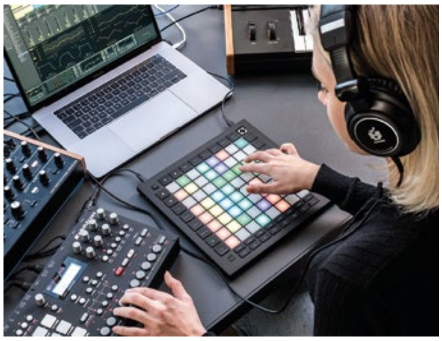


HIGHLIGHTS

Focusrite plc in numbers

These reported results cover an 18-month period from September 2024 to February 2026, following the change of the Group's year end to February from August. As these results have limited comparability to the prior year's comparative 12-month period to August 2024, to provide more insight we have also provided pro-forma unaudited results for the 12 months to February 2026, with comparatives for the 12 months to February 2025.

	Reported results Audited 18 months to February 2026	Pro-forma results Unaudited 12 months to February 2026
	12 months to August 2024[4]	12 months to February 2025
Revenue	£245.5m	£164.6m
	£158.5m	£162.5m
Gross margin	44.7%	45.1%
	44.3%	43.4%
Adjusted[2] EBITDA[1]	£34.9m	£24.7m
	£24.9m	£23.3m
Operating profit/(loss)	£2.1m	-£0.9m
	£5.5m	£4.0m
Adjusted[2] operating profit	£20.8m	£15.1m
	£16.5m	£14.9m
Basic earnings per share	-3.9p	-7.0p
	4.2p	3.4p
Adjusted[3] diluted earnings per share	22.1p	15.6p
	17.8p	16.9p
Net debt[3]	£8.6m	£8.6m
	£12.5m	£17.9m
Total dividend per share	8.84p	6.74p
	6.6p	4.2p

1 Comprising earnings (operating profit) adjusted for interest, taxation, depreciation and amortisation (see note 5 to the financial statements).

2 Adjusted for amortisation of acquired intangible assets and other adjusting items (see notes 14 and 19). 3 Net debt is defined as cash and cash equivalents, overdrafts and amounts drawn against the revolving credit facility ('RCF'), including the costs of arranging the RCF (see note 5 to the financial statements). 4 Restated to reflect adjustments in the prior year. See note 1 to the financial statements.

Removing **barriers** to **creativity**

01 OUR CUSTOMERS
The markets our brands serve.

02 BUSINESS UNITS
R&D Innovation centres, where our brands are built

03 GO TO MARKET
Local teams bringing deep market insight, local relevance and strong community–brand connections.

04 GROUP PLATFORM
Centralised core functions supporting regions and brands removing duplication.

AUDIO **REPRODUCTION**

LIVE SOUND	INSTALL	COMMERCIAL
Tours	Houses of worship	Hospitality
Festivals	Auditoria	Retail

ONE **BUSINESS UNIT**

Audio Reproduction
UK

MARTIN AUDIO | Optimal Audio | TiMax | LINEA RESEARCH | out board

Products

Sound systems for live and install. Speakers, amplifiers and controllers for commercial venues. Immersive sound control. Stage rigging control.

Central and local marketing: one team

MARKETING
One centralised team for all Audio Reproduction brands — shared capability, consistent positioning and scalable execution.

US | UK

Local teams managed from the UK

SALES
Direct, system-level selling and customer relationships in the US; UK-led direct sales and distributor development across EMEA; and agent-led partner models serving high-growth APAC and LATAM markets.

UK

GROUP FUNCTIONS

Business Development
Central support to CEO and CFO to manage long-term planning, partnerships and acquisition pipeline.

UK

Finance
Teams in the UK, Germany and the US organised to support multiple brands and sales teams based in the relevant regions.

UK | DE | US

We are a global leader in the growing audio technology market, uniquely positioned to drive margin-accretive growth, thanks to our differentiated portfolio of category-leading brands, our brilliant people and our end-to-end ecosystem of unrivalled products and services

CONTENT CREATION

HOBBYIST	PROFESSIONAL	BROADCAST	EDUCATION
Musicians Podcasters	Project studios Commercial studios	Radio TV	Schools and universities Live sound teaching

THREE UNIQUE BUSINESS UNITS

Focusrite Novation	Sequential	ADAM Audio
UK	US	GERMANY
Focusrite, novation, Sonnox	SEQUENTIAL, Oberheim	ADAM AUDIO

Products

Audio interfaces and creative instruments

Audio processing software

Synthesizers

Studio monitors and headphones

Regional team

AMERICAS

Brand development and support in our largest market, locally based in Mexico and Brazil to grow share in South America.

US | MX | BR

Regional team

EMEA

UK- and German-based teams managing reseller and distributor partners, brand localisation and cross-region activations.

UK | DE

Regional team

APAC

Brand development and localisation in high-growth, culturally distinct markets.

AU | JP | CN | HK

Global team

D2C

Central UK team supporting all Content Creation brands with eCommerce platform and trading development.

UK

People

Teams in the UK, Germany and the US, organised to support brands and sales teams based in the relevant regions.

UK | DE | US

IT

One centralised UK team supporting all brands and regions, simplifying and standardising applications across the Group.

UK | DE | US

Legal

Central team based in the UK, supporting all brands and regions with commercial, contractual and IP support.

UK

FROM 1985

The Focusrite brand was established in 1985 with the creation of a console at the request of George Martin, legendary Beatles producer, to serve high-end professional recording studios.

1989

Ownership changed hands and came under the control of Phil Dudderidge, an industry veteran, who began to widen the range of products available that appealed to professional, commercial and hobbyist musicians.

2004

Focusrite Audio Engineering Limited acquired the **Novation** brand, a market-leading British producer of keyboards, synthesizers and controllers, expanding its reach into the electronic music segment.

2012

The world was introduced to Generation 1 of the Scarlett audio interface. This was a revolution in the at-home recording studio movement, allowing more users than ever before to access the tools to create professional music at home.

2019

Saw two acquisitions: **ADAM Audio GmbH**, a precision innovator in professional studio monitoring and loudspeaker technology based in Berlin, and **Martin Audio Limited**, a British designer of high-performance loudspeaker systems for the touring and installation markets.

Giving audio professionals the creative freedom to get the job done.

2021

Focusrite Group launched **Optimal Audio** to directly address the needs of the commercial audio market. The Group also acquired **Sequential**, the respected American synthesizer manufacturer founded by legendary electronic instrument designer and Grammy winner Dave Smith.

2022

Further portfolio expansion through the revival of the legendary **Oberheim** synth brand, and the acquisition of **Sonnox** and **Linea Research,** strengthening our position in audio processing and amplification for music production and live sound.

2023

Acquisition of the **TiMax** and **OutBoard** brands, providing industry-leading immersive sound solutions for live experiences, combined with stage rigging and motor control solutions.

Focusrite launched Scarlett 4th Generation, enhancing its flagship interface range with improved specifications, modern design and new features for creators.

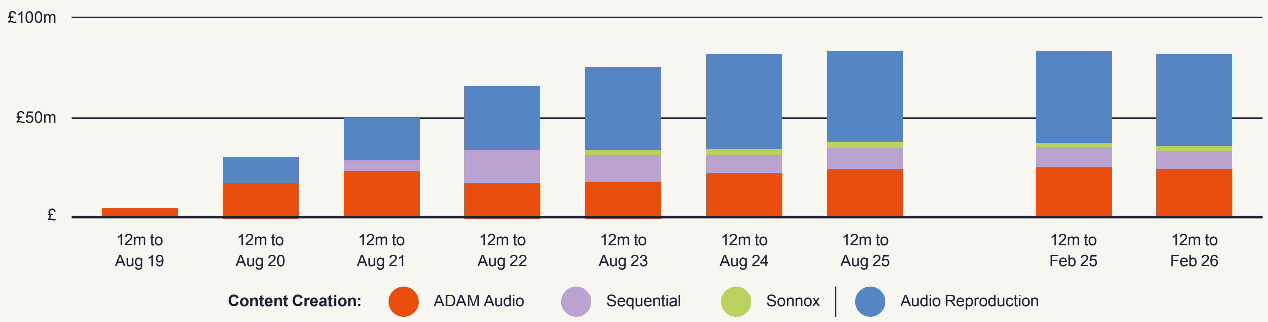
TO 2026

Focusrite Group launches its proprietary silicon platform, enabling tighter hardware–software integration, improved performance for customers, reduced supply dependency, and a scalable foundation for faster, innovation-led growth across the Group.

ACQUISITIONS

A global group of **innovating, market-leading** brands

Acquisitions driving revenue growth



Since 2019, the Group has diversified and expanded its product portfolio by acquisition as by well as organic expansion. The Group has acquired profitable, premium brands in adjacent product segments that have leverage from existing Focusrite sales channels for Content Creation, or, in the case of Audio Reproduction, bring diversity to the Group.

Content Creation: Creating a family of like-minded brands

Our acquisition strategy in Content Creation has been to target premium brands in product adjacencies which can be grown through the same sales and marketing channels which Focusrite has already established.

ADAM AUDIO | JULY 2019

ADAM Audio, based in Berlin, is a globally recognised brand with a passionate team dedicated to delivering exceptional monitor speakers and headphones for audio content creators. Their speakers are seeing growing adoption in upgraded facilities to integrate mixing in an immersive sound environment.

SEQUENTIAL | APRIL 2021

Sequential, based in San Francisco, is an iconic brand for analogue synthesizers, and has been at the forefront of electronic music for over 40 years. The team continues this development supporting both the Sequential and its sister Oberheim brands, the rights to which were purchased in May 2022.

Sonnox | DECEMBER 2022

Sonnox, based outside of Oxford, develops industry leading software plug-ins for audio production. These plug-ins, normally residing inside a DAW (Digital Audio Workstation), enable users to refine their audio and produce professional-quality recordings.

Audio Reproduction: Bringing diversity and an expanded portfolio

Our Audio Reproduction division has been built through acquisition around the core brand of Martin Audio. Acquisitions have brought new technological capabilities which have enabled the division to provide a complete offering for all sizes of opportunity.

MARTIN AUDIO | DECEMBER 2019

Dynamic, high quality live sound systems for any venue, engineered for excellence. Includes the organic development of the Optimal installed sound brand.

LINEA RESEARCH | MARCH 2022

Elite amplifiers and Digital Signal Processors ('DSPs') deliver unmatched sound quality, control and power.

out board TiMax | DECEMBER 2023

TiMax pioneers immersive sound with advanced spatial and tracking solutions.

OutBoard provides robust rigging motor controllers and safety solutions.

REMOVING *BARRIERS* TO CREATIVITY

Phil Dudderidge
Non-executive Chairman and Founder

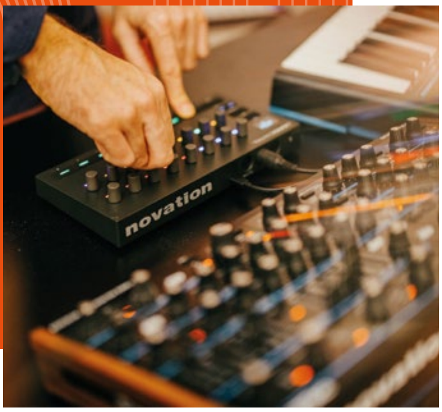
"Rooted in a formidable legacy, Focusrite is now stepping into a decisive phase, moving from a period of adjustment to one of enhanced delivery and pushing the boundaries of performance."

This will be my final Statement as Chairman, following my decision to step down at the forthcoming Annual General Meeting in August 2026. I will remain on the Board as a Non-executive Director, reflecting my family's shareholding status and my continued commitment to the long-term success of the business.

I am delighted that Ian Barkshire has joined the Board and will succeed me as Chair. Ian brings significant experience of leading and scaling a global, technology-led public company, and I am confident he will guide the Group successfully through its next phase.

I would like to thank David Bezem, who will be stepping down from the Board at the forthcoming AGM, for his valued contribution and support over many years.

When I founded the business in 1989, it was with a simple ambition: to build products that enabled musicians and creators to produce exceptional sound. Over the decades since then, the industry has been through multiple cycles of technological change, economic disruption and shifting consumer behaviour. What has remained constant throughout is the enduring demand for music creation and live performance.



That resilience continues today. The global music market has now delivered over a decade of sustained growth, supported by new technologies, expanding audiences and the continued importance of music as a form of expression and shared experience. Against that backdrop, Focusrite has continued to evolve, building a portfolio of strong, complementary brands with leading positions across Content Creation and Audio Reproduction.

This growth has been achieved through a combination of organic innovation and selective acquisitions, including Novation, ADAM Audio, Martin Audio, Sequential and Oberheim, each contributing to a broader, more diversified and globally relevant Group.

Following the exceptional demand for our products experienced during the pandemic, the business has now moved through a period of normalisation and is focused on execution. Our Focusrite-branded products have maintained market leadership and continued to grow, while Audio Reproduction has benefited from the recovery seen in live events and installations.

Throughout this period, the Group has remained disciplined, remaining focused on our strategy and continuing to invest in product innovation and capability.

Today, Focusrite is a cash-generative business with a portfolio of market-leading brands and a clear strategy for growth beyond underlying market expansion. Investment in areas such as proprietary silicon chip design and platform development provides a strong foundation for future product innovation, enhanced functionality, greater control over core technologies and improved margins.

Looking ahead, I am confident in the Group's trajectory. The business is well positioned to benefit from continued global demand for music creation and live audio experiences, supported by its strong brands, global reach and disciplined operational approach, with the model ready to translate consistent revenue growth into greater profit progression.

Under the leadership of the executive team, and with Ian as Chair, I believe Focusrite is now stepping into a decisive phase of development, moving from a period of adjustment to one of enhanced delivery and pushing the boundaries of performance.

I would like to thank our shareholders, colleagues and partners for their continued support over many years.

Phil Dudderidge OBE
Non-executive Chairman and Founder
28 June 2026

HOW WE *ENRICH LIVES* THROUGH MUSIC

Tim Carroll
Chief Executive Officer

"Despite a challenging global backdrop, we have delivered resilient growth, expanded our margins and strengthened our market position – demonstrating that our continued investment in innovation, disciplined execution, and operational efficiency has laid a solid foundation for the next phase of sustained delivery."

Overview: resilient performance

I am pleased to present our audited financial results for the 18 months to February 2026. Overall, our performance achieved a year-on-year (for the pro-forma 12 months to February 2026) Organic Constant Currency ('OCC') revenue increase of 2.7% and an increase in gross margin of 1.7% points while navigating the challenging and dynamic macro-economic environment.

The demand across our product portfolio remained strong, with market-leading product lines like Scarlett continuing to maintain top rankings while up-and-coming brands delivered growth in market share and brand awareness in key regions. Additionally, the Group released 38 new products that have all been warmly received by the market, proving once more the positive impact of our continued investment in R&D and our enduring connection with our customers. During the period, we took numerous actions to mitigate the impacts of tariff instability and continued costs of living and inflationary pressures, driving results in line with our expectations.

Importantly, actions we have taken over recent years, including portfolio expansion, platform investment, pricing discipline and cost control, now position the Group to move from a period of adjustment to one of enhanced delivery, growth and value creation. The investments made over recent years in product development, platform capability and operational efficiency have improved our visibility over both operational performance and quality of earnings, and have established the foundations required to support this next phase.

Given that these reported results cover an 18 month period from September 2024 to February 2026, direct comparison with the prior 12 month period to August 2024 is limited. To aid comparison and simplify interpretation, therefore, we have provided pro-forma unaudited results for the 12 months to February 2026, alongside comparative figures for the 12 months to February 2025, throughout the Strategic Report.

Successful management of short-term volatility and margin protection

During the latest 12-month period, the international trading environment was significantly impacted by fluctuating tariffs on goods sold to the US, which accounts for approximately one third of Group revenue. Tariffs on China-origin products ranged from 25% to over 75%, with additional tariffs affecting goods manufactured in Malaysia, Vietnam, the UK and Germany. These changes created material cost pressures and required a proactive operational response.

In the first six months of the period, the Group acted decisively to mitigate these impacts. We increased inventory levels within our US Content Creation sales channels to take advantage of lower duty windows, relocated certain manufacturing activities to alternative locations provided by our contract manufacturing partners, and increased inventory levels in our US warehouse for Audio Reproduction. These actions were carefully managed within forecast demand to avoid excess stock and ensure that channel inventory remained controlled throughout the period.

In parallel, we implemented targeted pricing actions across multiple product categories to offset increased input and logistics costs, while successfully maintaining competitive positioning in key markets. These combined measures contributed to an improvement in gross margin and supported 5.9% OCC growth in the US, despite ongoing volatility.

Content Creation: performance underpinned by a clear and consistent approach to growth

Our Content Creation division delivered revenue growth of 3.6% (organic constant currency basis) for the 12 months to February 2026, against a challenging macro-economic backdrop. We took action to bring inventory into the US early in 2025, to mitigate expected tariff increases. Adjusting for this rephasing underlying OCC growth in the 12 months to February 2026 was 9.5% for Content Creation as a division.

Despite several price increases introduced to offset tariffs and inflation, as well as continued pressure on consumer spending, underlying demand for our products has remained robust. Our leading brands have maintained their positions in relevant product categories, while our lower-share brands have continued to expand, reflecting the enduring strengths of our portfolio and our multi-brand strategy.

This performance is underpinned by a clear and consistent approach to growth, reflecting the Group's core strategy: to grow our market share in established categories, expand into adjacent product segments and improve margins through pricing discipline, product mix and direct customer engagement.

We continue to strengthen our presence in established markets through our global distribution network and strategic partnerships with major retailers, studios and educational institutions. These relationships not only reinforce brand credibility but also expand our reach to new customer segments.

Additionally, the Group continues to refine its routes to market, with the focus on getting closer to our end users. To gain an edge and leverage our scale, we are constantly diversifying our routes to market. As part of this strategy, the Group has gone direct to the reseller, bypassing traditional distribution, in key markets like the UK, Germany, Australia, and now Japan. This initiative has netted a positive uplift on brand awareness, market share and gross margin in all targeted regions. At the same time, we are increasing the awareness and adoption of new innovative products through targeted digital marketing, influencer partnerships and educational initiatives, including online content and training. By leveraging the strength of our iestablished brands, we are able to introduce innovative products to wider audiences and customers.

Operating Review

Revenue from external customers	**Pro-forma Unaudited 12m to Feb 26 £'000**	Pro-forma Unaudited 12m to Feb 25 £'000	Pro-forma Growth %	OCC Pro-forma Growth[1] %	**Reported 18m to Feb 26 £'000**	**Reported 12m to Aug 24 £'000**
Content Creation	**118,482**	116,167	2.0%	3.6%	**177,932**	**110,818**
Audio Reproduction	**46,116**	46,380	-0.6%	0.5%	**67,573**	**47,706**
Total	**164,598**	162,547	1.3%	2.7%	**245,505**	**158,524**

1 Organic constant currency ('OCC') growth rate is calculated by comparing the 12 months to February 2026 revenue with the 12 months to February 2025 revenue, adjusted for exchange rates for the 12 months to February 2026.

Content Creation

Breaking new ground: product innovation and platform development

Our trailblazing approach remains central to our strategy, with innovation being a key driver of both growth and market share. Over the past 12 months, the Content Creation brands have launched 22 new products and delivered 58 updates to existing product lines, reflecting our commitment to continuous improvement and market-led innovation.

In addition, we have successfully completed a multi-year investment programme to develop a new proprietary platform which utilises our own custom design silicon (FAESIC: Focusrite Audio Engineering Specific Integrated Circuit). This new platform which the Group will continue to develop and build upon, will enable greater control over product development, improved scalability across product categories and enhanced differentiation as well as improved margin potential over time. This technology and IP will be a core element of the Group's long-term strategy in innovation and product delivery.

The first product utilising this technology is scheduled for release later this year, with many more to follow over the next three years and beyond.

In the past four years, this segment faced a number of external challenges, including certain component shortages, rising input and shipping costs, global inflation, US tariff volatility and geopolitical friction. Recent industry reports suggest that the market is now approaching an inflection point, with signs of stabilization and sustainable growth.

Against this backdrop, our performance in the period reflects both the resilience of underlying demand and the benefits of our continued investment in product development and portfolio expansion.

Portfolio development and operational efficiency

Over the course of the period, we undertook a detailed review of our brand architecture and reporting structure to ensure that the Group is optimally positioned to scale and leverage its intellectual property.

As a result, we have simplified the portfolio, with the Focusrite Pro and Ampify brands folding into the core Focusrite and Novation brands, respectively. Additionally, the Sonnox business is now aligned under the Focusrite leadership team, allowing tight integration with the development teams and enabling increased scale and awareness for the Sonnox brand. A clear example of this was the launch of Sonnox's "Soften" plug-in. Exclusively for Focusrite users, Soften significantly expanded the market awareness and adoption of Sonnox products.

These changes reflect a clear direction towards a more unified and integrated product ecosystem, improving operational efficiency, enhancing customer experience and enabling us to deploy our technology and intellectual property more effectively across the Group.

Focusrite: core brand and market leadership

The Focusrite brand remains central to the Group and continues to lead the global market in audio interfaces. Our Scarlett range, which serves both entry-level and professional users, remains the most widely used audio interface platform globally. Its breadth of functionality, ease of use and compatibility across recording software continues to make it the product of choice for a wide range of creators, from first-time users to professional studios. Recent updates to the 4th-generation Scarlett range have introduced new features and enhanced performance, driving increased customer engagement and further strengthening its market position.

Alongside Scarlett, our Clarett, Red and RedNet ranges continue to serve more advanced users and professional environments, providing high-performance solutions across studio and live applications. These products also provide a technology and brand halo that supports the wider portfolio.

Following a period of industry-wide overstocking, we have successfully normalised channel inventory levels back to historic ranges, positioning the business for more consistent trading going forward.

Sonnox is a well-established brand in the professional audio community, creating audio plug-ins that allow professionals the capability to sculpt and refine their sound in numerous ways. Along with these professional tools, Sonnox has expanded their portfolio to add more user-friendly plug-ins, designed for the home studio enthusiast to solve common issues in audio production.

As mentioned earlier, Sonnox launched Soften, an exclusive free plug-in for Focusrite users. This initiative, together with the launch of DrumGate2, a new professional user's plug-in, led to increased sales across the entire Sonnox portfolio and a strong performance for Sonnox over the 12 months to February 2026.

Novation, ADAM Audio and Sequential: further expanding the addressable market

Our Novation brand continues to support electronic musicians through a growing portfolio of controllers, grooveboxes, synthesisers and software tools. Recent product launches, including updates to the Launchkey and Launch Control ranges, have been well received, with strong end-user engagement and continued growth in end-user registrations.

Whilst growth compared to the prior year was impacted by strong sales in the 6 months to August 2024 with the successful update and channel load-in of our Launchkey range, underlying demand remains strong and the brand continues to expand its reach across both established and emerging segments.

ADAM Audio offers a wide range of studio monitor solutions for any setup, from the home recording enthusiast to the most demanding professional recording facilities. Demand for ADAM products remained robust throughout the period, especially in EMEA and APAC. In the US, ADAM did experience some short-term pressure on the more price-sensitive products following price adjustments to offset increased tariffs, which was in part offset by the successful launch of the lower price point desktop speakers (D3V). Overall, the brand continues to gain market share globally, offering premium solutions to fit any monitoring workflow.

ADAM launched a range of new desktop speakers (D3V) in August 2025 and the first of a range of new studio monitor headphones (H200) in September 2025. The desktop speakers received numerous awards for sound quality and their three-inch design, gaining popularity particularly in Japan, among Hi-Fi companies who serve the mainstream consumer segment. Both launches expand the ADAM offering into product adjacencies and support future growth.

Content Creation: Revenue by region

Content Creation	**Pro-forma Unaudited 12m to Feb 26 £'000**	Pro-forma Unaudited 12m to Feb 25 £'000	Pro-forma Growth %	OCC Pro-forma Growth[1] %	**Reported 18m to Feb 26 £'000**	**Reported 12m to Aug 24 £'000**
Americas[2]	**52,388**	**51,636**	1.5%	5.9%	76,869	52,297
EMEA	**50,914**	**52,604**	-3.2%	-4.8%	79,671	47,715
APAC[2]	**15,180**	**11,927**	27.3%	32.6%	21,392	10,806
Total	**118,482**	**116,167**	**2.0%**	**3.6%**	**177,932**	**110,818**

1 Organic constant currency ('OCC') growth rate is calculated by comparing the 12 months to February 2026 revenue with the 12 months to February 2025 revenue, adjusted for exchange rates for the 12 months to February 2026. 2 Regions restated to reflect the revised Group operating model, with LATAM now part of the Americas and APAC replacing "Rest of World".

2 Organic constant currency (OCC) growth rate is calculated by comparing the 12 months to February 2026 revenue with the 12 months to February 2025 revenue, adjusted for exchange rates for the 12 months to February 2026.

The Sequential and Oberheim brands comprise iconic, well-loved electronic instruments that have been used by a wide range of artists across several decades on numerous hits. Flagship offerings like the Prophet 5 and Oberheim OBX8 are considered state of the art analogue synthesizers sought out by professional musicians globally. Over the last 12 months this category of products experienced softer demand, most notably in the US, with Music Trades in the US citing US retail sales in this category down 4% on the prior year. One significant factor contributing to this was the retail price increases that were needed to offset US tariffs on Chinese imports, with synthesizers not qualifying for tariff exemptions unlike many of the Group's other products. Additionally, the Group was notified that Sequential's US contract manufacturer would be ceasing US operations at the end of this year, accelerating the Group's existing transition plan to a non-US contract manufacturer. As a result of this increased uncertainty the Group has further impaired the Sequential assets as detailed in note 18 to the financial statements.

While this segment has experienced softer demand, the introduction of more affordable products, including the TEO-5 and Fourm, is enabling the brands to reach a wider audience including emerging musicians and enthusiasts. Reaction to these lower priced products has been positive and the Group remains confident in the future of these brands.

Content Creation by region

Geographically, performance across all regions reflects resilient underlying demand, despite region-specific challenges.

The Americas delivered stable performance, supported by effective inventory management and pricing actions in response to tariffs. Sales into the US were rephased in 2025 to increase stock levels in the period to February 2025, prior to expected tariff changes. This has resulted in a strong comparator for the period to February 2026, which has reduced the overall growth in this period.

EMEA experienced some short-term disruption due to reseller consolidation in several countries. These impacts are localised and have not altered underlying demand across the broader region. APAC delivered strong growth, particularly in Japan and Australia, supported by our transition to a direct-to-reseller model and increased local presence.

Across all regions, we have continued to see strong sell-through to end-customers, with both existing products and new launches performing well. Strategic initiatives, including investment in D2C platforms and refinements to our route to market, have supported both customer acquisition and market share growth.

Direct-to-consumer: scaling a key growth and margin driver

Our direct-to-consumer (D2C) eCommerce business continues to grow and is an increasingly important component of our overall model.

For the six months to February 2026, D2C represented 12% of Content Creation revenue, reflecting continued growth across all brands. The investments made in building a robust and scalable D2C platform are delivering strong returns in terms of both customer acquisition and margin expansion.

D2C enables us to build direct relationships with our customers, improve our product mix and increase customer lifetime value, while also enhancing pricing control and supporting higher-margin, more repeatable revenue streams.

Audio Reproduction: Stabilisation, resilience and share opportunity

The Audio Reproduction division provides high-quality, professional-grade solutions for both live sound and permanent installations. Since entering this market with the acquisition of Martin Audio in 2019, the Group has continued to build a broader and more integrated offering through targeted investment in R&D and acquisitions.

As previously reported, the Audio Reproduction market has continued to normalise, following a period of exceptional post-pandemic demand in 2024. Industry trade reports indicate that the market has declined in the mid-to-high single digits over the past 12 months.

Against this backdrop, the Group delivered a resilient performance, with revenue broadly flat year-on-year, representing outperformance relative to the wider market.

A broader portfolio

Martin Audio has been shaping live sound since 1972, being dedicated to "Uniting the Audience" through exceptional audio. Its loudspeakers are renowned for precise sound quality, achieved by combining acoustic engineering with advanced digital signal processing (DSP) – software that fine-tunes audio in real time for clarity and consistency. The concept of "throw" is central here: it refers to how far sound travels to reach listeners while maintaining the same quality, whether at the front or back of a venue.

Martin Audio's range of solutions offer world-class sound for every conceivable live sound scenario, ensuring that no seat is left out and providing the venue with sound quality that will satisfy the most demanding audience.

Optimal Audio has quickly become a force in commercial audio, thanks to its accessible solutions and ongoing expansion. With a steadily growing presence, Optimal Audio's products are designed for ease of installation and reliability, making them a favourite in restaurants, retail spaces and conference centres.

Linea Research is the backbone of Martin Audio's amplification needs and continues to serve a broad customer base. Its products feature built-in DSP, offering a unique combination of power, efficiency and sonic purity, recognised in 2024 with the King's Award for Innovation for its commitment to engineering excellence.

TiMax is at the forefront of immersive audio – technology that creates a three-dimensional sound environment, enveloping audiences and enhancing engagement, which is used in theatres and theme parks to deliver dynamic, spatially accurate soundscapes.

As one audio designer put it, "TiMax lets us move sound around the room in real time, making every seat the best in the house."

Audio Reproduction: Revenue by region

Audio Reproduction	**Pro-forma Unaudited 12m to Feb 26 £'000**	Pro-forma Unaudited 12m to Feb 25 £'000	Pro-forma Growth %	OCC Pro-forma Growth[1] %	**Reported 18m to Feb 26 £'000**	**Reported 12m to Aug 24 £'000**
Americas[2]	**14,065**	13,246	6.2%	10.8%	19,938	13,317
EMEA	**18,804**	19,143	-1.8%	-2.4%	27,381	19,414
APAC[2]	**13,247**	13,991	-5.3%	-4.8%	20,254	14,975
Total	**46,116**	**46,380**	**-0.6%**	**0.5%**	**67,573**	47,706

1 OCC growth as defined on page 11. 2 Regions restated to reflect the revised Group operating model, with LATAM now part of the Americas and APAC replacing "Rest of World".

2 Organic constant currency (OCC) growth rate is calculated by comparing the 12 month to February 2026 revenue to the 12 months to February 2025 revenue, adjusted for exchange rates for the 12 months to February 2026.

Over the past year, our Audio Reproduction brands released 16 new products and 8 updates. The Blackline Q series is particularly notable for its advanced sound dispersion technology, which ensures even coverage across wide spaces by directing audio precisely where it's needed. Its robust, weather-resistant construction guarantees durability in demanding environments, from outdoor festivals to busy nightclubs. The Linea NSC controllers are a standout, with a user-friendly design enabling rapid turnaround between acts at multi-artist festivals, ensuring consistent sound quality and smooth transitions. All of these solutions are focused on delivering every seat in the house a world-class audio experience. Software improvements further simplify integration, making it easier than ever to tailor system performance to any event or venue.

Audio Reproduction by region

This division's performance reflects the strength of our expanded portfolio and the effectiveness of our strategy. Through the addition of amplification, immersive audio and control technologies, the division is now able to provide a comprehensive end-to-end solution across a wide range of applications.

There remains a significant opportunity to grow share across key regions, particularly in the US, where Martin's expanded product range competes against three larger global competitors.

Regionally, APAC revenue declined by 5% compared to the 12 months to February 2025, a year which included high levels of sales to China from a bounce back of live events. EMEA declined slightly compared to the prior 12 months, with business suppressed in Middle Eastern markets due to the conflicts in this region.

The Americas delivered strong performance, with revenue increasing by 10.8% on an organic constant currency basis compared to the prior 12 months, driven by an increase in investment in the sales team to complement the expanded portfolio of offerings. Our enhanced range attracted more customers and helped us gain market share. As a result, Audio Reproduction revenue was broadly flat year-on-year.

We believe that our significantly broader product offering and increased market presence have had a positive impact on our results compared to industry reports. Overall, the order book for our Audio Reproduction business is robust, and with our extended offerings – including immersive options with TiMax – we continue to find new opportunities to grow our pipeline.

Summary and outlook: a clear pathway to improving performance

The Group delivered a resilient set of results for the 18-month period to 28 February 2026, our new financial year end. I'd like to recognise the efforts of everyone at Focusrite on this performance, which reflects the benefits of disciplined pricing, supply chain management and a growing direct-to-consumer sales channel. Adjusted EBITDA for the pro-forma 12 month period to

February 2026 increased to £24.7 million from £23.3 million, demonstrating the Group's ability to grow profitability despite a challenging macro-economic backdrop characterised by tariff instability, geopolitical pressures and subdued consumer confidence in several key markets.

Both divisions contributed to this performance, with Content Creation returning to organic constant currency growth of 3.6% and Audio Reproduction broadly stable. Our businesses are market leading and we have a differentiated, diversified portfolio of unrivalled and world-leading brands that are loved by our passionate customers. Innovation is central to our growth strategy and we are excited to reveal our proprietary silicon chip platform which will bring benefits across our future product launches and underpins our confidence in the Group's long-term competitive positioning.

Trading in the first quarter has been encouraging, with underlying demand remaining healthy across both Content Creation and Audio Reproduction. Whilst remaining mindful of the broader macro-economic environment, the Board expectations for the year to 28 February 2027 remain unchanged, and the Group enters the new financial year with improving operational momentum, a strengthened product portfolio and a growing direct-to-consumer presence that continues to support both revenue growth and margin progression.

Tim Carroll

Chief Executive Officer
28 June 2026

INVESTMENT CASE

World-leading brands delivering innovation in a **growing** global market

World-leading brands	Market-leading Net Promoter Scores across all ranges, achieving 70+ year after year.	A diverse portfolio of 11 established brands, with strong positions in their respective segments, consistently in the top 10 of online top seller rankings.
At the heart of the Content Creation industry	A global market of £6.3 billion across both our divisions, with structural growth at rates slightly ahead of GDP growth.	Technology and AI enabling the democratisation of Content Creation and more paths to promotion and publication for users at all levels. Increased demand for live and upgraded experiences, enabled by new technologies such as spatial audio within the Audio Reproduction market.
Strong product innovation	Decades of experience in developing leading proprietary hardware and software products for audio professionals and musicians, culminating this year with a proprietary chip to support future innovation.	A focus on technical excellence in terms of functionality, capability and user experience, driving market leadership.
Global customer base	Strong relationships with an established customer base and distribution network covering approximately 240 territories worldwide.	Established teams in every region, supporting local marketing efforts and building direct relationships with end users.
Strong balance sheet to support future growth	Track record of acquisition and integration of complementary brands, funded by a historic record of cash generation. Long-term relationships with banks provide funding for a future acquisition pipeline.	

OUR GLOBAL MARKETPLACE

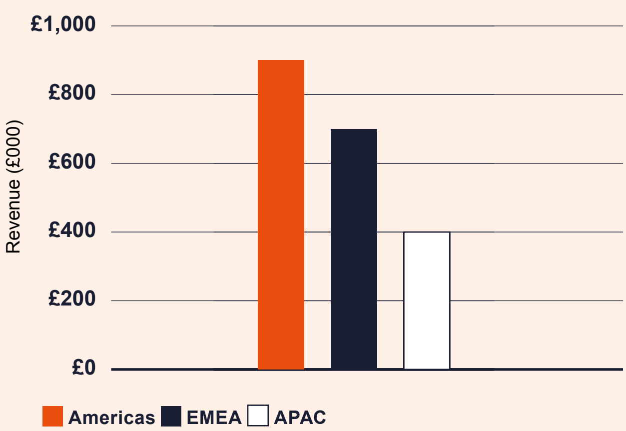
Content Creation

Market Size: £1,700–£2,000m

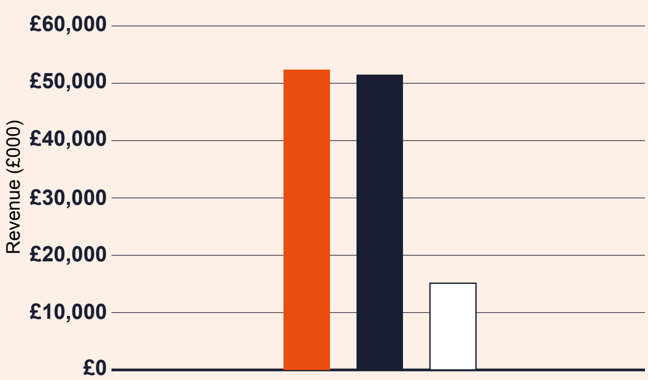
Casual Content Creators	Serious Music Producers	Audio Professionals & Facilities
£600m–£700m	£600m–£700m	£500m–£600m
Hobbyists seeking quick results and professional sound. They need intuitive tools to turn ideas into finished tracks.	Dedicated creators with a regular music-making routine. They require gear that enhances their process and inspires new ideas.	Professionals and commercial facilities demanding reliable, future-proof equipment that improves workflow and offers strong ROI.

Audio Interfaces · **Audio Software** · **Synthesizers** · **Keyboard & Pad Controllers** · **Grooveboxes** · **Monitor Speakers**

Market size by region[1]



Content Creation regional sales[2]



1 Market sizing derived from Music Trades reporting on the US MI market, with an adjustment for Amazon, except for Studio Monitors and Audio Networking, which are based on Management assessment. For Audio Reproduction market sizing is based on management's assessment from existing trade data

2 Revenue for the 12 months to February 2026

All our brands operate in a global marketplace, supported by local teams on the ground, to drive localisation and support relationships with end users.

Within Content Creation, our products have the scale and range to be used by hobbyists at the start of their musical journey and throughout their professional career. Our products can be found in some of the top recording studios across the world, including major facilities and universities.

Market information is not widely available and is focused on the US, which we believe is the biggest market for Content Creation, growing slightly ahead of GDP. Markets outside the US, particularly LATAM and APAC, are seeing faster growth but have strong competition from local brands. Our strategy is to maintain our market leadership in established markets with our more mature products and gain market share through new incremental and less well-established products.

The Audio Reproduction market is normalising, following the challenges of COVID-19 and the post-COVID boost, but continues to benefit from the long-term trend for live experiences. The rise of electronic dance music festivals is a great example of the cross-over of our two divisions.

Our Audio Reproduction division is strongest in its home region of EMEA but has opportunities for future growth in the Americas and APAC, supported by increased investment in teams in these regions.

Audio Reproduction

Market Size: £3,800–£4,300m

Intimate Gigs and Hospitality

£1,400m–£1,600m

Intimate gigs, corporate events and permanent installations into smaller nightclubs, houses of worship and hospitality venues.

Point Source Speakers

Auditoria and Theatres

£1,600m–£1,800m

Medium-sized auditoria, theatres, houses of worship and nightclubs.

Constant Curvature Arrays

Arenas and Festivals

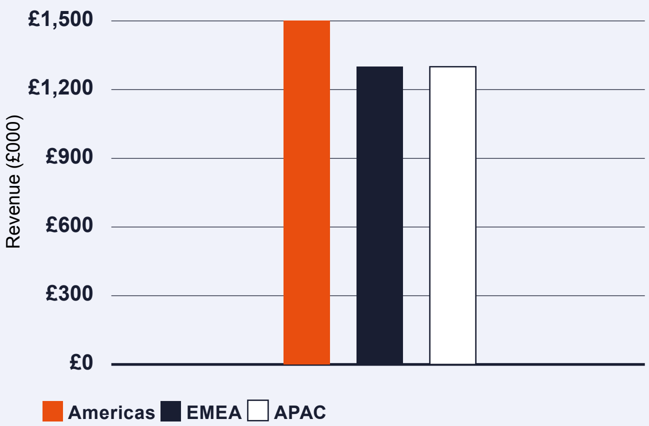
£800m–£900m

Concerts and festivals of up to 100,000 people, superclubs, megachurches and large-scaled theatres or arenas.

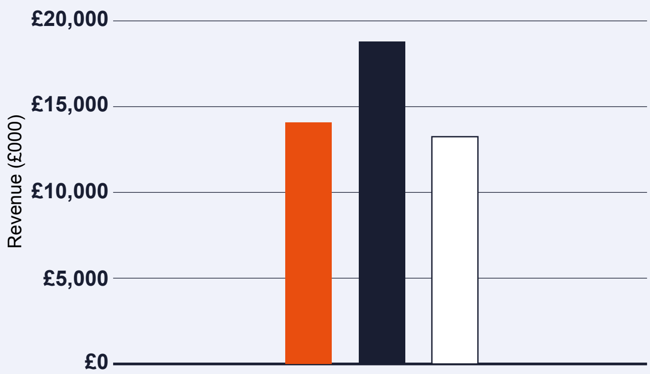
Line Arrays

Amplifiers | **Digital Signal Processors (‘DSPs’)** | **Immersive Audio Processors** | **Stage Rigging Control**

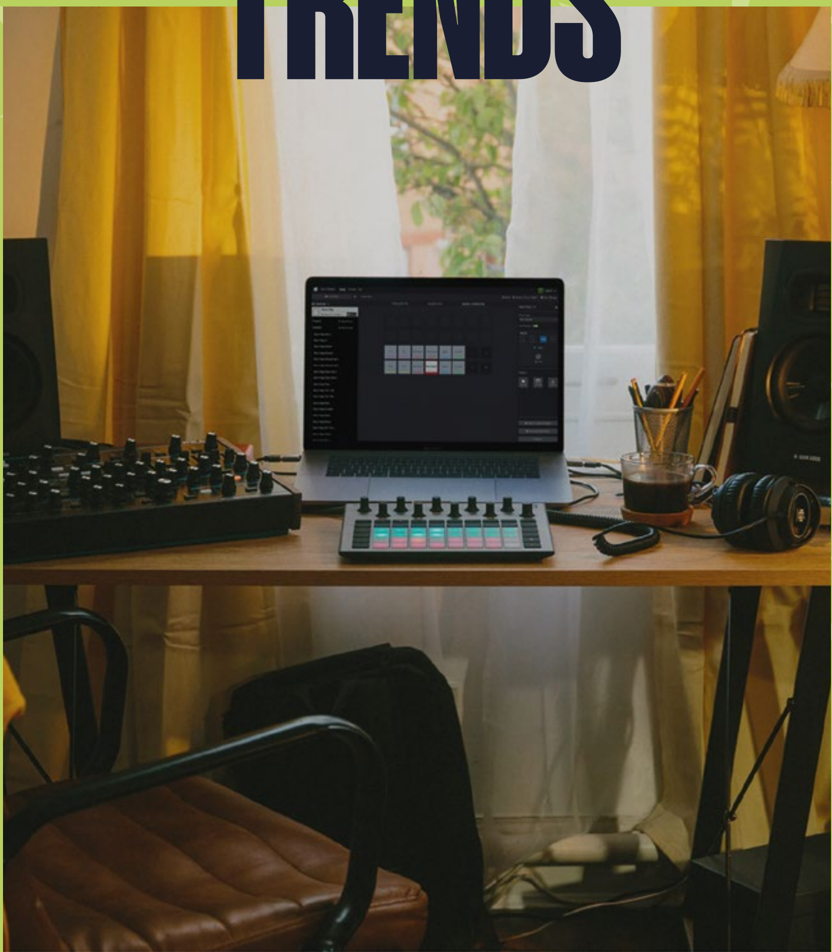
Market size by region[1]



Audio Reproduction regional sales[2]



THE LATEST **MARKET TRENDS**



We never miss a beat

The audio and technology markets are fast moving. Those who don't keep up will fall behind. We're always listening to the market and having conversations with customers, ensuring we know what is happening and that we don't get blinkered by our own view of the world. We've built our business to be agile, allowing us to react to what we're seeing and hearing, and to do so in a relevant and timely way.

AI-driven Efficiency

Immersive Audio

Channel Consolidation

Rise of Live Experiences

Sustainable by Design

Overview	Focusrite response	
AI is increasingly being adopted to improve business efficiency, particularly across software development, engineering productivity and operational workflows.	We have implemented a clear Group AI strategy, building from a core set of principles and strong governance. We are now actively using AI tools to support coding and engineering efficiency, and are exploring further applications to enhance productivity across the business.	**Link to principal risks (page 40):** • Business strategy and development • Information security **Link to strategy (page 20):**
Immersive audio is a way of creating and playing back music and audio with the goal of enveloping the listener with sound from 360 degrees. This technology is now firmly in the mainstream, delivering enhanced experiences at concerts, theatres, with home entertainment and even through an individual listening experience with headphones, driven by next-generation audio hardware.	Our solutions are designed to support immersive audio end-to-end workflows, enabling the creation and enjoyment of spatial content, ensuring market-leading experiences in both production and live settings. ADAM Audio monitors allow users to create immersive mixes of sound. At live concerts our Martin Audio speakers, when coupled with the TiMax systems, deliver an immersive experience for live shows.	**Link to principal risks (page 40):** • Product innovation **Link to strategy (page 20)**
Industry routes to market are consolidating as reseller numbers decline, and distribution increasingly concentrates around a smaller number of partners with an increasing market share.	We continue to invest in and build a distribution channel that brings us closer to the end customer and to strategically important resellers, while also significantly expanding our direct-to-consumer (D2C) capabilities, bringing us closer to customers and enhancing margins.	**Link to principal risks (page 40):** • Business strategy and development **Link to strategy (page 20)**
Audiences are increasingly prioritising authentic, shared experiences that cannot be replicated online. Live music, touring, festivals and immersive performances continue to grow globally, driven by consumer demand for connection, emotion and "the real thing". Industry consensus points to live performance as a long-term winner in an increasingly digital world, reinforced – not diminished – by AI and content abundance.	Our expanded portfolio across touring, theatre and installed sound, combined with immersive and control technologies, enables us to meet demand for higher-quality, more memorable live experiences. Investments in product breadth, production capacity and immersive sound place the Group at the centre of global live performance growth, supporting promoters, venues and artists as experiences become more premium and technically ambitious.	**Link to principal risks (page 40):** • business strategy and development • Product innovation **Link to strategy (page 20)**
Customers expect businesses to minimise environmental impact across the full value chain, extending beyond product design to include sourcing, manufacturing, logistics and day-to-day operations.	We have made strong progress over the past year in embedding sustainability across both product design and general business operations, strengthening compliance, operational resilience and long-term customer trust.	**Link to principal risks (page 40):** • Climate change • Product innovation **Link to strategy (page 20)**

What sets **us apart**

Inputs

Product design and innovation
Dedicated brand teams based on site in the UK, Germany and the US, leveraging customer insight to create market-leading products.

Scalable and efficient manufacturing
Over 70% of the Group's products are made through long-standing relationships with contract manufacturers in China, Malaysia and the US. On site manufacturing in the UK and Germany further supports the ADAM Audio, Martin Audio and Linea Research brands.

Brand reputation and intellectual property
The history and product quality of Focusrite has built a strong brand reputation over the years, protected by patents, trademarks and copyrights for our proprietary technology.

Talent and expertise
Across the Group, our teams are passionate about our products and the experience we can deliver to customers. Our management teams offer years of industry experience and an in-depth understanding of our markets.

World-class customer service
We provide an intuitive out-of-box setup experience for our Content Creation brands, supported by global 24/7 customer care throughout the year.

Financial strength
We have a strong balance sheet, with low gearing and a record of cash generation, supported by bank facilities in place for the next two years.

Routes to market
CONTENT CREATION

Through distribution:
Partnerships with key distributors in more complex territories, who then manage sales in the channel to smaller resellers.

Direct to resellers:
In targeted markets, we act as our own distributor. This is currently in place across the UK, Germany and related European markets, as well as Australia and, from March 2026, in Japan.

Direct to consumers:
Our brands have eCommerce sites supporting global shipments direct to consumers.

AUDIO REPRODUCTION

Through distribution:

Our Audio Reproduction teams partner with distributors across the world. A direct sales team supports the sales process to rental and installation companies, from assisting with a complex design for a cruise ship or outfitting a large place of worship.

This results in a pipeline of orders phased for delivery up to the next 18 months.

We work with sales partners across 240 territories, supported by in-house teams driving mass awareness through social and other media channels.

Outputs

Customers

Access to cutting-edge professional-grade technology that enables them to enhance their creative process or deliver outstanding sound reproduction to their customers.

70

Net Promoter Score ('NPS')

Employees

A great place to work, where people feel they are welcome, safe and positively represented, with opportunities to develop their skills and careers.

40

Employee Net Promoter Score ('eNPS')

Shareholders

Value is generated through our continued focus on sustainable growth in a vibrant market sector and track record of progressive dividend growth.

13.2%

CAGR dividend growth (FY15 to 12m to Feb 26)

Suppliers and distribution partners

We are a reliable and ethical partner that is easy to do business with. Suppliers and distributors benefit from collaborative partnerships that can lead to consistent business and revenue streams for them.

OUR STRATEGIC FRAMEWORK

Our Purpose: Enriching lives through music.

This is our 'why'. We believe in music as a force for good in this world. When we're feeling low, it lifts us. When we're consumed with mixed emotions, it channels them. When we're after that winning edge, it drives us. Most importantly, music brings us together in a world that seems so often to be drifting apart. We believe that the more people we can inspire to make music, and the more we can bring people together to enjoy music, the better the world will be.

Strategic priority	Our Strategy
Growing the **Core**	Maintaining our market leadership for mature products in existing markets and supporting further market penetration for our newer brands through a robust product pipeline enabled by our ongoing investment in R&D. Delivering world-beating functionality and customer experience to ensure that our products are the first choice for everyone from hobbyists to professionals.
Expanding into **New Markets**	Expansion into complementary product sectors through product innovation and strategic partnerships and acquisitions. Refining our routes to market to increase our market penetration, leveraging our scale through our global partnerships and reach.
Delivering **Operational Excellence**	Leveraging our investment in our teams and digital infrastructure to deliver scalable and agile processes to improve efficiency and maintain our world-leading customer service.
Creating a Great **Place to Work**	Attracting, retaining and developing the very best talent through a competitive reward framework, structured career pathways and continuous investment in learning, leadership and management development. Building an engaged, listening and inclusive organisation where equity, diversity, inclusion and belonging are embedded in our culture, and every colleague feels valued and empowered to do their best work.

Our Mission: To remove barriers to creativity

We believe that technology should help, not hinder, the creative process. Every minute spent on unnecessary steps is a minute stolen from creativity. Technology can play an important role in breaking down other barriers: geographical, social and economic. Together, we aim to remove them, one by one.

Activities in the current period	Priorities for next year	KPIs
• 22 launches during the period in Content Creation • 16 launches in Audio Reproduction • Completion of multi-year project to develop our own audio chip to support future generations of products across all ranges	• Build on the Focusrite history as a premium brand, with launches targeted at the professional user • Audio Reproduction's focus on the US market	• Organic sales growth • NPS score
• Klevgrand partnership, delivering new functionality to Novation users • Successful launch of desktop speakers and headphones in ADAM Audio • Launch of first lower-price-point models for Sequential	• Targeted product launches in Novation • Further expansion of new product ranges in ADAM Audio • Expansion of Sequential offering at more competitive price points • Launch of Focusrite Group Japan to provide a direct route to the large Japanese Content Creation market	• Total addressable market
• New common global eCommerce platforms launched for all Content Creation brands • Working with suppliers to deliver cost reductions across the Focusrite range • Cost restructuring in Content Creation to simplify the operating model	• Refinement of logistics models and structures to deliver cost savings across customer fulfilment • Ongoing programme of systems simplification and consolidation to deliver IT efficiencies • Relocation of Sequential contract manufacturing out of the US	• Adjusted free cash-flow conversion to EBITDA % • 2027 onwards: free cash-flow conversion to Operating profit %
• Refreshed our diversity & inclusion programme to focus on employee-led programmes • Ongoing Global Engagement surveys highlighting areas of development to build on for local action plans	• Further expansion of our management development programme across departments • Career development pathway tools and approach, embedded across Content Creation	• Employee Net Promoter Score

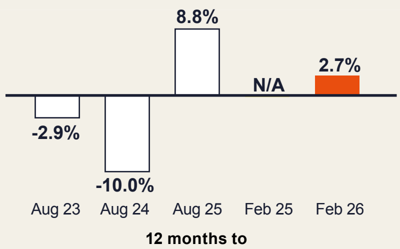
MEASURING **OUR PROGRESS**

Financial

Organic constant currency sales growth

2.7%

12 months to February 2026



KPI definition

Sales growth over the prior year adjusted for the impact of acquisitions and currency

Relevance to strategy

Grow the Core

Expand into New Markets

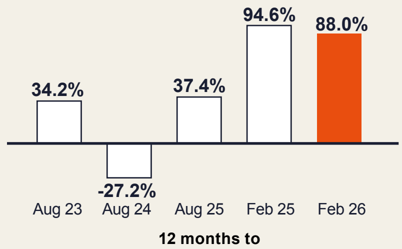
Remuneration linkage

Not applicable

Free cashflow conversion

88.0%

12 months to February 2026



KPI definition

Adjusted free cashflow divided by adjusted operating profit

Relevance to strategy

Delivering Operational Excellence

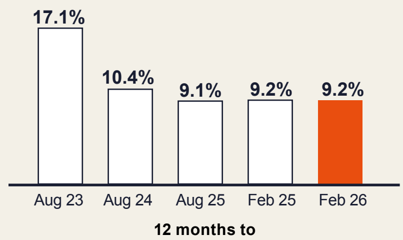
Remuneration linkage

Annual bonus incentive from FY27 onwards

Adjusted operating margin

9.2%

12 months to February 2026



KPI definition

Adjusted operating profit as a percentage of revenue

Relevance to strategy

Delivering Operational Excellence

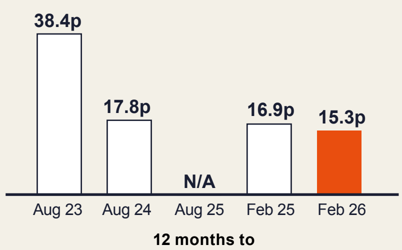
Remuneration linkage

Operating profit included in annual bonus incentive from FY27 onwards

Adjusted diluted EPS

15.3p

12 months to February 2026



KPI definition

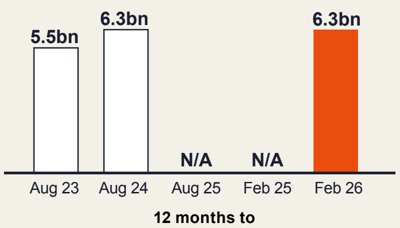
Adjusted earnings (profit after tax) per share including the dilution impact of outstanding share options. See note 14 to the accounts

Non-Financial

Total accessible market

£6.3bn

12 months to February 2026



KPI definition

Share of revenue in the period from products launched in the last five years

Relevance to strategy

Expand into New Markets

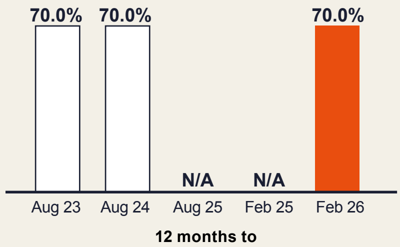
Remuneration linkage

Not applicable

Net Promoter Score (NPS)

70

12 months to February 2026



KPI definition

Widely used customer loyalty and satisfaction metric measuring the likelihood of customers to recommend a company. Ranging from -100 to +100, it is calculated by subtracting the percentage of detractors (score 0-6) from promoters (score 9-10)

Relevance to strategy

Grow the Core

Expand into New Markets

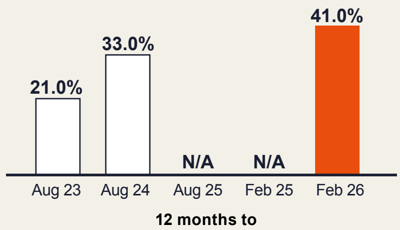
Remuneration linkage

Included in annual bonus incentive strategic measures

Employee Net Promoter Score (eNPS)

41

12 months to February 2026



KPI definition

A measure of the likelihood of employees to recommend the company as a place to work.

Measured annually as part of our global engagement survey, calculated on a similar methodology to NPS.

Relevance to strategy

Creating a Great Place to Work

Remuneration linkage

Included in annual bonus incentive strategic measures

Relevance to strategy

Grow the Core

Expand into New Markets

Delivering Operational Excellence

Remuneration linkage

Growth in Adjusted diluted EPS over a specified period is the measure for Long Term Incentive Plans

Our proprietary silicon platform

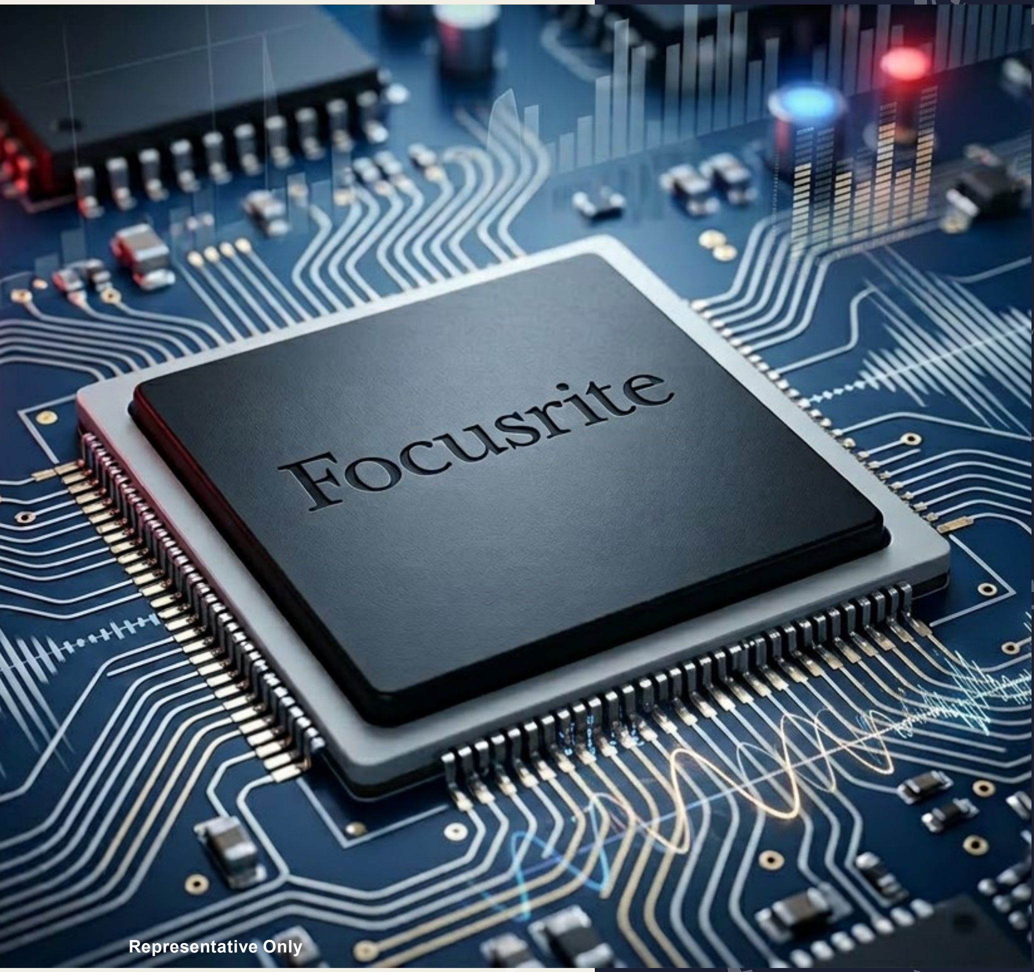
Over the past four years, we have made a significant, long-term investment in the development of our proprietary Focusrite silicon chip, which was designed specifically to meet the performance needs of our customers and scalability requirements of our business.

Growing **the Core**

Expanding into **New Markets**

Delivering Operational **Excellence**

Creating a **Great Place to Work**



"Focusrite silicon was created to address the limitations of off-the-shelf silicon chips: rising component costs, constrained supply chains and a limited ability to optimise performance for our specific use cases."

Better product performance, greater stability over product lifecycles and faster access to innovation.

Focusrite silicon was created to address the limitations of off-the-shelf silicon chips: rising component costs, constrained supply chains and limited ability to optimise performance for our specific use cases.

Navigating to a common, proprietary platform will allow us to iterate faster, reuse core architecture across multiple products and respond more quickly to emerging technologies and market needs, positioning the business for sustainable, innovation led growth, directly supporting our strategic pillars.

It enables us to

- grow the core by delivering richer functionality to core markets
- lowers the technical and commercial overhead of expanding into new markets through a reusable platform
- improves operational efficiency by reducing our product costs
- helps us be a great place to work by enabling faster prototyping, testing and delivery of more advanced features.

For customers, this translates into better product performance, greater stability over product lifecycles, and faster access to innovation. For the Group, it reduces dependency on third party roadmaps, improves margin control over time, and strengthens our ability to protect intellectual property.

Although development has been led by our Focusrite team, this will provide the entire Group with a flexible platform for future development.

Growing **the Core**

Novation **Play**

The launch of Novation Play, developed in collaboration with Klevgrand, is a clear example of how we are strengthening our core product categories by increasing customer value and enhancing engagement. Introduced as a bespoke software instrument for Launchkey MK4, Novation Play enhances the out-of-box experience by turning the controller into an immediately playable, inspiring instrument, tightly integrated with the hardware workflow.

Since launch, Novation Play has seen strong customer engagement, with a daily retention rate of approximately 30%, demonstrating sustained usage rather than one-off activation. More than half of newly registered Launchkey MK4 customers have already redeemed Play, underlining its role in increasing perceived product value and improving customer satisfaction early in the ownership journey.

Novation Play is also supporting incremental hardware demand. By clearly differentiating the Launchkey proposition through exclusive, high-quality software, it strengthens conversion at purchase and reinforces brand loyalty over time.

Expanding into **New Markets**

ADAM Audio D3V

The launch of the ADAM Audio D3V desktop monitoring system is the realisation of our strategy to expand into new markets, broadening both our customer base and relevant use cases while protecting the strength of our core portfolio.

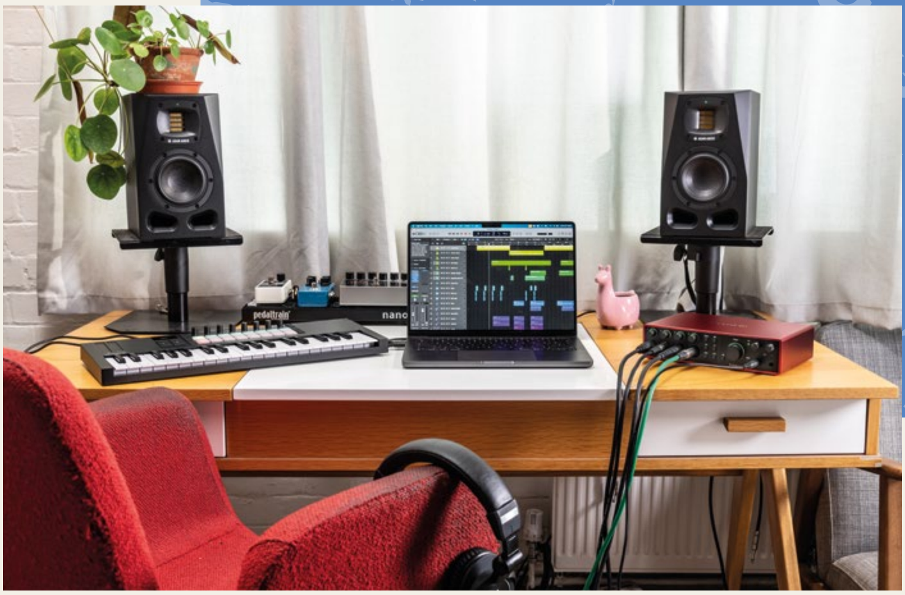
Commercially, D3V has delivered strong early momentum, supported by global distribution, wide-reaching marketing activity and consistently positive independent reviews highlighting its sound quality, design and value. Product reception has been further reinforced by recognition across specialist and mainstream audio media, underlining its credibility beyond our traditional professional studio audience.

D3V targets a segment that we have not historically addressed at scale: desktop and lifestyle-focused users seeking premium audio performance in a compact, accessible format. Marketing activity deliberately extends beyond content creation and pro-audio channels into broader consumer and technology platforms, expanding brand reach without diluting technical credentials.

Importantly, D3V is positioned as complementary to our existing monitor ranges, attracting new customers and incremental revenue rather than cannibalising core products. This expansion, therefore, supports sustainable growth while strengthening the long-term brand funnel.

Delivering Operational **Excellence**

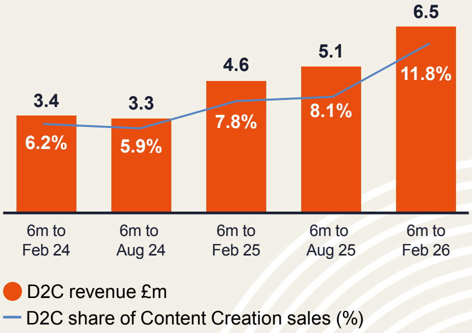
D2C



Over the past 18 months, we have further accelerated the growth of our direct-to-consumer channel as a core pillar of our operational efficiency strategy. Our focus has been on simplifying the customer journey, investing in digital capability and data-led marketing, and sharpening our commercial execution to drive higher conversion.

This disciplined approach has delivered a material increase in D2C's share of Group revenue, while also improving margin mix. As our highest-gross profit route to market, D2C enables us to capture greater lifetime value per customer, benefit from richer first-party data and reinvest efficiently in growth. Scale benefits in fulfilment, customer service and marketing automation have further strengthened operating leverage as volumes have increased.

Strategically, D2C also provides an important defensive advantage. As we see consolidation across wholesale and third-party routes to market, a stronger-owned channel reduces the Group's reliance on a smaller number of external partners and mitigates concentration risk. By building a resilient, profitable and scalable D2C platform, we are improving near-term returns while strengthening the group's long-term control over brand, customer relationships and profit generation.



Creating a **Great Place** to Work

Creating **space** for creativity

As part of our commitment to being a great place to work, we invested in purpose-built creative spaces at our UK head office, including a dedicated music studio and a Dolby Atmos immersive audio studio at our Artisan office. The music studio is equipped with instruments and gear from across our family of brands, with multiple setups and workstations designed to support different styles of music creation – from songwriting and production to recording and sound design. Alongside this, our 7.1.4 Dolby Atmos immersive audio studio was developed with input from Dolby Application Specialists, giving employees hands-on access to professional immersive audio technology and new ways of listening and learning.

Beyond the physical spaces, these studios have become a catalyst for collaboration. Cross-functional groups of employees from across the business came together to create original music, working in mixed teams beyond their day-to-day roles. The project culminated in a staff-created album, with plans to press the release to vinyl, reinforcing a sense of shared ownership and creative pride.

Together, these initiatives reflect our belief that creativity, learning and community should be part of everyday working life – not confined to job titles or teams.

FINANCIAL REVIEW

A RETURN TO GROWTH

Sally McKone
Chief Financial Officer

"Following a period of market normalisation and operational adjustment, the Group has returned to growth and delivered an improvement in gross margin and operating cash, positioning the business for stronger profitability over time."

Change of year end

As announced in October 2024, the Group changed its year end from 31 August to 28 February. This was done to allow the Group to report full year-end results after the busy Christmas and Thanksgiving holiday season and so provide greater clarity on trading to investors. Accordingly, these reported results cover an 18-month transition period from September 2024 to February 2026, results that have limited comparability to the 12 month period to August 2024 (together, the "reported results"). To provide more insight and aid comparability in addition to the reported results, we have also provided proforma results for the 12 months to February 2026 ("12m to Feb 26"), with comparatives for the 12 months to February 2025 ("12m to Feb 25") throughout the Strategic Report (together, the "pro-forma results").

A summary is provided at the end of this report reconciling these pro-forma figures to previously reported interim figures (both the first interim results for the six months to 28 February 2025 and the second interim results for the 12 months to 31 August 2025) and the reported results in these financial statements. These tables are also provided as Appendices to the Results presentation, which is available on the Group's website.

Overview – reported results

The Group remains in a resilient financial position, reflecting sustained efficiency gains, tighter operational control and a more balanced working capital cycle. As the business continues to scale, it is increasingly able to convert incremental top-line progress into a more pronounced uplift in earnings. Targeted investment across products, technology infrastructure and direct customer engagement is expected to strengthen profitability further, while supporting consistent cash generation. These underlying positive trends were impacted by a non-cash impairment charge of £9.8 million to our Sequential business segment, reflecting an ongoing difficult market and greater uncertainty in future cashflows following the planned closure of our US contract manufacturing partner.

Revenue of £245.5 million for the 18-month period increased from £158.5 million in the 12-month prior period, whilst adjusted EBITDA of £34.9 million for the 18-month period increased from £24.9 million in the prior 12-month period. There was a loss before tax of £2.2 million for the 18 months compared to a profit before tax of £2.3 million in the prior 12 months, whilst basic earnings per share decreased to a loss per share of 3.9 pence from a profit per share of 4.2 pence.

We have restated our results for the 12 months to August 2024 following the identification of errors relating to inventory and amortisation of trademarks in two of our subsidiaries, This has resulted in a reduction in inventory at August 2024 of £1 million, a reduction in accruals of £0.4 million and a reduction in accumulated amortisation of £1.0 million. For the 12 months to August 2024 gross profit and EBITDA reduced by £0.3 million and operating profit by £0.2 million. Opening reserves increased by £0.5 million. All figures are shown as restated in these financial statements

For the remainder of this Financial Review of the income statement, the pro-forma 12-month performance provides the clearest view of underlying trading and progression and has been used to provide insight on the underlying performance of the Group.

Income statement

	Unaudited Pro-forma 12m to Feb 26 £m	Unaudited Pro-forma 12m to Feb 25 £m	**Reported 18m to Feb 26 £m**	Restated[1] Reported 12m to Aug 24 £m
Revenue	**164.6**	162.5	**245.5**	158.5
Cost of sales	**(90.3)**	(91.9)	**(135.9)**	(88.3)
Gross profit	**74.3**	70.6	**109.6**	70.2
Administrative overheads	**(49.6)**	(47.3)	**(74.7)**	(45.3)
Adjusted[2] EBITDA[3]	**24.7**	23.3	**34.9**	24.9
Amortisation	**(6.9)**	(5.6)	**(10.0)**	(5.5)
Depreciation	**(2.7)**	(2.8)	**(4.1)**	(2.9)
Adjusted[2] operating profit	**15.1**	14.9	**20.8**	16.5
Adjusting items	**(0.8)**	-	**(0.8)**	(0.1)
Impairment	**(9.8)**	(5.4)	**(9.8)**	(5.4)
Amortisation on acquired assets	**(5.4)**	(5.5)	**(8.1)**	(5.5)
Reported operating (loss)/profit	**(0.9)**	4.0	**2.1**	5.5
Net finance expense	**(3.3)**	(2.9)	**(4.3)**	(3.2)
(Loss)/profit before tax	**(4.2)**	1.1	**(2.2)**	2.3
Income tax credit/(expense)	**0.2**	0.8	**(0.1)**	0.2
(Loss)/profit for the period	**(4.0)**	1.9	**(2.3)**	2.5

1 Restated due to adjustments to the prior year - see note 1 to the financial statements.

2 Adjusted for amortisation of acquired intangible assets and other adjusting items detailed in note 14 to the financial statements.

3 Earnings (Profit after Tax) before Interest, Tax, Depreciation and Amortisation.

Overview – pro-forma results

Revenue for the 12 months to February 2026 increased by 1.3% compared to the prior 12 months to February 2025. This growth, together with an increase in gross margin, partially offset by an anticipated normalisation of overheads, led to an increase in adjusted EBITDA from £23.3 million to £24.7 million. Operating profit increased slightly following an increase in amortisation, and adjusted basic EPS decreased from 16.9p to 15.3p as a result of increased tax and finance costs.

Revenue analysis

	Unaudited Pro-forma 12m to Feb 26 £m	Unaudited Pro-forma 12m to Feb 25 £m	Unaudited Adjustments £m	Unaudited Pro-forma 12m to Feb 25 Adjusted £m	**Unaudited Pro-forma Growth %**	**Unaudited Pro-forma OCC Growth[1] %**
Content Creation	**118.5**	116.1	**(1.8)**	114.3	**2.0%**	**3.6%**
Audio Reproduction	**46.1**	46.4	**(0.5)**	45.9	**-0.6%**	**0.5%**
Total	**164.6**	162.5	**(2.3)**	160.2	**1.3%**	**2.7%**

1 Organic constant currency (OCC) pro-forma growth rate is calculated by comparing the 12 months to February 2026 revenue to the 12 months to February 2025 revenue, adjusted for average exchange rates for the 12 months to February 2026.

Group revenue increased by 1.3% to £164.6 million (12 months to February 2025: £162.5 million). When adjusted for constant currency effects, this equates to an organic constant currency (OCC) growth of 2.7%. Currency movements experienced headwinds, reducing revenue by approximately £2.3 million, which was primarily due to the weakening of the US dollar.

The Content Creation division reported overall revenue growth of 2.0% (3.6% OCC) to £118.5 million for the 12 months to February 2026. This growth was achieved despite pricing and tariff challenges in the Americas region and channel consolidation in EMEA continued with several resellers reporting insolvencies in the period. Sales in the US were brought forward into the period to February 2025 to manage tariff risk, resulting in lower sales levels in the period to August 2025 and a strong comparator for sales in the period to February 2026.

The Focusrite Novation segment, which now includes the Sonnox brand, achieved revenue of £84.5 million, an increase of 4.6% (OCC: 6.3%) compared to the prior year. Focusrite growth of 7.2% (9.0% OCC) was further supported by the release of a special 40th anniversary Scarlett in August 2025 and strong ongoing sales of the Scarlett Gen 4 range, the update of which is now complete and with stock levels now largely normalised across all regions and channels. Novation sales declined by 6.9% (negative 5.2% OCC), due to sales phasing in the US to mitigate tariffs and following successful product launches in the 12 months to February 2025. Sonnox sales grew by 23.8% (24.7% OCC) following successful marketing campaigns to Focusrite users and the successful launch of a new plug-in, Drumgate 2, in January 2026.

ADAM Audio declined slightly in the 12 months to February 2026 following the phasing of sales into the period to February 2025 in the US to mitigate tariffs, resulting in a decline in this region. Growth remains strong outside the US, in particular in APAC, where the new desktop speakers have proved particularly popular, with the region reporting 35.0% growth for the brand.

Sequential launched the new lower-price-point Fourm in September 2025, which supported growth for the brand outside the US, where price points were impacted by the increased prices due to tariffs.

As previously reported, the Audio Reproduction market continues to normalise following a period of strong growth after the lifting of COVID-19 restrictions. Sales returned to growth of 1.1% in the 6-month period to February 2026, with particular strength in the US at 10.8% growth in the 12 months to February 2026, due to the investment in this area to drive sales. Overall, the division reported a slight decline of 0.6% (OCC: positive 0.5%) for the 12 months to February 2026.

Currency impact

The US Dollar weakened during the period (with detailed exchange rate movements provided below), accounting for the £2.3 million negative translation impact on Group revenue for the 12 months to February 2026 relative to the comparable 12 months in 2025. However, the impact at the profit level was minimal, as purchases of inventory from manufacturers in China and Malaysia are also denominated in USD, creating a natural hedge that offsets much of the currency fluctuation.

Segment profit

Segment profit is disclosed in more detail in note 7 to the Financial Statements, named ‘Business Segments’. These segments compare the revenue of the products of the relevant brands with the directly attributable costs to create segment profit.

Gross profit analysis

The Group’s gross margin percentage for the 12 months to February 2026 was 45.1%, an increase of 1.7 percentage points compared to the prior 12 months. This was largely due to improvements in Content Creation, with Audio Reproduction margins remaining stable between the periods.

In the Content Creation division, gross margin increased by 3.1 percentage points to 45.9% from 42.8% in the prior year. This improvement was driven by price increases that offset initial tariff impacts in the US, further enhanced by the inventory build in the US before the introduction of tariffs. In addition, inflationary increases elsewhere in the world together with cost reductions resulting from production efficiencies improved margin across regions outside the US. This demonstrates the Group’s ability to protect and expand margins in a volatile operating environment, supported by pricing discipline, product mix and operational execution. We continue to closely monitor the situation and are actively pursuing tariff refunds, although the timing or level of refunds remains uncertain and, as a result, the impact of any refunds have not been included in these results.

The Group has managed the tariff risk through a combination of inventory management, supplier selection and proactive pricing policies. Pricing updates were made across both divisions outside the US in September 2025, with targeted pricing in the US in May 2025 and February 2026.

Our Audio Reproduction division, which has historically reported margins of around 43%, has seen margins stabilise back to this level throughout the period. The twelve months to February 2025 (and to August 2024) were inflated by higher sales to the Chinese market, where a portion of sales are recognised on a royalty basis via our contract manufacturers. Sales to APAC were broadly flat in the 12 months to February 2026, leading to a more stabilised margin. Increased tariffs have also impacted this market, but with the majority of products imported to the US being made in the UK, this effect has been less significant than in the Content Creation division.

Freight rates remained relatively stable across the period at a similar level to the prior year, although we are starting to see surcharges and increases due to energy cost inflation as a result of the conflict in the Middle East, which we are passing on as appropriate through our differentiated routes to market pricing actions.

Looking ahead, the outlook for gross margins remains somewhat uncertain, given the ongoing changes to tariff regulations and the inflationary impacts of ongoing geopolitical conflicts. Our target is to maintain underlying gross margins in all regions through a combination of proactive pricing and supply-chain management, enabling us to maximise gross profit. With the launch of our Japanese distribution entity in March, this should provide a small uplift to gross margins, although these are partially offset by increased overheads from the establishment of a local team.

Administrative expenses

Administrative expenses include sales, marketing, operations, the uncapitalised element of R&D (partially offset by the Research and Development Expenditure Credit regime (‘RDEC’) tax credit), as well as central functions such as legal, finance and the Group Board. Total expenses were £49.6 million for the 12 months to February 2026, up from £47.3 million in the prior year. There were adjusting costs (see below) in the period of £10.6 million, relating to an impairment of £9.8 million to the Sequential Cash Generating Unit (CGU) and a restructuring charge of £0.8 million (12 months to February 2025: £5.4 million).

The £2.3 million increase in adjusted administrative expenses reflects the impact of labour cost inflation and the normalisation of variable remuneration from the low levels in the year to August 2024. In addition, we have invested in our Audio Reproduction sales teams in the US and our eCommerce platforms in Content Creation. This has been offset by a cost restructuring programme undertaken in the current year to deliver efficiencies across Content Creation. Overall, this reflects a combination of disciplined cost control alongside targeted investment to support future growth. This resulted in a one-off cost of £0.8 million and is expected to generate annualised savings of over £1.4 million, with administrative expenses for the six months to February 2026 totalling £24.3 million, £1.0 million lower than in the 6 months to August 2025.

The launch of our Japanese entity in March 2026 will result in an increase in overheads, which will be more than offset by a resulting gross margin improvement. We will also continue to invest in sales resources in the US and the final stages of investment in our new product platforms in Focusrite and ADAM, with the increment partially offset by the annualisation of savings from this year's restructuring.

Adjusted EBITDA

Adjusted EBITDA is an alternative performance measure widely used by securities analysts, investors and other stakeholders to assess a company's underlying profitability. Within the Group, it also forms the basis for elements of senior management incentivisation, both at the operating company and at Group level. This has been amended for the year to February 2027 to be based on operating profit, to recognise the impact of the capitalisation of development costs on the Group's results.

Adjusted EBITDA increased from £23.3 million for the 12 months to February 2025 to £24.7 million for the 12 months to February 2026. This reflects the impact of higher sales and gross margins offsetting the increase in administrative overheads.

A reconciliation of adjusted EBITDA to operating profit can be found in note 5 to the financial statements.

Depreciation and amortisation

Depreciation is charged on tangible fixed assets using the straight-line method over the assets' estimated useful lives, typically ranging between two and five years.

Amortisation is primarily applied to capitalised development costs, with charges spread over the expected lifecycle of the related product. Product lifespans vary across the Group's brands, from approximately three years for Focusrite and Novation, up to 11 years for Martin Audio and 15 years for Sequential.

During the 12 months to February 2026, £11.2 million of development costs were capitalised (12 months to February 2025: £9.1 million). Amortisation totalled £6.9 million (12 months to February 2025: £5.6 million), increasing as more new products are released and as we begin to amortise the development of our new silicon chip platform.

The amortisation of the acquired intangible assets totalled £5.4 million during the period (12 months to February 2025: £5.5 million) and has been disclosed within adjusting items.

Adjusting items

In the 12 months to February 2026, adjusting items totalled £10.6 million, £9.8 million relating to the impairment of the acquired and internally generated intangible assets of the Sequential CGU, with the remainder relating to the restructuring costs referred to above, following a review of the Content Creation division cost base, offset by a £0.1 million reduction in the final earnout for the Sheriff acquisition (see note 6 to the financial statements). The Sequential CGU has strong brands and an ambitious plan for growth through range expansion and margin improvement through relocation of manufacturing. We were recently informed that the brand's existing US contract manufacturer would be ceasing operations requiring a review of the product roadmap, leading to a greater uncertainty of cashflows, which together with the existing difficult market led to the current year impairment. More detail is provided in note 6 to the financial statements. We remain confident in the brand's future plans and a return to profitable growth.

A tax provision of £1.0 million relating to an adjustment to a deferred tax asset following a capital restructuring has been treated as an adjusting item in the 12 months to February 2026.

In the 12 months to February 2025, adjusting items of £5.4 million relate to the impairment of the goodwill and acquired intangible assets relating to the acquisition of Sequential.

£5.4 million (12 months to February 2025: £5.5 million) relating to the amortisation of acquired intangible assets is also shown as an adjusting item in the 12 months to February 2026.

Foreign exchange and hedging

The exchange rates were as follows:

Exchange rates	**Pro-forma 12m to Feb 26 £m**	Pro-forma 12m to Feb 25 £m	**Reported 18m to Feb 26 £m**	Reported 12m to Aug 24 £m
Average				
USD:GBP	**1.33**	1.28	**1.32**	1.26
EUR:GBP	**1.16**	1.19	**1.18**	1.17
Period end				
USD:GBP	**1.35**	1.26	**1.35**	1.31
EUR:GBP	**1.14**	1.21	**1.14**	1.19

The average USD rate has weakened to $1.33 for the 12 months to February 2026 (12 months to February 2025: $1.28). The USD accounts for over half of Group revenue but nearly all of the cost of sales, so there is a useful natural hedge against currency fluctuations.

The Group enters into forward contracts to convert Euro to GBP. The policy adopted by the Group is to hedge approximately 75% of the anticipated Euro flows for the current 12-month period (year ending 28 February 2027) and 50% for the following 12 months (year ending 29 February 2028).

Corporation tax

The tax credit has been impacted by several factors in both periods, resulting in an overall reduction in the tax credit. The inclusion of patent box benefits in both periods has reduced the effective rates on UK profits, with a benefit to the tax charge of approximately £0.5 million in both

12 month periods to February. This has been offset in the 12 months to February 2026 by a provision of £1.0 million relating to a deferred tax asset following a capital restructuring. This has been shown as an adjusting item.

The headline effective tax rate is expected to remain broadly around the UK corporate tax rate in future years, due to the ongoing permitted deductions under the Patent Box scheme offsetting the impact of higher tax rates on profits from non-UK entities.

Earnings per share ('EPS')

The basic EPS for the 12 months to February 2026 was a loss per share of 7.0 pence, down from a profit per share of 3.4 pence in the 12 months to February 2025. This decrease has resulted from the change in reported profit after tax, which was largely due to the £9.8 million impairment charge relating to Sequential. The weighted average number of shares used for the calculation has increased marginally compared with the prior year to 58,662,000 shares (12 months to February 2025: 58,628,000 shares). The more comparable measure, excluding adjusting items and including the dilutive effect of share options, is the adjusted diluted EPS. This decreased to a profit per share of 15.6 pence from 16.9 pence in the 12 months to February 2025, a decrease of 7.7%, mainly due to the increase in taxation and finance charges.

	Unaudited Pro-forma 12m to Feb 26 Pence	Unaudited Pro-forma 12m to Feb 25 Pence	**Reported 18m to Feb 26 Pence**	Restated[1] Reported 12m to Aug 24 Pence
Basic	**(7.0)**	3.4	**(3.9)**	4.2
Diluted	**(6.8)**	3.3	**(3.9)**	4.2
Adjusted basic	**15.8**	17.2	**22.5**	18.1
Adjusted diluted	**15.6**	16.9	**22.1**	17.8

1 Restated due to adjustments to the prior year - see note 1 to the financial statements.

Balance sheet

As noted above, due to the change in year end, the reported results include the balance sheet as at 28 February 2026, with comparatives as at 31 August 2024. To aid comparability, the balance sheet review below also includes the balance sheet as at 31 August and 28 February 2025, as previously reported in the first and second interim results (adjusted for prior year restatements).

	Reported 28 February 2026 £m	Restated[1] Pro-forma Unaudited 31 August 2025 £m	Restated[1] Pro-forma Unaudited 28 February 2025 £m	Restated[1] Reported 31 August 2024 £m
Goodwill	**14.4**	14.3	14.1	14.2
Other intangible assets	**57.2**	67.1	67.5	67.1
Property plant and equipement	**11.6**	10.5	10.3	11.1
Deferred tax assets	**4.6**	2.5	2.7	2.7
Non-current assets	**87.8**	94.5	94.7	95.0
Current assets				
Inventories	**44.1**	40.8	47.5	48.3
Trade and other receivables	**32.0**	42.8	38.8	37.4
Cash	**20.6**	19.5	15.6	22.0
Current liabilities				
Trade, other payables and provisions	**(27.4)**	(33.4)	(31.6)	(34.5)
Non-current liabilities				
Bank loan	**(29.2)**	(30.3)	(33.5)	(34.6)
Deferred tax	**(9.1)**	(9.7)	(9.9)	(10.6)
Other non-current liabilities	**(7.8)**	(5.7)	(6.3)	(6.8)
Net assets	**111.0**	118.5	115.3	116.2
Working capital[2]	**48.7**	50.1	54.7	51.2
Working capital as a % of the last 12 months of revenue	**29.6%**	29.7%	33.6%	32.3%

1 Restated due to adjustments to the prior year - see note 1 to the financial statements.

2 Working capital is defined as inventories plus trade and other receivables, less trade and other payables and provisions.

Non-current assets

Goodwill within non current assets totals £14.4 million (February 2025: £14.1 million) and, in line with accounting standards, is not amortised; the movement in the 12 months to February 2026 relates to translation adjustments for foreign exchange.

Intangible assets include both acquired assets and internally generated assets. Acquired assets include goodwill, brands and capitalised development costs. Internally generated intangible assets comprise capitalised R&D and acquired licences, trademarks and software.

Acquired assets relating to brands and acquired development costs in use had a combined net book value at the end of February 2026 of £25.4 million (February 2025: £36.8 million), with the reduction due to an impairment charge of £5.6 million and amortisation of £5.4 million in line with the expected useful economic lives of the brands.

Internally generated technology and patent costs in use had a carrying value, net of amortisation, of £10.2 million (February 2025: £14.8 million). They comprise capitalised research and development costs for products currently in use. The amortisation periods range from three years to fifteen years, depending on the expected life of the products. The shorter amortisation periods are more usual for Focusrite and Novation products and the longer periods more usual for the ADAM Audio monitors, Martin Audio live speakers and Sequential synthesisers.

Capitalised technology and patent costs still under development comprise acquired and internally generated technology and patent costs for products currently still in development. The carrying value of these items has increased from £8.4 million at 1 March 2025 to £14.3 million as at 28 February 2026, as a result of our £10.1 million ongoing investment in new products, net of the transfer of £3.4 million of costs to products now in use and £1.1 million of the impairment of Sequential assets.

Overall, the amortisation of intangible assets totals £12.3 million (12 months to February 2025: £11.1 million). This is split between the amortisation of acquired intangible assets of £5.4 million (12 months to February 2025: £5.5 million), and other amortisation of £6.9 million (12 months to February 2025: £5.7 million). The amortisation of acquired intangible assets has been treated as an adjusting item. In the 12 months to February 2026, the assets relating to the Sequential acquisition were impaired by £9.8 million as discussed above. In the 12 months to August 2024 £2.8 million of intangible assets and goodwill of £2.5 million relating to Sequential was impaired.

The remaining £7.2 million of net book value of intangible assets (28 February 2025: £7.5 million) is in respect of purchased licences, software and trademarks. This includes licences relating to the development of our new platform technology as discussed on page 24.

Tangible non-current assets of £11.6 million (28 February 2025: £10.5 million) consist mainly of right-of-use assets relating to the Group's leased offices and warehouses, together with one owned building and tooling equipment for the manufacture of products.

Working Capital Analysis

As of 28 February 2026, working capital represented 29.6% of the last 12 months' revenue, a decrease from 33.6% at February 2025 and 32.3% at August 2024.

The decrease in working capital primarily reflects lower inventory levels over the past year, including a significant reduction in Scarlett stock, particularly of Gen 3 products. This was achieved despite a £2 million increase in Audio Reproduction inventory in the US, held to mitigate the impact of tariffs and improve service levels. The reduction was further helped by a reduction in debtors at the period end, due to sales phasing earlier in the final quarter as shipments were brought forward to manage shipments around the Lunar New Year.

We expect working capital to remain stable over the next six months, resulting in a modest cash inflow during the year.

Cash Flow Analysis

As noted above, due to the change in year end, the reported results include a statement of cash flows for the 18 months to February 2026, with comparatives for the 12 months to August 2024. To aid comparability, the cash flow review below also includes the pro-forma cash flows for the 12 months to February 2026 and February 2025. A summary is provided at the end of this report reconciling these pro-forma figures to previously reported interim figures (both the first interim results for the six months to 28 February 2025 and the second interim results for the 12 months to 31 August 2025) and the reported results in these financial statements.

	Unaudited Pro-forma 12m to Feb 26 £m	Unaudited Pro-forma 12m to Feb 25 £m	**Reported 18m to Feb 26 £m**	Reported 12m to Aug 24 £m
Cash and cash equivalents at the beginning of the period	**15.6**	8.9	**22.0**	26.8
Foreign exchange movements	**(0.1)**	–	**0.1**	(0.4)
Cash and cash equivalents at the end of the period	**20.6**	15.6	**20.6**	22.0
Net increase/(decrease) in cash and cash equivalents	**5.1**	6.7	**(1.5)**	(4.4)
Change in bank loan	**3.4**	3.2	**5.1**	(6.6)
Decrease/(increase) in net debt	**8.5**	9.9	**3.6**	(11.0)
Add back equity dividends paid	**2.5**	3.9	**5.1**	3.9
Add back acquisition of subsidiary (net of cash acquired)	**0.6**	0.2	**0.6**	2.5
Free cash inflow/(outflow)	**11.6**	14.0	**9.3**	(4.6)
Add back adjusting items (cash outflow)	**0.7**	–	**0.7**	0.1
Underlying free cash inflow/(outflow)[1]	**12.3**	14.0	**10.0**	(4.5)

1 Defined as cash flow before equity dividends, acquisition of subsidiary (net of cash acquired) and adjusting items.

The underlying free cash inflow in the 12 months to February 2026 was £12.3 million, compared to a cash inflow of £14.0 million in the twelve months to February 2025. The movement in free cash flow reflects the improvement in working capital noted above, with both inventories and debtors reducing from levels that were inflated due to the high levels of stock in the channel and our own warehouses in 2024. The net debt balance at the period-end was £8.6 million (28 February 2025: net debt of £17.9 million). The net debt includes the arrangement fee for the revolving credit facility (RCF) of £0.5 million, which is being amortised across the period of the facility.

The Group has a £50 million RCF facility split evenly between HSBC and NatWest, which was renewed in September 2023 and extended in September 2024 and is due to expire in September 2028, together with an uncommitted facility for a further £50 million. As at the balance sheet date, £29.7 million was drawn down from the facility (28 February 2025: £33.5 million).

Dividend

The Board has approved a final dividend of 4.64p, which will bring the total dividends declared in the 18-month period to date to 8.84p (12 months to August 2024: 6.6p). This consists of two interim dividends of 2.1p each declared in May 2025 and in November 2025, together the proposed final dividend, reflecting the longer accounting period, and compares to one interim and one final dividend in the 12 months to August 2024.

Summary

The Group's financial position remains strong, supported by improving margins, disciplined cost management and a normalising working capital profile. Looking ahead, the business is increasingly well positioned to benefit from operating leverage, with modest revenue growth expected to translate into materially stronger profit growth over time. Continued investment in product development, platform capability and direct-to-consumer sales channels will further support margin progression and cash generation.

Strategic Report Appendix

Pro-forma unaudited results for the 12 months to February 2026

Income Statement	Reported 18m to Feb 26 £m	Unaudited Pro-forma Less 6m to Feb 25[3] £m	Unaudited Pro-forma 12m to Feb 26 £m
Revenue	**245.5**	80.9	164.6
Cost of sales	**(135.9)**	(45.6)	(90.3)
Gross profit	**109.6**	35.3	74.3
Administrative overheads	**(74.7)**	(25.1)	(49.6)
Adjusted[1] EBITDA[2]	**34.9**	10.2	24.7
Amortisation	**(10.0)**	(3.1)	(6.9)
Depreciation	**(4.1)**	(1.4)	(2.7)
Adjusted[1] Operating profit	**20.8**	5.7	15.1
Adjusting items	**(0.8)**	–	(0.8)
Impairment of intangible assets	**(9.8)**	–	(9.8)
Amortisation on acquired assets	**(8.1)**	(2.7)	(5.4)
Reported operating profit/(loss)	**2.1**	3.0	(0.9)
Net finance expense	**(4.3)**	(1.0)	(3.3)
(Loss)/profit before tax	**(2.2)**	2.0	(4.2)

Cash flow	Reported 18m to Feb 26 £m	Unaudited Pro-forma Less 6m to Feb 25[3] £m	Unaudited Pro-forma 12m to Feb 26 £m
Cash and cash equivalents at the beginning of the period	**22.0**	22.0	15.6
Foreign exchange movements	**0.1**	0.2	(0.1)
Cash and cash equivalents at the end of the period	**20.6**	15.6	20.6
Net decrease in cash and cash equivalents	**(1.5)**	(6.6)	5.1
Change in bank loan	**5.1**	1.7	3.4
Decrease/(increase) in net debt	**3.6**	(4.9)	8.5
Add back equity dividends paid	**5.1**	2.6	2.5
Add back acquisition of subsidiary	**0.6**	–	0.6
Free cash inflow/(outflow)	**9.3**	(2.3)	11.6
Add back non underlying items (cash outflow)	**0.7**	–	0.7
Underlying free cash inflow/(outflow)	**10.0**	(2.3)	12.3
Underlying free cash as a % of adjusted EBITDA	**30.4%**	-22.5%	52.2%

1 Adjusted for amortisation of acquired intangible assets and other adjusting items detailed in note 14 to the financial statements.

2 Earnings (Profit after Tax) before Interest, Tax, Depreciation and Amortisation.

3 Extracted from the interim results for the six months to February 2025, as announced on 28 April 2025 and adjusted for prior year restatements.

Proforma unaudited results for the 12 months to February 2025

Income Statement	Reported 12m to Aug 24 £m	Unaudited Pro-forma Less 6m to Feb 24[3] £m	Unaudited Pro-forma Plus 6m to Feb 25[4] £m	Unaudited Pro-forma 12m to Feb 25 £m
Revenue	**158.5**	**76.9**	**80.9**	**162.5**
Cost of sales	**(88.3)**	(42.0)	(45.6)	(91.9)
Gross profit	**70.2**	34.9	35.3	70.6
Administrative overheads	**(45.3)**	(23.1)	(25.1)	(47.3)
Adjusted[1] EBITDA[2]	**24.9**	**11.8**	**10.2**	**23.3**
Amortisation	**(5.5)**	(3.0)	(3.1)	(5.6)
Depreciation	**(2.9)**	(1.5)	(1.4)	(2.8)
Adjusted[1] Operating profit	**16.5**	**7.3**	**5.7**	**14.9**
Adjusting items	**(0.1)**	(0.1)	–	–
Impairment of intangible assets	**(5.4)**	–	–	(5.4)
Amortisation on Acquired assets	**(5.5)**	(2.7)	(2.7)	(5.5)
Reported operating profit	**5.5**	4.5	3.0	4.0
Net finance expense	**(3.2)**	(1.2)	(0.9)	(2.9)
Profit before tax	**2.3**	3.3	2.1	1.1

Cash flow	Reported 12m to Aug 24 £m	Unaudited Pro-forma Less 6m to Feb 24[3] £m	Unaudited Pro-forma Plus 6m to Feb 25[4] £m	Unaudited Pro-forma 12m to Feb 25 £m
Cash and cash equivalents at the beginning of the year	**26.8**	26.8	22.0	8.9
Foreign exchange movements	**(0.4)**	(0.2)	0.2	–
Cash and cash equivalents at the end of the year	**22.0**	8.9	15.6	15.6
Net (decrease)/increase in cash and cash equivalents	**(4.4)**	(17.7)	(6.6)	6.7
Change in bank loan	**(6.6)**	(8.1)	1.7	3.2
Decrease/(increase) in net debt	**(11.0)**	(25.8)	(4.9)	9.9
Add back equity dividend paid	**3.9**	2.6	2.6	3.9
Add back acquisition of subsidiary	**2.5**	2.3	–	0.2
Free cash inflow/(outflow)	**(4.6)**	(20.9)	(2.3)	14.0
Add back non underlying items (cash outflow)	**0.1**	0.1	–	–
Underlying free cash inflow/(outflow)[1]	**(4.5)**	(20.8)	(2.3)	14.0
Underlying free cash as a % of adjusted EBITDA	-18.0%	-177%	-22.1%	60.4%

1 Adjusted for amortisation of acquired intangible assets and other adjusting items detailed in note 14 to the financial statements.

2 Earnings (Profit after Tax) before Interest, Tax, Depreciation and Amortisation.

3 Extracted from the interim results for the six months to February 2024, as announced on 24 April 2024 and adjusted for prior year restatements.

4 Extracted from the interim results for the six months to February 2025, as announced on 28 April 2025 and adjusted for prior year restatements.

Principal risks and uncertainties

"Our approach to risk management is designed to enhance our resilience and improve confidence in the delivery of our business strategy."

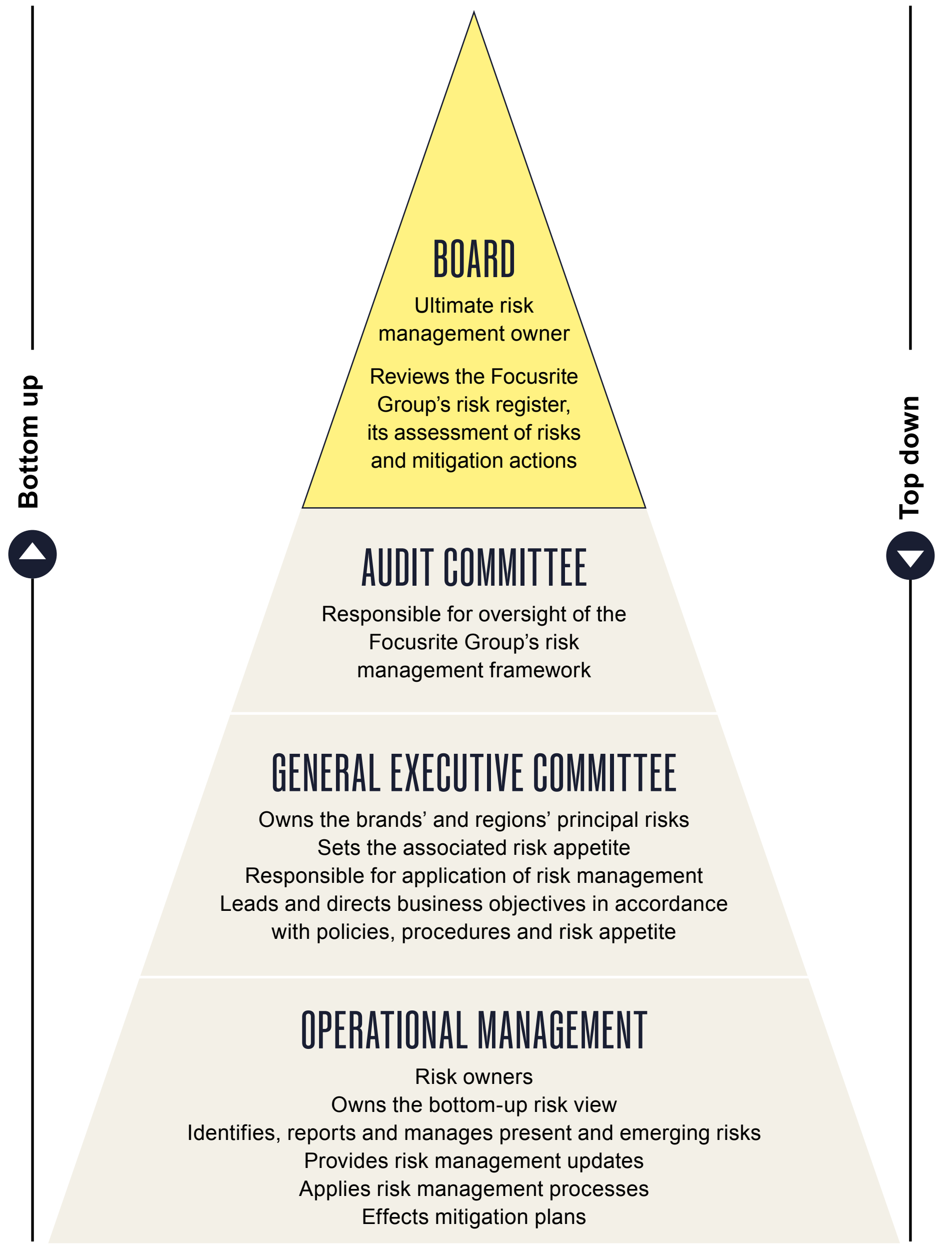
Effective risk management underpins the delivery of the Group's strategy and supports its commitments to customers, communities and sustainability.

The Group is committed to conducting its business responsibly, safely and legally, while making risk-informed decisions when responding to opportunities and threats. The Group's culture of risk awareness strengthens year on year.

The Board has overall responsibility for the management and assessment of risk, supported by the Audit Committee.

Risk-informed decision-making is embedded across the Group to ensure that opportunities are pursued in a controlled manner and that potential threats are identified, assessed and managed effectively in line with the Group's risk appetite.

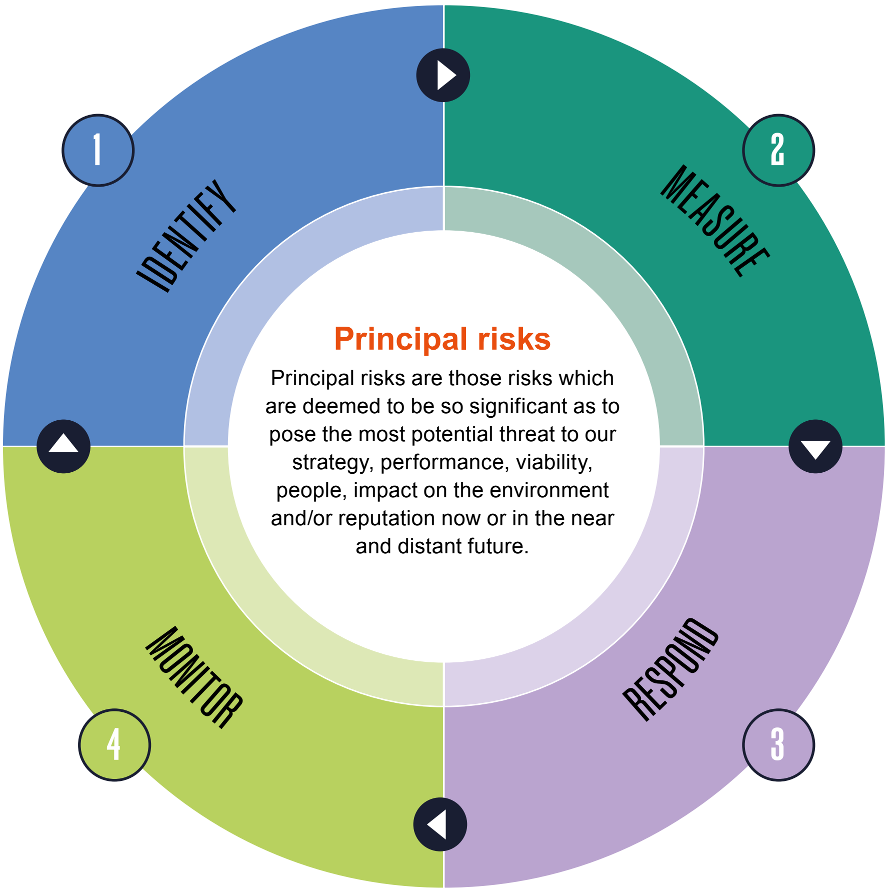
Risk management framework



The Board is responsible for setting and monitoring the Group's risk appetite and for the effective management of risk across the business. The General Executive Committee (GEC) is responsible for managing risk in line with that appetite. Risk is assessed on the basis of its likelihood and impact as mitigated by existing controls.

The Group's risk management framework is made up of operational registers which monitor the financial, operational and compliance risks of each brand and region and feed into the Group risk register. The Group risk register identifies both principal and emerging risks, which is formally reviewed by the Audit Committee and informs ongoing oversight by the Board.

Risk control assurance methodology



1 IDENTIFY

To identify risk, a top-down and bottom-up approach is applied covering all levels of the Focusrite Group, from Board and GEC reviews of strategy to transformation, programmes and operations. There is a regular review of recorded risks for changes and the capture of new risks at the start of all new projects and processes.

2 MEASURE

Risks are reviewed for movements in impact and likelihood. There is a standardised scoring system which is applied to the risk so that it can be monitored for any changes and measured for its financial or operational impact.

3 RESPOND

Group, brand and programme risk registers are monitored and movements escalated. An analysis of risk trends, performance against risk appetite and emerging risks is undertaken quarterly and the Focusrite Group's risk framework is considered at the Audit Committee annually.

4 MONITOR

Risks are reviewed against our risk appetite and appropriate action is determined. A risk can be mitigated through the existing control environment or adjustments can be made to improve control. In certain cases, a risk may be accepted as it is but will be monitored regularly.

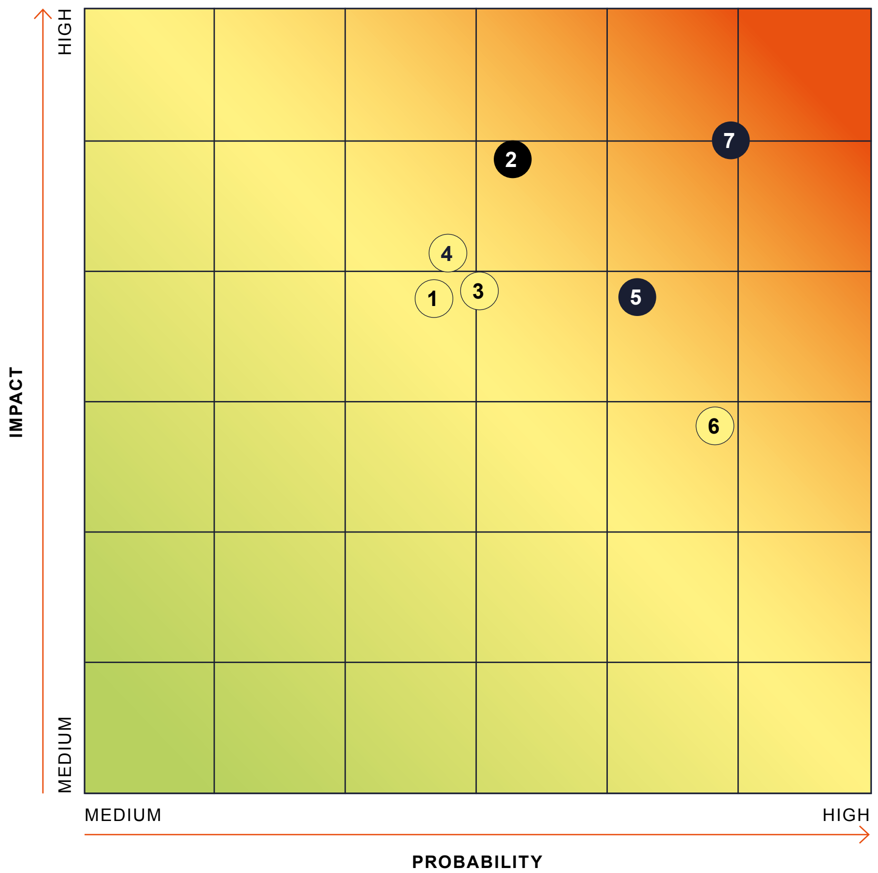
Risk categories

Risks are classed into the seven categories, numbered below.

	Principal Risk	Link to strategy	Change in risk assessment in year	Risk treatment
Operational: Risks arising from day to day during the operation of the business and within the Group's control.				
1	Business strategy, development and implementation	Expanding into New Markets, Delivering Operational Excellence	No increase	Reduce
2	Product supply	Expanding into New Markets, Delivering Operational Excellence	Increased	Reduce
3	Product innovation	Growing the Core, Expanding into New Markets	No increase	Maintain
4	People	Creating a Great Place to Work	No increase	Maintain
5	Information security, data privacy, business continuity and cyber risk	Delivering Operational Excellence	Increased	Reduce
External: Risks materialising from the external environment, not within the Group's control but mitigated by actions the Group takes.				
6	Climate change	Delivering Operational Excellence	No increase	Maintain
7	Macro-economic/Geopolitical conditions	Expanding into New Markets, Delivering Operational Excellence	Increased	Reduce

The heat map shows how the principal risks have been assessed in terms of their likelihood of transpiring and their potential impact on the business. The Group's principal risks and the mitigation strategies are summarised on pages 36 to 43.

Our risk treatment categories articulate the actions we are taking to handle the identified risks in order to bring them within an acceptable range. We determine and implement appropriate controls and mitigation strategies that will ensure the risks are managed within our risk appetite and that ownership and accountability are maintained. Where a risk treatment is "Reduce" there is a specific, proactive strategy to lower the likelihood of an incident occurring or to reduce the severity of the impact if it does. Where a risk treatment is "Maintain", it means we recognise that a risk exists and have decided to keep it at its current level while continuing to monitor and manage it appropriately. This approach involves accepting the risk within established tolerance levels and ensuring controls or oversight remain in place.



Key

Change in risk assessment

- Increased
- No increase
- Decreased

Strategy

- Growing the Core
- Expanding into New Markets
- Delivering Operational Excellence
- Creating a Great Place to Work

Risk appetite

In supporting the Group's strategic objectives, the Board sets and approves the Group's risk appetite, defining the level of risk it is prepared to accept in pursuing the Group's strategy and creating long-term value. The GEC is responsible for managing the Group's business operations within this approved risk appetite, ensuring that risk-taking remains aligned with the Board's expectations and strategic priorities.

Risk appetite is determined by balancing the level of inherent risk within the business against the level of risk the Board is willing to accept, taking into account the cost and effectiveness of mitigating actions. Risk appetite is established for each principal risk and provides a framework for operational decision-making across the Group. Our risk appetite is categorised as low, medium or high, as shown below:

LOW

Represents a prudent/cautious approach.

Little tolerance for risk in these areas and the Group seeks to minimise exposure wherever practicable.

Activities are undertaken only where risks can be effectively controlled.

MEDIUM

The Group is willing to accept a moderately adverse outcome in pursuit of its strategic objectives, provided the risks are understood, assessed and managed within agreed parameters.

Appropriate controls must be in place. Risks must be monitored regularly to ensure that they remain within the Group's risk appetite and aligned with the Group's objectives.

HIGH

The Group is willing to accept a higher level of risk in this area to support growth, innovation or strategic opportunity.

While certain risks may be more significant, they will be consciously taken, well understood and actively managed, with clear accountability, monitoring and oversight to ensure that potential impacts remain tolerable.

Emerging risks

Emerging risk themes are reported alongside our principal risks and are those risks we are monitoring. We conduct horizon scanning to enable a medium and longer-term view of potential disruptors to our business. As part of our risk assessment process, we analyse internal and external sources of emerging risk themes through a review of leading external publications, attending industry seminars and forums, gathering insights via top-down and bottom-up risk workshops with internal stakeholders and seeking professional consultation where required. We are currently tracking several emerging risk themes such as political, economic, technological, environment and talent. Examples of two emerging themes that have a significant potential impact and require us to fortify our defences are set out below:

ESCALATING GEOPOLITICAL INSTABILITY

Political tensions, sanctions and regional conflicts can disrupt production and/or supplier relationships as well as reducing consumer demand and restrict sales in certain geographic regions. In short, geopolitical instability threatens:

- Product availability
- Revenue consistency
- Profit margins
- Strategic planning flexibility

With a global footprint encompassing operations, customers and supply chains, escalating geopolitical instability multiplies the likelihood and impacts from a risk management point of view. Rather than relying on historical trends to predict future risks, we are scenario planning for regular high-impact events.

RAPID TECHNOLOGICAL CHANGE

Rapid technological change, especially AI, is a major strategic risk (and opportunity) for the Group because it directly affects product relevance and differentiation, competitive positioning, operational efficiency and cybersecurity.

In addition, AI adoption creates risks which demand new governance. In particular, AI technologies are enabling attackers to create new ransomware attacks, AI-driven malware, and deepfakes targeting core systems and supply chains.

We are identifying changes in the threat landscape and updating our cybersecurity priorities in order to counter critical and emerging threats which impacts our:

- Cyber vulnerability
- Business strategy and development
- Product innovation

The future is not just about emerging risks; we must also not allow the loss of focus on existing risks, as these are changing rapidly and intersecting in unpredictable ways. We are also aware of the interconnectivity between these risks, which creates complex and cascading challenges that demand agile decision-making and proactive resilience building.

Key

Risk appetite

Low Medium High

Change in Risk assessment

Increased No-increase Decreased

1 Business strategy, development and implementation

Description

The risk of not identifying and reacting to changing market conditions, not being able to implement our technology or platform strategies or bring efficiencies to our route to market strategy can impact our growth. The risk remains relatively stable as we monitor drivers for macroeconomic changes and implement appropriate response strategies to manage their impact on the Focusrite Group's performance. This has enabled us to ensure that the risk is managed appropriately in line with any changes to external conditions.

Impact on business

Failure to identify and respond effectively to changing market demands, optimise our route-to-market approach and not fully leveraging the Group's resources could hinder the Group's growth.

2 Product supply

Description

Risks associated with market demand, including the availability of materials to manufacture products and our ability to sell and deliver products into new and existing key markets. Exposure to risks associated with our product supply increased in the 18 month period to February 2026 due to external changes over which we have little influence.

Impact on business

The Group actively manages product supply risks through diversified sourcing and manufacturing strategies, strong supplier relationships and ongoing monitoring of geopolitical and trade developments.

We maintain supply chain flexibility through alternative suppliers, regional balancing, and appropriate inventory management.

3 Product innovation

Description

Risks associated with our ability to design, manufacture and position our products to generate returns and value for stakeholders in a fast-changing industry. We have increased our user testing and influencer endorsements to test and exalt our products to ensure that they meet the current market expectations.

Impact on business

If our design strategy does not consistently deliver innovative products, demand for our offerings may decline, affecting our ability to generate returns for stakeholders and to fund investment and growth opportunities. A less innovative product portfolio may also be less resilient to climate-related risks, commodity price movements, inflationary pressures, and other macroeconomic factors. In the short-term, these pressures could reduce cash flows, and over the longer term may adversely affect our operational results and overall business performance.

Link to Strategy

Growing the Core

Delivering Operational Excellence

Expanding Into New Markets

Creating a Great Place to Work

Change in Risk assessment Link to Strategy Risk appetite

Risk mitigation

The Group has a multi-stranded resilience plan supported by an increasingly diverse product portfolio, providing multiple revenue streams to drive growth. Product development teams attend industry events, trade shows and technology conferences to identify emerging trends, gather insights and generate ideas for innovative new products. Rigorous customer testing ensures that new and next-generation products are well received, while an expanding range of direct-to-market channels allows us to reach a broader customer base and strengthen market presence. In addition the Group's three-year business plan is regularly reviewed for performance and attainment by the Board to ensure that the Groups performs as expected and can take quick and corrective action if needed.

Risk mitigation

The Group actively mitigates product supply risks through a comprehensive approach combining monitoring, diversification, and strategic partnerships. We continually assess our ability to access key markets, product demand, sales plans, relationships with sales partners and geopolitical and macroeconomic developments. We also leverage long-standing relationships with manufacturing and logistics partners to minimise the impact on tariffs, freight and production disruptions.

Risk mitigation

The Group has implemented robust strategies, governance frameworks, and processes to strengthen the resilience and long-term value of our product portfolio. Our business development strategy focuses on continuous product enhancement and innovation to maintain competitive advantage, while systematically identifying and responding to emerging risks and opportunities, including product.

4 People

Description

People are critical to the Group's ability to meet the needs of its customers and end users and to achieve its goals as a business. To drive sustainable growth and effective transformation, we must ensure that the organisation consistently attracts, retains and develops the right skills, talent and leadership capabilities. Failure to attract, retain and develop senior managers and technical personnel, and to embed our values in our culture, could impact on the delivery of our purpose and business performance.

Impact on business

The Group's success depends on attracting, developing and retaining talented individuals with the specialist skills needed in our sector. We must ensure that our people have opportunities to grow their capabilities and remain engaged, whilst maintaining a pipeline of diverse talent to future-proof the organisation. Competition for skilled technology professionals remains intense. Failure to effectively recruit, retain and motivate our workforce, or to foster an inclusive and innovative culture, could impact our ability to deliver on strategic objectives, maintain customer satisfaction and achieve sustainable growth.

5 Information security, data privacy, business continuity and cyber risk

Description

Every aspect of our business depends on IT systems which are vulnerable to increasingly sophisticated attacks. Accordingly, protecting the availability, confidentiality and integrity of the Group's information assets is critical to successful trading. The threat of an information security breach or an unauthorised attack is an ongoing and increasingly sophisticated risk that the Group believes would negatively impact its reputation.

Impact on business

An information security breach could lead to unauthorised access to, or loss of, personal information, financial data or intellectual property. Such an incident could result in significant financial penalties, remediation costs, reputational damage and/or restrictions on our ability to operate.

Similarly, the inadvertent processing of customer or employee data in a manner deemed unethical or unlawful could result in significant financial penalties, remediation costs, reputational damage and/or restrictions on our ability to operate.

6 Climate change

Description

Climate change is a multifaceted risk to the business at many levels. Failure to deliver on climate change initiatives, particularly around a reduction in the use of energy and carbon within the required timescales, will result in short, medium and long-term climate change risks to residents, businesses and infrastructure.

Impact on business

Reduced availability of raw materials could have several effects, from fluctuating and rising prices to uncertainty in the supply chain, and to our having to use lower-quality raw materials in our products. Despite regulatory uncertainty, the EU continues to push forward with environmental regulation that will affect our products, requiring us to undertake product lifecycle assessments and gather verification for our environmental claims. Failure to do so could lead to reputational damage.

7 Macro-economic/Geopolitical conditions

Description

In a world where geopolitical relations are being strained by episodic upheaval, many major economic countries have or could have changes of government and financial turbulence, there is a sense of global destabilisation which is causing an uncertain outlook and is making it harder to predict customer demand and undertake long-term planning. The conflicts in the Ukraine and the Middle East are ongoing with the latter, in particular, having a material impact on the global economy and outlook.

Impact on business

We recognise that even minor economic or geopolitical events can push a company beyond its resilience threshold.

Volatility affects our sales patterns, operating costs, operations, supply chains and margins.

The unpredictability of the current world order increases the importance of resilience, agility, and proactive risk management in sustaining business performance.

Change in risk assessment | Link to Strategy | Risk appetite

Risk mitigation

We are strengthening our employee value proposition through enhanced work-life balance initiatives, competitive reward and benefits structures, and expanded learning and development programmes. Succession planning for key roles and the identification of emerging skillset requirements are reviewed regularly. We are committed to advancing equality, diversity, inclusion and belonging across all levels of the organisation, ensuring that we attract and retain talent from the widest possible pool. We actively monitor employee engagement and retention metrics, invest in leadership development and foster a culture that encourages innovation and agility.

Risk mitigation

The Group's business continuity plan is reviewed and tested on a regular basis. We will continue to implement new security controls following industry best practice. Regular system and application patching is in place including the use of vulnerability scanning and penetration testing to identify security weaknesses across our attack surface. Security awareness training and phishing simulation frequency will be further embedded, to help manage human risk. Investment in our security controls will continue as we look to continuously improve our current posture. AI Governance has been set and we will aim to both manage the security and privacy risks of using AI, and leverage the technology to defend against emerging threats.

Risk mitigation

Managing our operations towards a low-carbon future, e.g. through the use of recycled materials in order to sustain the longevity and prosperity of the business, remains one of our key mitigation efforts. Sustainability criteria are embedded throughout the product design process in order to mitigate risks and identify opportunities to deliver our Environment and Climate objectives. Systems to monitor and reduce the environmental impact of our operations and ensure compliance with environmental legislation are in place. For information on our Environmental and Climate progress, see pages 44 to 55.

Risk mitigation

We actively monitor macroeconomic and geopolitical developments. Mitigation measures include disciplined cost management, pricing and margin controls and supply chain diversification where practical. We continue to strengthen organisational resilience through flexible manufacturing models, risk oversight, and governance processes designed to enable timely responses to changing external conditions. The ongoing uncertainty created by the USA import tariffs combined with the continuing conflict in the Middle East has resulted in the need to constantly review our pricing strategy and to actively manage our supply chain.

CFD Strategy and Scenario Analysis

Risks from future climate change scenarios

Leading on from climate change in the risk register, and as part of the requirements for the UK's Climate-related Financial Disclosures ('CFD'), we have included our climate-related risks and opportunities in this report, mapped against two future climate scenarios.

These risks and opportunities were initially identified through a process of internal workshops with senior stakeholders and a desk-based peer review, with the results combined and initially qualitatively assessed for the likelihood of having a material impact to the Group.

These seven identified issues remain unchanged from the previous reporting period, as we believe the risk levels have not materially changed, nor have new issues been identified. We have included more context this year on the potential impact of risks, however, but keep our assessment that our exposure to climate change carries a low risk in the short term, and we continue to monitor how this changes over time.

Short term (up to 2030)

This is aligned with our near-term science-based target for decarbonisation, which is likely to be based around 2031.

Medium term (up to 2050)

This is the target year for the UK to achieve Net Zero as part of the Climate Change Act, and likely aligns with our science-based Net Zero target.

Long term (up to 2080)

Our long-term timeframe considers 2080 for now, to match the increased storm intensity modelling work done in a previous reporting period.

Resilience conclusion

The analysis of our business model and strategy reveals a proactive approach to resilience against climate-related scenarios. Our assessment of risks mapped to three scenarios (1.5°C, 2°C and 4°C) indicates low risk exposure in the short term (up to 2030).

We have chosen to move the 1.5°C scenario to our accompanying Sustainability Report, as we believe the likelihood of this scenario matching the future is decreasing.

In the medium and long term, while we face higher transition risks in low warming scenarios and increased physical risks in high warming scenarios, our strategies – such as adopting circular economy principles and exploring alternative materials – enhance our resilience across all scenarios.

Continuous stakeholder engagement and monitoring of climate impacts ensure that we remain adaptive to evolving challenges. Overall, our framework positions us to mitigate risks and contribute positively to sustainability efforts.

Net Zero definition

Our definition of Net Zero follows the Science Based Targets initiative. We plan to reduce emissions by at least 90% compared to a baseline year, with carbon removals only being used for the remaining 10% of Scope 1, 2 and 3 emissions at most.

Carbon Neutral definition

We define Carbon Neutral as using carbon credits to negate positive emissions. Our use of these is limited only to Scopes 1 and 2 residual emissions that we cannot currently reduce further and is not a statement of achieving net zero status. We will review the ongoing use of carbon credits here in line with Science-based Targets.

Selected climate scenarios:

1.5°C Best Case

Scenario: International Energy Agency ('IEA') Sustainable Development Scenario

The world rapidly decarbonises, keeping global temperatures at a similar level to today. There is widespread societal change and technology advances.

Analysis available in accompanying Sustainability Report.

2 °C Paris Agreement

Scenario: IEA Stated Policies

All current pledges and policies by countries are carried out in full, and the worst effects of climate change are prevented, in line with the 2015 Paris Agreement. However, no additional decarbonisation pledges are carried out, and the world still experiences significant physical impacts from climate change.

4°C Worst Case

Scenario: Network for Greening the Financial System ('NGFS') Current Policies

Only actions already started today are carried out in full. The climate warms rapidly and significantly, with physical impacts being especially significant. Transition risks are all minimised as technology broadly remains the same as today, except that there will be much greater adaptation costs to manage the warmer climate.

More non-material information on scenarios and the full 1.5°C scenario analysis is in our 2026 Sustainability Report.

Climate-related risks and opportunities

Name	Classification	Scenario	2030	2050	2080	Our Management and Mitigation Approach	Impact Narrative
Qualitative Transition: Movement towards Circular Economy Principles Medium-Term	**Opportunity**	2°C	Low	High	High	Our products are easily disassembled and recycled overall, and we are already working on using more recycled content upfront. Combined with our existing e-commerce trade-in schemes, a thriving secondhand market and ongoing research into new materials, we feel well placed to embed ourselves within the circular economy.	Without starting to embed circular economy principles, the Group could find that virgin source materials ultimately become more costly and come with reputational risks, so we could be viewed as lagging behind on this topic.
		4°C	Low	Medium	Medium		
Qualitative Transition: Low-Carbon Products Medium-Term	**Opportunity**	2°C	Low	Medium	Low	Using lifecycle assessments, we have a good understanding of our environmental hotspots. Over the next few years, we will complete all of the relatively easy swaps to low-carbon raw materials, while building out our range of parametric design tools that will monitor exposure to climate-related risks.	If we do not make our products low carbon, we could become subject to carbon, taxes in the future, either on any raw materials used or potentially on the finished goods. If these costs are passed to consumers, we could become uncompetitive.
		4°C	Low	Low	Medium		
Qualitative Transition: Increase in Consumer and Investor Climate Consciousness Medium-Term	**Opportunity**	2°C	Low	Medium	Medium	Music Technology broadly lags behind the wider electronics industry on the environment and climate, so we reference against the biggest tech companies that are leading here. We are sharing more environmental data with customers, with investors and key shareholders that are already engaged with this topic.	Being seen to lag behind on climate-related issues could become a significant reputational risk in the future if we fail to keep pace with expectations. The largest electronics companies are already taking significant action in this area, and we are building up our consumer-facing messaging.
		4°C	Low	Low	Medium		
Qualitative Transition: Mineral Commodity Shifts Medium-Term	**Risk**	2°C	Low	Medium	Medium	We continually look for alternative materials that are less exposed to the risks of climate change. Rare-earth magnets are one example used in loudspeakers where we currently have no long-term solution; these will be in increased demand for renewable energy and automotive production in the future.	If we lose access to rare-earth magnets, the contingency will be to redesign products to use ferrite-based magnets that are significantly more widely available, although performance is lower. However, high-performance ferrite magnet technology is advancing rapidly and we ultimately hope to transition to these in the future.
		4°C	Low	Low	Medium		
Quantitative Physical: Increased Storm Intensity Long-Term	**Risk**	2°C	Low	Low	Low	It is our assessment that the risk posed directly to our supply chain and offices is low overall.	As we are not highly exposed to the risk, this is an issue we will continue to track in future to assess if this changes. If the risk level increases, we will factor this into business strategy, either through adaptation or by locating sites in alternative locations.
		4°C	Low	Low	Medium		
Quantitative Transition: Shipping & Logistics Medium-Term	**Opportunity**	2°C	Low	High	High	As part of reviewing the Increased Storm Intensity risk, we assessed the impact to shipping routes as Low, and with our carriers transitioning to low-carbon transport, we believe that this is an opportunity. We expect Transition risks to be more significant in the long term.	We rely on third-party logistics to support our business, and there is always the possibility of direct impacts on our shipments (either as delays or through loss or damage), but by working closely with our carriers, we aim to minimise disruption.
		4°C	Low	Low	Medium		
Quantitative Physical: Climate-Induced Conflict Short-Term	**Risk**	2°C	Medium	Medium	High	There is little we can do to mitigate climate-induced conflict, except monitor existing geopolitical issues and try to establish how these will be impacted by climate change.	The impacts of conflict could be varied and extensive; knock-on effects could cover our whole value chain. We will most likely have to react to any disruption.
		4°C	Medium	High	High		

Key

(Likelihood of impacting profit by more than 10%)

Low = Not Material <10% Chance Medium = Potentially Material ~50% Chance High = Likely to be Material >75% Chance

Our Ambition

WE ARE COMMITTED TO ENSURING OUR PEOPLE, PRODUCTS AND PLANET THRIVE.

When the people who build our products feel they belong, when the products themselves leave a lighter footprint, and when the business operates with integrity at every level – everyone benefits: our customers, our communities, and the creative industries we're proud to be part of.

Key Numbers: 18 months to February 2026

Environmental

Total Net GHG Emissions

120,162 tCO_2e

CDP Climate Score for 2025

B

Average emissions per product sold

57 $kgCO_2e$

Social

Mean (average) pay gap

11.5%

Employee headcount

585

eNPS

+40

Governance

Ethics statement

During this financial period, we refreshed and further embedded our Code of Conduct across the Group, bringing renewed energy and sharper focus to the way we make decisions and strengthening our culture at every level of the business.

Our Environmental, Social, Governance & Climate Change ('ESGCC') Committee meets monthly and was set up in 2022 to serve as a central point for a range of reporting requirements.

Andy Land, our Global Head of Sustainability, represents Environment & Climate, joined by Alicia Cousins, Chief People Officer, representing Social, and Francine Godrich, Group General Counsel, representing Governance, who also manages the Group risk register. With Sally McKone as Chair of the ESGCC Committee, we also ensure that our actions are fully integrated into our financial planning and decision-making processes and are initiates at the most senior level of the Company, which is crucial for achieving our long-term goals.

OUR ESG GOVERNANCE STRUCTURE

ESG & Climate Change ('ESGCC') Committee

Chaired by Sally McKone, CFO

Environment & climate

Andy Land,
Global Head of Sustainability

Green Team Members

Social

Alicia Cousins,
Chief People Officer

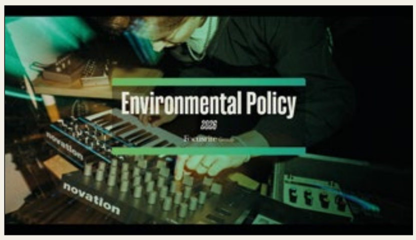
Global HR Team

Governance

Francine Godrich,
Group General Counsel

Compliance Team and Group Risk Management

Our 2024 ESG Materiality Matrix is available to view in our extended 2026 Sustainability Report, which includes an in depth explaination of our climate disclosures, alongside our Climate Transition Plan and Environmental Policy.



DEMONSTRATING SUSTAINABLE PROGRESS

Andy Land
Global Head of Sustainability

"As our engineering teams have already embedded sustainability into everyday life, this year has focused on two main areas: industry engagement and enhancing our disclosures. Both of these are intended to further establish the Group as a leader in this field, a quality that is increasingly being recognised by our industry."

Total 12m to Feb 26 Scope 1, 2 & 3 (Net)

75k tCO_2e

(-9k vs 12m to Feb 25)

12m to Feb 26	75k
12m to Feb 25	82k

Products with sustainability initiatives

114 products

(+30)

12m to Feb 26	114
12m to Feb 25	84

Total number of Lifecycle Assessments completed

122 LCAs

(+24)

12m to Feb 26	122
12m to Feb 25	98

Environmental highlights

In the previous reported 12-month period to August 2025, each product sold contributed 84kg CO_2e to our footprint. In the 18-month period to February 2026, this has been reduced to 57kg CO_2e.

This has been achieved due to the Group's continued efforts to research and deploy new environmental initiatives, with a 65% increase in the number of products with at least one sustainability feature. The effect of these is starting to be reflected in our total emissions, with Purchased Goods and Services (where raw materials are the single biggest contributor) reducing significantly per product.

This action is no longer limited to the largest brands in the Group, with the relatively smaller brands of Sequential and Optimal Audio also rolling out their own initiatives.

Increasing industry engagement

However, completing our work in isolation is only part of genuine climate action. Our work of speaking to the industry and peers about environmental sustainability goes back to 2021, with our involvement in setting up Greening Music Tech. In addition, we have pivoted to also focusing on the Audio Visual (AV) Sector, which we believe will be one of the most significant voices in the long term.

The Group is now represented on the lifecycle assessment working group of PLASA (Professional Lighting and Sound Association); our Global Head of Sustainability has spoken at Integrated Systems Europe (ISE), at the first-ever AV Sustainability Summit in December 2025 and at many more events across the financial period. Between these three organisations (as well as regularly appearing in industry publications), we are a leading voice within a community of like-minded sustainability professionals working not only in Audio, but also in Lighting, Displays, Rigging and Broadcast.

We also retain connections with the Music Tech industry, with Andy continuing to serve as a Director on the Music Industries Association as the de facto Sustainability specialist.

Leadership through optional disclosures

Environmental Sustainability continues to be a core part of our operations. In 2024, we reported through the Carbon Disclosure Project (CDP) for the first time, getting an initial score of C for Climate. We are pleased to share that in 2025 we have improved to a B, with 13 of the 17 sub-categories improving.

This work has been essential to our proposed science-based targets for decarbonisation, which are based on the same dataset.

This reporting period is also our first period of limited assurance on our greenhouse gas emissions. The findings of this further back up our previous third-party reviews, which show we have a consistent and robust internal carbon accounting process, an essential step in setting decarbonisation targets.

CDP
DISCLOSURE INSIGHT ACTION

Timeline of Industry Engagement

For many years, the Group has attended industry events alongside dedicated sustainability conferences. Across the 18-month period to February 2026, the Sustainability team attended 22 events, with seven highlights shown below, reflecting our ongoing engagement in sustainability discussions both in and outside of our industry.

PLASA Manufacturers Forum

February 2025

Presenting the Group's Lifecycle Assessment Database at the PLASA Manufacturer Forum for the first time.

PLASA London

September 2025

Speaking at the PLASA Member Sustainability Forum on the state of regulations.

ISE Barcelona

February 2026

Attended Integrated Systems Europe in Barcelona for industry meetings, including speaking on stage 3 times.

RadioTech Con

November 2024

Speaking about our Sustainability Strategy at RadioTech Con in London for the first time.

Scope 3 Innovation Forum

June 2025

Representing the Group in Amsterdam and hosting roundtable discussions.

AV Sustainability Summit

December 2025

Speaking at the first AV industry summit in London.

Economist and Sustainability Live Events

March 2026

Represented the Group at The Economist's Sustainability Week and Sustainability LIVE's Net Zero Summit.

Our Environmental Strategy

Our approach to Environmental Sustainability is based around three pillars, each with their own distinct focus. We have updated our Environmental Strategy to reflect work done to date and keep this focused on delivering long-term progress.

Through the 18 months to February 2026 we have realised our aims from the previous reporting period of the 12 months to August 2024 of improving our proactive CDP reporting and setting science-based targets.

ENVIRONMENTAL STRATEGY

	Efficient Internal Operations	Focus on Products	Lead the Industry
Target	Maintain low-carbon operations across our offices, including renewable energy sourcing where available.	Achieve our near-term decarbonisation science-based target (still to be finalised and approved).	Support industry-wide decarbonisation through targets and collaboration.
Focus	Our **Internal Operations** and our offices.	Focus on the environmental impact of our **products**.	The wider Audio Technology **Industry**.
18-month Update	We minimise emissions from our offices and direct activities through renewable electricity where available, verified offsetting, and lower-carbon commuting options, supported by employee sustainability initiatives.	We have aligned our previous 2030 product ambition with our near-term science-based target, requiring significant reductions in product-related emissions by 2031 against a 2021 baseline.	We have set near-term and Net Zero science-based targets and are progressing with their validation, alongside continued engagement with CDP and industry collaboration with others throughout the industry.

SCIENCE-BASED TARGETS ('SBTs') IN PROGRESS

Our science-based targets have been submitted to the SBTi but are currently waiting to be validated.

After initially committing in 2024, we have developed our greenhouse gas emissions reduction targets to be aligned with the Science Based Targets initiative (SBTi) and the Paris Agreement's 1.5°C goal. Using 2021 as our baseline year, our targets cover Scope 1, Scope 2 and selected Scope 3 emissions across our operations and value chain, setting out a clear pathway towards a low-carbon business model.

SCIENCE BASED TARGETS

Proposed Targets by time horizon

NEAR-TERM (BY 2031)

Reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 53% from the 2021 baseline

Reduce absolute Scope 3 greenhouse gas emissions by 27.5% from the 2021 baseline

LONG-TERM (BY 2050)

Reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 90% by 2050 from the 2021 baseline

Reduce Scope 3 greenhouse gas emissions by 97% per GBP value added by 2050, using a 'Gross economic value added' intensity approach

NET ZERO 2050 AND BEYOND

Achieve Net Zero greenhouse gas emissions across the value chain, in line with SBTi guidance and the UK Climate Change Act.

CFD Update

Compliance Statement: UK Climate-related Financial Disclosures ('CFD')

This is our third financial period reporting against the UK's CFD, and we have included in this report an update of material changes against each of the four recommendations and 11 disclosures set out by the CFD framework for the 18 months to February 2026. We have summarised the high-level changes below, with more information being cross-referenced.

Key ● Improvement ● No changes from previous financial period

CFD CHANGES TABLE

CFD Area		Disclosure		Changes vs. FY24	Applicable Section
Governance: Disclose the organisation's governance around climate-related risks and opportunities.	A	Describe the Board's oversight of climate-related risks and opportunities.	No changes	The Board continue to receive quarterly updates on climate-related issues, and provides feedback on risks and opportunities.	Page 64: Governance
	B	Describe management's role in assessing and managing climate-related risks and opportunities.	No changes	Sustainability has continued to be embedded in regular senior management-level meetings across the Group. In the last financial period, this has extended to every operating company in the Group, with Sonnox also now having a regular meeting with the Sustainability Team.	Page 64: Governance
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.	No changes	Our climate-related risks and opportunities are disclosed in the Risk Management section.	Page 34: Risk Management
	B	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	No changes	We have assessed the level of climate-related risk to be low in the short term.	Page 46: CFD Strategy
	C	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Improvement	The Group has updated the Net Zero Transition Plan and improved the CDP disclosure ahead of our science-based targets proposal.	Pages 46 and 55
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.	No changes	Following a review in our existing ESG working group, and having reviewed each risk in line with the process on page 41 (Emerging Risks), we do not believe any risk levels have changed materially from FY24.	Page 38: Risk Management
	B	Describe the organisation's processes for managing climate-related risks.	No changes	Climate risk remains integrated as a category in the Group's risk register, which is reviewed regularly.	Page 38: Risk Management
	C	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	No changes	Climate-related risks and opportunities remain regularly assessed by our Global Head of Sustainability in conjunction with our Group General Counsel, as part of the Group risk register.	Page 38: Risk Management
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.	No changes	The Group has committed to set science-based targets for decarbonisation in March 2024. Once these are validated, we will use these as the main metrics for the UK's CFD. Proposed targets are on page 53.	Page 53 and 56
	B	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	Improvement	Our emissions have limited assurance in line with ISO 14064-3, and we have been given the maximum A-Score for emissions disclosures by CDP in 2025.	Page 56: Carbon Balance Sheet
	C	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	No changes	We remain committed to Net Zero by 2050 at the latest, and are looking at how much faster we can move through our upcoming target-setting process.	Page 53: Science-based Targets

Net Zero Transition Plan

As our plans to decarbonise the Group mature, maintaining a Net Zero Transition Plan is an essential component. As we look forward to future compliance requirements within the UK's Sustainability Reporting Standards SRS1 and SRS2, having a developed transition plan in line with the Transition Plan Taskforce ('TPT') framework is an important step.

Last year, we shared our first look at our plan, with the intention of developing and quantifying this steadily over time. Our six main transition-plan steps covering the whole Group's operations remain unchanged from last year. We have included an update against each step, focusing on the proactive steps we are taking rather than on adaptation and mitigation strategies.

TRANSITION PLAN STEPS

Decarbonisation Step	Ambition	Action	Accountability	Description	Progress in the 18 months to February 2026
1. Set Ambitious Targets	●	●	●	We are waiting on validation for our science-based targets to achieve Net Zero greenhouse gas emissions across our value chain by 2050, aligned with the Science Based Targets initiative (SBTi) and supported by internal policies and governance.	The Group has developed and submitted science-based targets to the SBTi for validation and obtained limited assurance over our greenhouse gas emissions data.
2. Lead the Industry	●	●	●	We aim to lead by example in the audio technology industry's transition towards decarbonisation, using a data-driven approach to inform decision-making and support wider industry progress.	Industry engagement has been a theme for the 18 months to February 2026, through increased visibility at conferences, including speaking at key industry events and achieving Phase 3 of the PLASA Carbon Reduction Commitment (issued by one of our major trade bodies). The Group also achieved an A- Score from CDP on Supplier Engagement, highlighting the broad work we do to lead both up- and downstream.
3. Use Sustainable Raw Materials	●	●	●	We are working to increase the use of more sustainable raw materials across our products, with a focus on recycled, nature-based, and emerging alternative materials. Responsible material selection supports our Net Zero transition and the adoption of circular economy principles.	We continued to assess and prioritise more sustainable material options across our products, with a focus on increasing recycled content, evaluating alternative materials and improving end-of-life recyclability. The Group's increase from 69 to 114 products with at least one sustainability feature shows significant progress here.
4. Transparent, High-Quality Disclosures		●	●	We are committed to providing transparent, consistent, and decision-useful disclosures on our environmental performance, enabling accountability and meaningful engagement with stakeholders as we progress towards our decarbonisation targets.	The Group has improved the quality and transparency of disclosures, improving our CDP Climate Change score from C to B and continuing to report in line with CFD, TPT, SECR and CFD.
5. Operational Efficiency	●	●		We aim to improve operational efficiency across our value chain to reduce waste, cut emissions and avoid unnecessary resource use.	Logistics is an area of common goals, with high-cost routes almost always being high-carbon. Logistics efficiency has remained high, with 99% of transport through ocean freight and increasing direct-to-destination shipping to over 35% of orders.
6. Strong Governance		●	●	We maintain strong governance processes to ensure that decarbonisation initiatives are delivered effectively.	The Group's sustainability governance is well embedded now. In the last period, we have incorporated the last few smaller operating companies into this same process (see CFD: Governance).

Environmental disclosures

Our complete Scope 1, 2 and 3 Carbon Dioxide Equivalent footprint is summarised here. For Scopes 1 and 2, we have neutralised residual emissions as a result of switching to renewable energy and purchasing verified carbon offsets.

Scope 3 is the majority of our gross emissions, with Purchased Goods & Services, and Use of Sold Products being the two largest categories as these are associated with our hardware products. We use lifecycle assessments to calculate our emissions from hardware products.

Figures are rounded to the nearest metric tonne of carbon dioxide equivalent CO_2e unless otherwise stated. Totals may not sum due to rounding.

CARBON BALANCE SHEET

Category	Metric	12m to Feb 26	12m to Feb 25	18m to Feb 26	12m to Aug 24	% of 18m to Feb 26 Gross CO_2e Footprint
Intensity Metrics	tCO_2e per Product Sold	0.0573	0.0673	0.0606	0.0840	
	tCO_2e per £m Revenue	457	504	489	531	
Scope 1 GHG Emissions	**Total Scope 1** (location-based)	**146**	**187**	**253**	**158**	**0.21%**
	Total Scope 1 (net including offsets)	0	37	0	(1)	
	Combustion of Natural Gas (location-based)	126	161	222	129	0.18%
	Combustion of Natural Gas (market-based)	51	51	77	51	
	Transportation (excluding grey fleet)	20	26	32	29	0.03%
	Biogenic CO_2e Emissions outside of Scopes	0	0	0	0	0.00%
	Scope 1 Carbon Offsets against Combustion of Natural Gas (market-based) and Transportation (excluding grey fleet)	(71)	(41)	(109)	(81)	
Scope 2 GHG Emissions	**Total Scope 2** (location-based)	**115**	**124**	**174**	**129**	**0.14%**
	Total Scope 2 (net including offsets)	0	31	0	0	
	Electricity (location-based)	115	122	173	129	0.14%
	Electricity (market-based)	58	65	88	72	
	Electric Vehicles	1	2	1	1	0.00%
	Scope 2 Carbon Offsets against Electricity (market-based)	(59)	(36)	(89)	(72)	
Scope 3 GHG Emissions	**Total Scope 3**	**75,319**	**81,813**	**120,162**	**83,800**	**99.65%**
	01: Purchased Goods & Services	35,817	36,203	58,387	37,872	48.42%
	02: Capital Goods	337	1208	455	2,181	0.38%
	03: Fuel & Energy-related Activities	64	59	103	40	0.09%
	04: Upstream Transportation & Distribution	1,570	1,490	2,458	1,103	2.04%
	05: Waste Generated in Operations	2	3	4	3	0.00%
	06: Business Travel	907	1,059	1,374	1,184	1.14%
	07: Employee Commuting	763	599	1095	534	0.91%
	09: Downstream Transportation & Distribution	1,843	1,843	2,947	1,277	2.44%
	10: Processing of Sold Products	39	47	63	45	0.05%
	11: Use of Sold Products	32,872	38,245	51,589	38,685	42.78%
	12: End-Of-Life Treatment of Sold Products	1,105	1,058	1,688	876	1.40%
Totals	**Scope 1, 2 and 3**	**75,580**	**82,124**	**120,590**	**84,087**	**100.00%**
	Scope 1, 2 and 3 (Net)	75,320	81,881	120,162	83,799	

Note: Categories **08: Upstream Leased Assets, 13: Downstream Leased Assets, 14: Franchises** and **15: Investments** do not apply to the Focusrite Group.

Commentary on Carbon Balance Sheet

The Group's emissions per product have reduced significantly over the last 18 months, coming down from 84kg CO_2e per product across 12 months in FY24 to 61kg CO_2e in the 18 months to February 2026 (and down from 57 CO_2e comparing the same 12 month period to Feb 25). This has been in part due to a changing product mix, but we are also seeing the effects of increased renewable energy availability globally, combined with the initiatives we have been rolling out into mass production starting to take effect on our Purchased Goods & Services emissions.

SECR and calculation methodology

Our Streamlined, Energy and Carbon Reporting (SECR) disclosure table is summarised below.

Our Gross Scope 1 and 2 emissions remain a very small part of our total emissions, but addressing these is a key part of our Environmental Strategy as these are operations under our direct control. The Group structure has remained fixed over the 18 months to February 2026, with emissions broadly consistent as a result. Data collection on office changes in FY24 has now matured and we have enough visibility of our emissions to start looking at new energy efficiency measures.

Energy efficiency measures

The Group has not undertaken any significant energy saving measures in the 18 months to February 2026, instead focusing on gathering baseline consumption data to make the right long-term decisions.

We continue to review options for rooftop solar PV.

Emissions calculation methodology

Our total Carbon Footprint Analysis has been assessed externally by McGrady Clarke based on information provided by Focusrite, and covers Scopes 1, 2 (as part of our Streamlined Energy and Carbon Report) and Scope 3. Primary data has been used where possible, but in cases of incomplete data, pro rata extrapolation or direct comparison methodologies were utilised.

The reporting methodology involves the usage of 2025 Department for Environment, Food and Rural Affairs ('DEFRA') guidance, Ecoinvent 3.9.1 and EMBER electricity emissions factors.

This work is done in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and in line with Defra's 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting Requirements'. The SECR reporting period covers Focusrite plc's operations from 1 September 2024 to 28 February 2026 and our calculations are for **Building-related energy** (Natural gas consumption (Scope 1), purchased electricity consumption (Scope 2)) and **Transportation** (fuel combustion for business travel in company vehicles (Scope 1), EVs (Scope 2) and in employee vehicles reimbursed by Focusrite plc (Scope 3)).

We have used the operational control approach to reporting boundaries.

ISO 14064-3 Greenhouse Gas Emissions Limited Assurance

This is the first year we have sought assurance of any level for our disclosures. For the 18 months to February 2026, we have worked with consultants MyCarbon on ISO 14064-3 Greenhouse Gas Emissions Limited Assurance, initially looking at the 12-month period to 31 August 2025, and then the subsequent 6-month period to 28 February 2026.

The findings from this were positive, with only minor non-material discrepancies discovered (and subsequently corrected for the full year disclosure).

This assessment included full Scope 1, 2 and 3 disclosures, as well as our Scope 3 lifecycle assessment process for calculating the emissions from hardware products.

Non-Financial and sustainability information statement

In accordance with Sections 414CA and 414CB of the Companies Act 2006, the Company's non-financial information and sustainability disclosures are set out within this Strategic Report.

These disclosures include: environmental matters (pages 48 to 55); climate-related financial disclosures prepared with reference to the recommendations of the UK's Climate-related Financial Disclosures (CFD) (pages 44 to 45 and 42); employee matters (pages 56 to 59); social and community matters, respect for human rights and anti-corruption and anti-bribery matters (pages 58 to 59).

SECR DISCLOSURES TABLE

Reporting Period	18m to Feb 26			12m to Aug 24		
	UK & Offshore	Global (exc. UK & Offshore)	Total	UK & Offshore	Global (exc. UK & Offshore)	Total
Emissions from Combustion of Gas (Scope 1)	**222**	**0**	**222**	**129**	**0**	**129**
Emissions from Combustion of Fuel for Transport Purposes (Scope 1)	**8**	**23**	**32**	**7**	**22**	**29**
Fugitive Emissions from Refrigerant Leakages (Scope 1)	-	-	-	-	-	-
Total Scope 1 Emissions – Emissions from activities that the Group owns or controls, including combustion of fuel & operation of facilities	**230**	**23**	**253**	**136**	**22**	**158**
Total Scope 2 Emissions – Emissions from purchase of electricity for own use and electric vehicles (location based)	**131**	**43**	**174**	**91**	**38**	**129**
Total Gross Scope 1 & Scope 2 Emissions	**361**	**66**	**428**	**227**	**60**	**287**
Other Indirect Emissions (Scope 3) – Emissions from business travel in rental cars or employee-owned vehicles where the Group is responsible for purchasing fuel	**61**	**1**	**62**	**10**	**1**	**11**
Total Gross Scope 1, 2 & 3 Emissions	**422**	**67**	**489**	**237**	**61**	**298**
Total Energy Consumption (kWh)	**2,183,352**	**212,166**	**2,395,518**	**1,212,219**	**194,830**	**1,407,049**
Intensity Metric (Gross Emissions): tCO_2e per employee			**0.84**			**0.53**

CREATING A GREAT PLACE TO WORK FOR *EVERYONE*

Alicia Cousins
Chief People Officer

"At the heart of our business is a simple but powerful belief: when our people thrive, our business thrives."

Employee Headcount

585

eNPS Response Rate

84%

Introduction

The following sets out the progress we have made in the 18 months to February 2026 towards our strategic objective of becoming a Great Place to Work – not just for some, but for everyone across our global Group.

This year we have continued to invest meaningfully in four interconnected areas that we believe define a genuinely great employer: attracting and retaining the very best talent, building an engaged workforce, listening to our people and deepening our commitment to diversity, equity, inclusion and belonging ('EDIB').

Our employee Net Promoter Score remains strong, with response rates of 84% reflecting the genuine trust our colleagues place in the process. Across the Group, our Wellness activities continue to foster connection and community. Our Career Strategy – including the launch of 'Amplify Your Journey', a career resource hub – and our management training programme give our people the tools and confidence to grow. And with the launch of our Disability Confident status and our first EDIB survey, we are building a more inclusive culture grounded in a genuine sense of belonging.

We know that creating a truly great place to work is not a destination – it is a continuous commitment. The pages that follow detail the actions we have taken, the milestones we have reached and the areas where we know there is still more to do. We are proud of the progress made, and we remain resolute in our ambition to build a workplace where every colleague feels listened to, valued and empowered to do their best work.

Continuously work towards creating a 'Great Place to Work'

Key On track or ahead Work in progress To be started

Milestone	Vision	Actions	Progress
Attracting and retaining the very best talent	Creating a great candidate experience and encouraging a continuous learning and development culture.	Develop a management development programme to further strengthen our recently launched career strategy	Career strategy and pathways now embedded. Final initiative focuses on management development programme.
Creating an engaged workforce	Employees have a positive connection with the Company.	Provide consistent support across the Group within our four wellbeing pillars:- physical, mental, social and financial.	Align Group wide programmes and initiatives where relevant.
Creating a listening organisation	Employees and managers feel comfortable sharing ideas and suggestions.	Continue to create bespoke action plans following bi-annual engagement surveys within each business unit.	Working with new AI tool to identify target areas and develop action plans across teams
Diversity and Inclusion	Employees engage in an Equity, Diversity, Inclusive and Belonging (EDIB) strategy that is embedded within the Company culture.	Introduce and share findings with regular surveys to establish employee demographics.	Launched in November 2025.

Attracting and retaining the very best talent

Creating a great candidate experience and encouraging a continuous learning and development culture.

Retaining talent

Our reward framework supports retention as we focus on retaining and developing our people. Supported by a competitive reward offering and a consistent employee experience, we have worked on pay benchmarking, an updated bonus structure linked to business unit performance and benefits designed to support employees. This includes multiple new offerings and efficiencies, resulting in cost savings to the business and employees.

Group highlights during the 18-month period to 28 February 2026 include:

- Real Living Wage maintained in the UK;
- 50% uptake of new health cash plan;
- 10-person placement programme; and
- delivery of a 24-month manager development programme and leadership training.

Attracting talent

We attract talent through a mature and inclusive hiring approach. This includes structured feedback on the recruitment process, anonymous application trials and the development of an apprenticeship programme to support both new and existing employees.

Upskilling and developing our talent

We continue to invest in skills for all employees across the Group at all stages of their careers. Career development tools and targeted training across different areas of the business, covering compliance, supervisory and technical modules, leadership training and language programmes in international teams.

Creating an engaged workforce

Employees have a positive connection with the Company.

Our approach to employee wellbeing focuses on providing consistent support across the Group, while allowing flexibility to reflect local needs. This includes initiatives covering physical, mental, social and financial wellbeing.

Key areas of focus during the year include:

- structured wellbeing programmes across multiple locations, including mental health support and awareness campaigns;
- flexible working and benefits to support employees day-to-day and the development of policies to support employees across different life stages; and
- investment in workplace environments, including ergonomic improvements.

These are delivered through a combination of Group-wide programmes and local activities, helping to encourage participation and support a strong sense of community, supporting a more consistent and secure employee experience across the Group.

Creating a listening organisation

Employees and managers feel comfortable sharing ideas and suggestions.

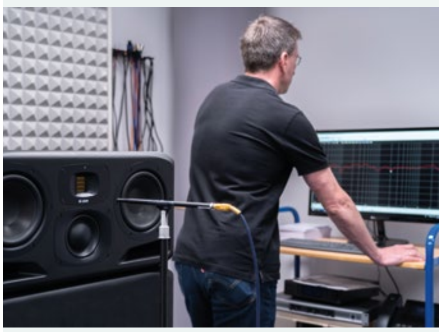
Group eNPS has increased from +33 in October 2024 to +40 in March 2026, reflecting our ongoing commitment to maintaining an environment where employees feel comfortable sharing feedback.

Rather than taking a one-size-fits-all approach, individual operating companies have the flexibility to define how they engage with their employees, and across the Group, there are seven business units that have improved their eNPS scores.

Highlights for the 18 months to February 2026 include the Group eNPS being categorised as “very good” overall.

Building on this, we also plan to review Engagement Scores alongside eNPS to give a broader view of motivation and belonging across the Group.

Our latest engagement survey reflects steady, strong progress. While we recognise these improvements, we will continue to analyse the drivers.



Developing diversity & inclusion in the workplace

Employees engage in an EDIB strategy that is embedded within the Company culture.

We continue to embed equity, diversity, inclusion and belonging (‘EDIB’) across the Group, supported by improved data, policy development and targeted actions.

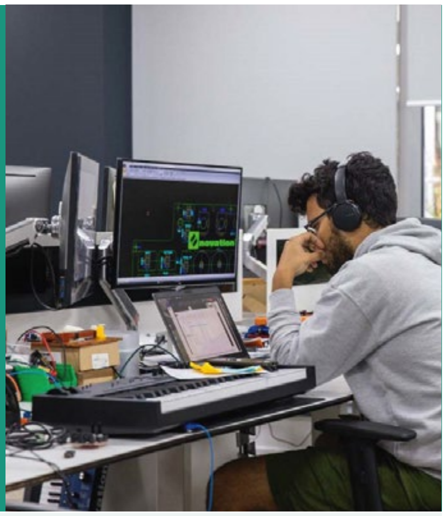
During the 18 months to February 2026, our UK Content Creation division completed its first comprehensive EDIB survey, providing insight into workforce demographics and helping to identify and address potential barriers in recruitment. This has informed actions to improve representation and access across the Group.

We also introduced a new Group-wide EDIB policy, incorporating a focus on belonging and recognising the importance of connection, acceptance and psychological safety. Progress will be monitored through ongoing data review.

Key developments during the year include:

- signing up to the UK Government’s Disability Confident scheme (Level 1), with plans to progress to Level 2;
- ongoing review of policies and processes to support inclusive recruitment and working practices; and
- community engagement initiatives to support access to careers in the industry.

These actions reflect a continued focus on building a more inclusive workplace and supporting equal opportunities across the Group.



Gender pay data

Mean (average) pay gap. All figures are 12 months to April.

UK Total
9.2%

Group Total
11.5%

Six-year trend — UK mean pay gap

FY25	9.2%
FY24	5.8%
FY23	9.0%
FY22	6.9%
FY21	8.7%
FY20	18.1%

Workforce gender split

81% | 19%

Male Female

UK

80% | 20%

Male Female

Group

In plain terms: a gap of 9.2% shows that, averaged across all roles, men’s hourly pay is 9.2% higher than women’s. This is not the same as unequal pay for equal work. The Group workforce remains around 80% male and 20% female, broadly consistent across our brands, and this composition is the main driver of the gap.

FOCUSRITE

A large part of our sustainability commitment focuses on sustaining the communities around us. Focusrite for Good is our initiative to make a difference to the causes that our employees hold dear by empowering our employees to undertake voluntary work during paid volunteering time, raise money for charities that we will match or simply get together and undertake a project that will improve our communities. In the 18-month period to February 2026, our commitment has been stronger than ever.

USA

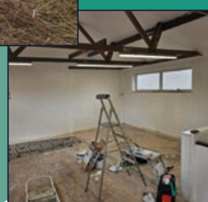
Bespoke synthesis course for We Make Noise

One of our product specialists led an educational workshop designed to introduce beginners to sound design and synthesis.

GLOBAL EVENT

Improving local communities

We are out and about improving areas in our local communities



GLOBAL EVENT

Warm winter coat collection

We held a global warm winter coat collection to coincide with the holiday period with colleagues around the world donating coats for local homeless organisations.

USA

Synth Legends Stream

Donation to the Bob Moog Foundation to facilitate streaming the 2005 Synth Legends symposium.

UK

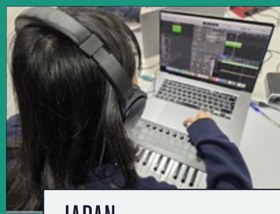
Backup Tech fete

Donations to Backup Tech fete in aid of The UK's Registered Technical Entertainment Charity that provides financial & wellbeing support to technical industry professionals

UK

Charlbury Riverside Free Music Festival

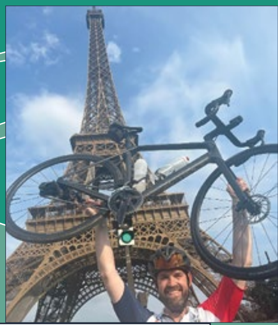
Sponsorship of the Charlbury Riverside Free Music Festival, the largest free music festival in Oxfordshire.



JAPAN

Complimentary equipment

We provide complimentary equipment to clubs and associations that support individuals in creating and developing music.



GLOBAL EVENT

Sponsorship

The Group matches the sponsorship employees raise for charitable activities.

AUSTRALIA

Ausmusic T-shirt day

For the third consecutive year we sponsored Ausmusic T-shirt day, a fundraising campaign to celebrate Aussie music and raise urgently-needed funds for Australian music workers in crisis

MALAWI, MOZAMBIQUE, AND ZIMBABWE

Music Crossroads International

Our partnership with Music Crossroads International is now in its 7th year and saw 320 students enrolled in their academies in the 18 month period to February 2026.

FOR *GOOD*

WE BELIEVE THAT GOOD GOVERNANCE IS ESSENTIAL TO ACHIEVING OUR GOALS.

Francine Godrich
Group General Counsel

"Governance is integral to how we grow – creating the structure and trust needed for sustainable success."

We understand that our customers, people, investors and stakeholders care about governance themes, with business ethics and data privacy being key concerns.

Our ESG Committee is tasked with supporting the delivery of the ESG strategy and targets and with driving ESG accountability across the brands and regions. We do this by ensuring governance is embedded across all our Business Units.

Business ethics

We uphold integrity across every stage of developing and delivering our products, ensuring legal and regulatory compliance. Our Code of Conduct sets out our vision, values and minimum standards for employees, and was updated this year to align ethical principles across our brands. In October, coinciding with Global Ethics Day, we published a Code of Conduct video to raise awareness and promote our Speaking Up hotline. Mandatory compliance training is delivered to all employees throughout the year.

Personal ethics

We are committed to high standards in relation to the fair and ethical treatment of our people, who are, likewise, expected to behave ethically in their work. Our Code of Conduct ensures that colleagues are aware of expectations and procedures concerning professional honesty and integrity in their business dealings and relationships.

Nurturing and supporting employee wellbeing is an important part of our employee experience. We have embraced flexible working and encourage employees to talk to us about their short or long-term working arrangements to assist them with their commitments outside of work.

Supplier ethics

Central to our success are the suppliers with whom we work. Ethical business practices like responsible sourcing, environmental stewardship and the safety and wellbeing of workers in the countries in which our suppliers (and our Tiers 2 and 3 suppliers) operate are of the utmost importance to us and this is reflected in our supplier contracts.

Our ESG governance framework

AUDIT COMMITTEE
Oversees the framework of internal controls, including those related to ESG.

NOMINATION COMMITTEE
Links policy on belonging to strategy and promotes diversity in new appointments.

REMUNERATION COMMITTEE
Sets performance-linked pay schemes, including the implementation of ESG-related incentives.

BOARD GOVERNANCE
Overall accountability for ESG oversight and strategic direction. Delegates specific responsibilities to its committees.

BRAND/REGIONAL BOARD
Implements ESG strategy and ensures the integration of ESG considerations within strategies, budgets and operating plans.

ESG COMMITTEE
Accountable for ESG oversight and strategic direction. Responsible for ESG reporting and embedding ESG principles throughout the Group's culture.

HEAD OF SUSTAINABILITY
Responsible for the development and implementation of ESG strategy and compliance with ESG regulation and best practice.

GREEN TEAM
Brand/regional advocacy for ESG, ensuring that ESG factors are captured within brand/regional decision-making.

Anti-bribery and corruption

Financial probity and integrity is of paramount importance and we take our obligations to protect our customers from financial crimes, including bribery and corruption, seriously. The Group takes a zero-tolerance approach to any matters involving bribery and corruption.

All people receive annual training to ensure that they understand the principal risks and the appropriate action to be taken. During the reporting period, we did not record any incidents of corruption or bribery or any breach of policy.

Anti-modern slavery

We seek to conduct our business operations with a strong emphasis on ethics and transparency, and our policies are aligned with human rights principles, including those related to non-discrimination, health and safety, wellbeing and environmental factors. In addition, we are committed to ensuring that our supply chains, in terms of our Tiers 1, 2 and 3 suppliers, are free from modern slavery and human trafficking and that they undertake regular checks to ensure this is the case. Our annually published Anti-Modern Slavery Statement outlines our approach to this issue.

Conflicts of interest

We have procedures in place for identifying and resolving conflicts of interest. The Board is ultimately responsibile for the management and reporting of conflicts of interest across the Group, supported by the Company Secretary. The Board is required to assess the independence and objectivity of its members upon appointment and continually monitor this, wherever relevant changes in circumstances arise. The Board assesses each possible conflict on a case-by-case basis. Conflicts of interest are disclosed in the Annual Report and Accounts.

Speaking up / whistleblowing

To support a speak-up culture, we refreshed our Speaking Up processes and launched a new global, independent online portal and free telephone line for reporting concerns, with the option to remain fully anonymous. Our Speaking Up policy expressly protects anyone raising concerns in good faith from retaliation or adverse treatment.

Conflict minerals

Electronic components containing Conflict Minerals (tantalum, tin and tungsten — collectively 3TG) are used in many of the Group's products. As we do not file with the US Securities and Exchange Commission and do not directly purchase raw materials or 3TG, we rely on in-scope suppliers for information about smelters and refiners in our supply chain. We conduct annual checks with our contract manufacturers to determine whether 3TG used in our products originates from Covered Countries.

Our supply chains involve multiple third parties between the Group and the mines, smelters and refiners that source and process minerals. We participate in cross-industry initiatives that independently audit smelters and refiners, and work with our contract manufacturers to review whether their suppliers are sourcing from Covered Countries. Where they are, we encourage upstream engagement to ensure relevant smelters and refiners undergo independent audits in line with the applicable 3TG framework.

Data security

We fully understand the importance of strong data privacy and security controls in promoting trust in our customers and upholding the fundamental rights of individuals in an increasingly data-driven world. We also understand the significant negative consequences that poor data privacy and security will have on our relationships with our customers.

Our Information Security function aligns with ISO 27001 and delivers ongoing education and awareness for all colleagues. Our security testing consistently scores highly against industry benchmarks. Our Data Protection Officer oversees data management and monitoring, and is responsible for embedding our data governance framework, processes and policies across the Group. During the year, we recorded no substantiated complaints, breaches, leaks, thefts or losses of customer data.

Legal compliance

During the reporting period, we observed no significant instances of non-compliance with and regulations which incur regulatory fines or other penalties.

Leading by *example*

Philip Dudderidge OBE N

Chairman

Appointed 1989

Phil acquired the assets of Focusrite Limited in 1989 as the foundation of his new company, Focusrite Audio Engineering Ltd.

Board tenure

38 years

Career and experience

Phil served as Chief Executive Officer until he became Executive Chairman in 2012, leading the Company through its listing on the Alternative Investment Market of the London Stock Exchange in 2014, becoming Non-executive Chairman in January 2022.

Skills

Sally McKone

Chief Financial Officer

Appointed 2021

Sally joined Focusrite plc as Chief Financial Officer in March 2021.

Board tenure

4 years

Career and experience

Having trained as a Chartered Accountant with Grant Thornton, Sally moved into industry at Electrocomponents plc and then IMI plc, where she held a number of roles covering both financial reporting and operations across Europe, Asia Pacific and the US.

Skills

Tim Carroll

Chief Executive Officer

Appointed 2017

Tim was appointed Chief Executive Officer of Focusrite plc in January 2017.

Board tenure

9 years

Career and experience

Previously, Tim was Vice President of Avid Technology, responsible for product development, commercialisation and delivery of all of Avid's audio portfolio and its Sibelius notation and music learning applications. In January 2024, Tim was appointed as president of the MIDI Association, a non-profit trade organisation dedicated to expanding, promoting and protecting MIDI technology for artists and musicians around the world.

Skills

Francine Godrich

General Counsel and Company Secretary

Appointed 2019

Francine was appointed as General Counsel and Company Secretary in January 2019.

Board tenure

7 years

Career and experience

Francine brings 20 years of legal expertise to the Group, where she leads the team in advising on mergers and acquisitions, intellectual property, corporate governance and more. As legal adviser to the Board and senior management, she ensures that every decision is aligned with the Company's strategic goals. In addition, Francine oversees community engagement initiatives. Before joining Focusrite, she was General Counsel for a healthcare company and practised corporate law at US firms.

Skills

Committee key
- Committee Chair
- A Audit Committee
- N Nomination Committee
- R Remuneration Committee

Skills key
- Music Industry
- Governance
- Finance
- Leadership
- Corporate
- Business Development

Naomi Climer CBE A N R

Independent Non-executive Director

Appointed 2018

Naomi joined the Board of Focusrite plc as a Non-executive Director in May 2018 and became Chair of the Remuneration Committee in January 2022.

Board tenure

8 years

Career and experience

Naomi has an engineering background and, until March 2015, she was the President of Sony's Media Cloud Services, based in Los Angeles. Prior to this, Naomi was Vice President of Sony's B2B organisation across EMEA, covering diverse markets including media, broadcast, cinema, sports, security and healthcare.

Naomi is currently also a non-executive director at Scottish Television Group plc (Chair of the Remuneration Committee) and Oxford Metrics plc (Senior Independent Director).

Skills

David Bezem

A N R

Senior Independent Director

Appointed 2014

David joined the Board of Focusrite plc as a Non-executive Director in December 2014, following the Company's flotation. He was appointed Senior Independent Director in January 2022 and continues to serve as Chair of the Nomination Committee.

Board tenure

11 years

As previously announced, David will be resigning from the Board at the Company's forthcoming annual general meeting.

Career and experience

David was an investment banker in the City for over 25 years, advising UK public companies across multiple sectors. He qualified as a Chartered Accountant with Arthur Andersen & Co. in London and served as a Non-executive Director and Chair of the Remuneration Committee of Harvey Nash Group plc from 2013 to 2018.

Skills

Mike Butterworth

A N R

Independent Non-executive Director

Appointed 2022

Mike joined the Board of Focusrite plc as a Non-executive Director and Chair of the Audit Committee in January 2022.

Board tenure

4 years

Career and experience

Mike has over 35 years of experience in finance roles across numerous sectors, in both an executive and non-executive capacity. Previously, he was Chief Financial Officer at Cookson Group plc between 2005 and 2013 and at Incepta Group plc between 2001 and 2005. More recently, Mike has held a number of Non-executive directorships and is currently a Non-executive Director and Chair of the Audit Committee at Hammerson plc and Chesterfield Special Cylinders Holdings plc.

Skills

Ian Barkshire

Independent Non-executive Director

Appointed 2026

Ian joined the Board of Focusrite plc as a Non-Executive Director, post-year end, in March 2026. Subject to shareholder approval, Ian will succeed as Chair following the Company's forthcoming AGM and will also chair the Nomination Committee, as well as serve on the Audit and Remuneration Committees.

Board tenure

3 months

Career and experience

Ian was CEO of Oxford Instruments plc from 2016 to 2023, having spent over 25 years in senior leadership roles. He is a Fellow of the Royal Academy of Engineering and currently serves as a Non-Executive Director of Melrose plc, Chair of Illumion Ltd and ZOMP Group Ltd, both University of Cambridge start-up companies, and serves on the strategic advisory board for the UK National Quantum Technology Programme.

Skills

Meet our leaders

Regions

Damian Hawley

Chief Revenue Officer

Appointed 2019

Damian was appointed Chief Revenue Officer in December 2019.

Career and experience

Damian joined Focusrite in 2004 as UK Sales Executive, progressing through various roles before being appointed Sales Director in 2009, and Director of Marketing and Sales in 2014. Prior to joining the Company, Damian spent six years working on the technology and business sides of a global investment bank.

Nick Lyon

SVP Marketing & eCommerce

Appointed 2023

Nick was appointed SVP Marketing & eCommerce in September 2023.

Career and experience

Nick leads Group marketing and eCommerce across the Content Creation division. He has held senior marketing leadership roles within the Group since 2015, following earlier positions in media and digital. He brings deep experience in brand strategy, digital growth and commercial execution, combined with product and user insight from his technical background in audio systems design and previous work as a studio engineer.

Group functions

Simon Bannister

Chief Information Officer

Appointed 2019

Simon was appointed Chief Information Officer in September 2019.

Career and experience

Simon began his career as an IT Technician in 1998, advancing through technical managerial roles, including Global IT Director at GE Healthcare, where he focused on governance, risk and compliance. He now applies these principles at Focusrite plc. As a keen musician, Simon uses the Group's products in his performances, providing valuable insights that inform both operational IT and customer support platforms.

Alicia Cousins MCIPD

Chief People Officer

Appointed 2021

Alicia was appointed Chief People Officer in September 2021.

Career and experience

With over 20 years in HR, Alicia has been instrumental in shaping the Company's global HR strategy since joining as HR Director for Martin Audio in 2016. Now Chief People Officer, she oversees HR operations for 13 brands and over 560 employees. Alicia specialises in strategic HR leadership, executive coaching and cultural development, and also leads the 'Social' element of the Company's ESG strategy. Previously, she held HR leadership roles at Virgin Experience Days and Fruition Partners/CSC.

David Brewis

Head of Business Development

Appointed 2018

David was appointed Head of Business Development in January 2018.

Career and experience

David leads Group business development, with specific focus on Group strategy and acquisitions, having managed the expansion of the Group over the last 7 years. He joined Focusrite after holding senior commercial, product and project management roles at Sony, and has since held leadership positions across product marketing before heading up business development. David brings extensive experience in international markets and commercial strategy.

Brands

Tim Dingley

**Managing Director,
Focusrite & Novation**

Appointed 2023

Tim was appointed Managing Director, Focusrite & Novation Brands in September 2023.

Career and experience

Tim joined Focusrite in 2004 as a graduate from Surrey University. He has held various positions within the brand and served as the Director of Operations between 2010 and 2019, helping the business scale up from a turnover of £14 million to £84 million during that period. More recently, he served as Chief Operating Officer for the Focusrite Group of companies from 2019 to 2023.

Christian Hellinger

**CEO,
ADAM Audio**

Appointed 2017

Christian was appointed CEO of ADAM Audio in March 2017.

Career and experience

Christian brings over 25 years of experience in the music and pro audio industry. He founded and led Yellow Tools (1999–2011), specialising in sampling libraries, virtual instruments and audio software. From 2011 to 2017, Christian served as VP of Sales and Business Development at Magix. With a strong commercial and product management background, he now leads ADAM Audio, with a focus on innovation and growth.

David Gibbons

**CEO,
Sequential**

Appointed 2021

David was appointed CEO of Sequential in June 2021.

Career and experience

David has over 25 years of experience in audio and music products, including leading the VENUE live digital mixing console at Avid/Digidesign, growing the business to $35 million annually. He also led audio strategy for a NASDAQ-listed company, driving growth to $300 million. David has held senior roles at Ustream (acquired by IBM) and Salesforce. Originally from Ireland, he worked as an audio engineer in London before relocating to San Francisco. David is passionate about sound, expressing himself musically through keyboards, voice and guitar.

Dom Harter

**Managing Director,
Martin Audio**

Appointed 2016

Dom was appointed Managing Director of Martin Audio in March 2016.

Career and experience

Dom joined Focusrite Group with the acquisition of Martin Audio. With a background in mixing live shows – something Dom still enjoys – he has progressed through the industry, managing various R&D and Sales teams. Previously Sales Director at Soundcraft/Studer, Dom became Managing Director of Martin Audio in 2016, driving consistent growth. He now leads the Audio Reproduction division, overseeing the Martin Audio, Optimal Audio, Linea Research, OutBoard and TiMax businesses.

Our senior leadership team is more than just experienced; we're a dynamic force driven by passion and innovation. With decades of collective expertise spanning our industry and beyond, we bring a fresh, broad perspective to every challenge. United by a shared commitment and love for what we do, we drive our Company's vision forward, ensuring that our approach is as dynamic as the people we serve.

Corporate Governance report

Phil Dudderidge
Non-executive Chairman and Founder

"Our governance framework is purpose-built to drive sustainable growth. It balances the needs of our diverse stakeholders, reinforces our long-term strategy and enhances our reputation as a leading and respected business in our sector."

Dear shareholder,

I am pleased to present the Corporate Governance Report for the 18 month period to February 2026.

Our corporate governance framework supports our purpose, values, culture and strategy through having experienced leaders, a strong risk culture and effective controls. The Board sets our governance standards to ensure that we engage effectively with the expanding range of stakeholder interests and external considerations.

Our leadership model ensures the right balance of decision-making, accountability and independence across our brands and regions. We are careful to balance oversight of in-year execution with a forward-looking strategic focus, so that the directors can guide the business towards resilient and sustainable growth. The Board has evolved the Group's three-year plan to ensure that it reflects our long-term ambition, stewards the business in an uncertain environment and equips our brands and regions to unlock new opportunities while confidently navigating change. Time at Board meetings is purposefully allocated so that the Board can carefully evaluate these factors.

As Chairman, my responsibility is to uphold the highest standards of corporate governance and ensure that the Board is appropriately structured and equipped to fulfil its duties effectively. I am confident that our governance framework supports the Group's growth and development while maintaining accountability to shareholders, employees, partners and regulators. We regularly review our governance arrangements and implement any enhancements needed to support the Group's ongoing evolution.

Quoted Companies Alliance Corporate Governance Code (the ‘QCA Code’).

The QCA Code was revised in November 2023 with an implementation timetable that would first apply to the Group for the period beginning 1 September 2024. During the 18-month period to February 2026, we have reviewed the revised QCA Code and have taken steps to ensure that we remain in compliance.

The QCA Code is constructed around ten broad principles and a set of disclosures grouped under three broad headings: **deliver growth; maintain a dynamic management framework; and build trust.** An overview of how the Group complies with these principles can be found on our website at focusriteplc.com.

The Board

The role of the Board is to promote the long-term sustainable success of the Group through its direction of the Group’s business, for the benefit of its stakeholders as a whole and by contributing to our local communities. To do this, we rely on the long and varied expertise the directors bring to the Board.

Biographies of the individual Directors which details their careers, experience and skills are provided on pages 64 to 65, and their Board and Committee responsibilities are outlined in this Corporate Governance Report and the Committees’ reports.

The Board is responsible for setting the long-term business strategy and establishing the Group’s purpose, vision and values, which, together, underpin the culture of the business; see pages 20 to 21 for details of our strategy and purpose. The Board assesses the basis on which the Group fulfils is purpose by focusing on a number of key areas that drive the value of the business.

The Board

The Board leads the Group in the conduct of its business and provides sound leadership to the management teams.

- Philip Dudderidge OBE[1]
- David Bezem[3]
- Ian Barkshire[2]
- Mike Butterworth
- Naomi Climer CBE
- Tim Carroll
- Sally McKone

1. **Retirement as Chairman of Philip Dudderidge OBE:** Phil will be handing over the role of Chairman to Ian Barkshire following the conclusion of the AGM, but will remain on the board as a Non-executive Director.
2. **Appointment of Ian Barkshire:** Ian joined the Group in March 2026 as a Non-executive Director and Chair Designate and, subject to the approval of the shareholders at the AGM, Ian will stand for election to the Board as Non-executive Director and Chair.
3. **Retirement of David Bezem:** David will be retiring from the Board and his role as Senior Independent Director, following the conclusion of the Group’s Annual General Meeting scheduled for 4 August 2026. Consideration as to whether or not the Board will appoint a Senior Independent Director will be given following the conclusion of the next Board evaluation.

Philip Dudderidge OBE

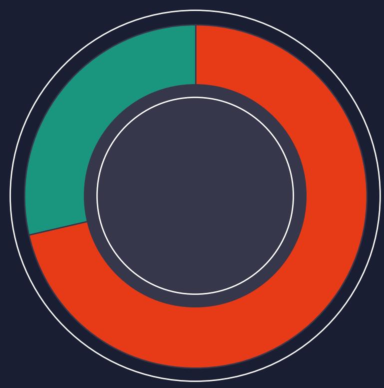
Our Chairman is the Group’s founder and, whilst he serves as a Non-executive Director, is not considered to be independent. Philip is an industry veteran and an ambassadorial figure for our business partners, clients and customers. He leads the Board through its decision-making processes.

↓↑

Chairman, Senior Independent Director and CEO

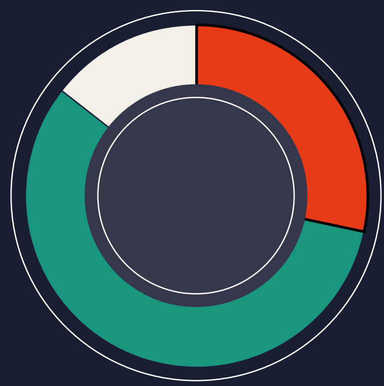
There is a constructive working relationship between the Chairman, Senior Independent Director and CEO. Philip Dudderidge, Ian Barkshire, David Bezem and Tim Carroll have been working together to ensure an orderly transition of Chair.

Board gender



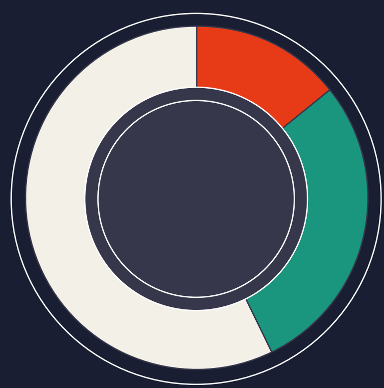
Male	5
Female	2

Board Executive/ Non-executive membership



Executive	2
Independent Non-executive	4
Non-independent Non-executive	1

Tenure (Board)



0-3 years	1
4-6 years	2
7+ years	4

Role of the Board

The Board's key responsibilities are set out below:

- it monitors the responsibilities delegated to the Board committees to ensure proper and effective oversight and control of the Group's activities;
- establishes a framework for risks to be assessed and managed;
- reviews management performance;
- ensures that obligations to the Group's stakeholders are understood and met;
- ensures that corporate responsibility and ethical standards underpin the conduct of the Group's business;
- develops succession plans for the Board and CEO; and
- considers sustainability issues (including environmental and social factors) as part of the Group's strategy.

Long-term success

The Board's primary role is to ensure the long-term success of the Group, by delivering sustainable value for all its stakeholders. The Board has responsibility for setting the Group's strategy and monitoring its execution and for overseeing its financial and operational performance.

The Group operates on the basis of a three-year business plan that is reviewed and updated each year. Through formal Board meetings and regular engagement with the General Executive Committee, the Board continues to oversee the implementation of the strategy to ensure that it remains fit for purpose.

Strategy

The Board remains focused on the Group's strategic direction and is responsible for assessing the appropriateness of the Group's strategy against its vision and values, making adjustments over time as required. The Board assesses and approves both financial and non-financial targets, including the Group's environmental impact, to ensure alignment with its strategic aims. In its revolving Board agenda, the Board considers economic, social, environmental and regulatory issues, along with any other relevant external matters that may influence or affect the Group's achievement of its objectives.

For more information, see pages 20-21.

Meetings Attendance Record (1 September 2024 to 28 February 2026)

Number of meetings held Director/Independence Status	Board	Audit Committee	Nomination Committee	Remuneration Committee
	20	6	5	7
Philip Dudderidge Non-executive Director and Non-independent Chairman Board member since 14 November 2014 Chairman since 14 November 2014 Last re-elected 31 January 2025	19**	6	5	7*
David Bezem Non-executive Director and Senior Independent Director Board member since 14 November 2014 Last re-elected 31 January 2025	20	6	5	7
Mike Butterworth Non-executive Director Board member since 1 January 2022 Last re-elected 31 January 2025	20	6	5	7
Naomi Climer Non-executive Director Board member since 25 May 2018 Last re-elected 31 January 2025	20	6	5	7
Tim Carroll Chief Executive Officer Board member since 1 January 2017 Last re-elected 31 January 2025	20	6*	N/A	N/A
Sally McKone Chief Financial Officer Board member since 1 March 2021 Last re-elected 31 January 2025	20	6*	N/A	N/A

* Attended meetings at the invitation of the relevant Committee.

** Could not attend 1 out of 20 meetings due to illness

Ian Barkshire has attended all meetings held since his appointment in March 2026.

Shareholders: 396 shareholders as at 6 June 2026

Board

Non-executive Chairman
Philip Dudderidge

Non-executive Director and
Chair Designate **Ian Barkshire**

The Chairman leads the Board and is responsible for creating the right conditions for the overall Board and individual Director effectiveness in directing the Group.

The Chairman will also ensure a smooth and orderly transition of chairing the Company.

Chief Executive Officer **Tim Carroll**

The CEO is responsible for the day-to-day management of the business, developing the Group's strategic direction for consideration and approval by the Board and implementing the agreed strategy.

Chief Financial Officer **Sally McKone**

The CFO is responsible for all financial-related activities, including the development of financial and operational strategies, strategic planning and deal analysis. Sally also leads the Group's ESG Committee.

Senior Independent Director
David Bezem

The Senior Independent Director works closely with the Chairman, acting as a sounding board and providing support. He is available to shareholders and other Directors to address any concerns or issues.

Independent Non-executive Directors

Mike Butterworth, Naomi Climer

The Non-executive Directors bring independent judgement and oversight, and provide critical and constructive challenge and scrutiny to the Executive Directors on their performance against agreed performance objectives.

General Counsel and
Company Secretary

Francine Godrich

The General Counsel and Company Secretary is the legal adviser for the Group and is responsible for advising the Board on all governance matters.

Board Committees

Nomination Committee **David Bezem**

Responsible for Board appointments and succession planning and for reviewing the structure, size and composition of the Board, ensuring that there is a balance of skills, knowledge, experience and diversity on the Board.

Audit Committee **Mike Butterworth**

Monitors the integrity of the Group's external reporting and provides oversight and governance of the Group's internal controls, risk management and the Group's relationship with internal and external auditors.

Remuneration Committee
Naomi Climer

Responsible for setting the remuneration policy and individual compensation for the Executive Directors, to ensure that it is in line with the long-term interests of the Group.

Operational Committees

General Executive Committee ('GEC')

Responsible for formulating and, after approval, implementing the Group's strategic plan. The GEC consists of the Group CFO, Group CEO, Chief Revenue Officer, Chief People Officer, Chief Information Officer, Head of Business Development, SVP Marketing for Content Creation and Group General Counsel, together with the CEOs/Managing Directors of each of the brands. They support the Group CEO in carrying out his role and manage the day-to-day operation of the Group.

Environmental, Social and Governance (ESG) Committee

The ESG Committee is responsible for overseeing how the Group manages its sustainability, ethics and long-term societal impact. Ultimately, the Committee makes sure the Group is not just profitable, but responsible, compliant and resilient over the long term.

The Committee sets the Group's ESG Strategy, defining the Group's priorities around the following pillars:

Environmental: carbon emissions, climate targets and energy use.

Social: employee wellbeing, diversity & inclusion, community impact

Governance: ethics and compliance.

Brand Boards

Business unit accountability.

Business unit brand boards meet on a monthly basis and are responsible for the development and implementation of the relevant Brand strategy.

They are accountable for the implementation of Group policies and the delivery of their performance.

Management of local initiatives, including social and well being programmes.

Performance

The Board evaluates and monitors current performance against its agreed budget and is responsible for approving three-year plans, annual budgets, capital commitments, acquisitions, results, dividends and announcements, including the going concern and viability statements.
The Board is responsible for ensuring that the necessary financial resources, assets and skills are available to the Group so that it can meet its objectives.
Non-financial performance monitoring includes matters such as health and safety, employee engagement, diversity, and environmental measures such as the Group's carbon footprint.

Internal controls and risk management

The Board considers the Group's risk appetite for each principal risk, as set out on pages 36-43. It assesses principal and emerging risks, approves changes to risk evaluation, and reviews and considers the risk mitigation plans. The Board has ultimate responsibility for the Group's risk management and internal control systems, but the monitoring of these systems is delegated to the Audit Committee. The Board considers and sets the Group's risk appetite for each of the Group's principal risks.
It assesses principal and emerging risks, approves changes to risk evaluations, and reviews and considers mitigation plans.
The Board also considers the mapping of risk against risk appetite and approves the overall approach to risk management. While the Board has ultimate responsibility for the Group's risk management and internal control systems, monitoring of these systems is delegated to the Audit Committee.

Board effectiveness evaluation

The Board conducts a formal evaluation process every second year. The Board carried out an evaluation exercise in FY24 and will carry out its next evaluation later this year, following the aforementioned changes to the Board.

People

The Board receives and considers the analysis of employee engagement surveys covering each brand's culture, including wellbeing, learning and development, belonging and career progression, noting performance, progress made following previous surveys and next steps. Information relating to employee engagement can be found on pages 56-59. The Board also receives a Speaking Up report each month at meetings, but no substantiated whistleblowing claims have been made.

Health and safety

The Board has ultimate responsibility for health and safety across the Group. The Board receives a health and safety report that details incidents, trends and training at every meeting and, where merited, discusses incidents in detail alongside actions to share this learning and prevent repeat occurrences.

Succession and remuneration

The Board is responsible for succession planning and the remuneration policy for the Chairman and Executive Directors, following advice and recommendations made by the Nomination and Remuneration Committees.

In the 18 month period to February 2026, as part of its succession planning and led by the Senior Independent Director, the Nomination Committee undertook a selection process to find a successor chair after Philip Dudderidge expressed his intention to step back from the role of Chairman.

Governance, shareholders and stakeholders

The Board reports to shareholders in the form of an Annual Report and Accounts, trading updates and full and half-year results updates, as well as various other statutory non-financial statements. The Board considers the views of, and effects on, the Group's key stakeholders in Board discussions and decision-making and, going forward, intends to engage in direct discussions with some of the Group's shareholders to obtain their views where appropriate.

Governance structure

Meetings

Board and Board committee meetings are scheduled well in advance of each year, in consultation with the Directors. The Chairman, in conjunction with the CEO, CFO and Company Secretary, plans an annual programme of Board matters. This ensures that essential topics are covered at appropriate times and that the Board has the opportunity to have in-depth discussions on key issues. The Board met 20 times during the 18 month period to 28 February 2026.

The Chairman regularly meets with the Senior Independent Director and the other Non-executive Directors, both collectively and individually. In addition, the Chairman discusses matters relevant to the Audit and Remuneration Committees with the Chairs of each Committee on a regular basis. Led by the Senior Independent Director, the independent Non-executive Directors also meet regularly during the year without the Chairman. The Chairman and the Company Secretary ensure that the Directors receive clear, timely information on all relevant matters. Board papers are circulated electronically via a secure portal in advance of meetings, to ensure that there is adequate time for them to be read and to facilitate robust and informed discussion.

Directors

The majority of the Board are Non-executive Directors and, save for the Chairman, the Non-executive directors are considered to be independent as to character and judgement and to be free of relationships and other circumstances that might impact their independence at the time of appointment. The Chairman is not considered independent due to his founding of the Company and significant family shareholding. The roles of the Chairman and CEO are separate and there is a clear division of responsibilities between the two. Non-executive Director appointments are initially for a period of three years and may be renewed for such further term(s) as the Board may consider appropriate, taking the advice of the Nomination Committee into account, and taking into account both their continued assessed independence, individual contributions and the Group's future needs. Details of the Executive Directors' service contracts and the Chairman's and the Non-executive Directors' letters of appointment are set out in the Directors' Remuneration Report on pages 80 - 87. These documents are available for inspection at the registered office of the Company during normal business hours and at the Annual General meeting ('AGM'). All Directors stand for annual re-election by shareholders.

Time commitment and external appointments

Non-executive Directors are required to devote sufficient time to their role and responsibilities as a member of the Board and its Committees. The Nomination Committee considers any existing time commitments of potential new Directors as part of its selection process and prior to any new appointment being approved. All new Directors are required to provide confirmation of their external appointments upon joining the Board. The Company Secretary maintains a record of all external appointments held by the Directors.

Directors' Indemnity Insurance

The Group maintains Directors' and Officers' liability insurance, which provides appropriate cover for legal actions brought against a Director. Each Director has been granted indemnities in respect of potential liabilities that may be incurred as a result of their position as an officer of the Company. A Director will not be covered by the insurance in the event that they have been proven to have acted dishonestly or fraudulently.

Conflicts of interest

All Directors have a duty to avoid conflicts of interest and, where they arise, to declare conflicts to the Board, including significant shareholdings. The Board considers and, if thought fit, authorises any potential conflict, and the conflicted Director may not participate in any discussion or vote on the authorisation.

Training and development

Newly appointed Directors are offered a comprehensive induction on joining the Board, and continuing training and education is available to all Directors to enable them to fulfil their responsibilities as Directors and to develop their understanding of the business. The Company Secretary arranges for external speakers to provide training on specific topics as appropriate. During the 18 month period to February 2026, the NOMAD provided refresher training on the AIM Rules and Stephenson Harwood LLP, the Group's retained legal advisers, provided refresher training on directors' duties. This Governance Statement, including the Audit Committee and Remuneration Committee reports, explains how we have applied the principles and complied with the provisions of the QCA Code.

Delegation of authority

How the Board operates

The Board is accountable to shareholders for the actions of the Company. The Articles of Association of Focusrite plc set out the rules agreed between shareholders as to how the Group is run, including the powers and responsibilities of the Directors. These Articles were updated in December 2020 to incorporate best practice and current legal and governance standards.

Matters reserved

The Board has a formal schedule of matters specifically reserved for its decision-making and approval. These include responsibility for the overall management and performance of the Group and the approval of its long-term objectives, commercial strategy, annual and interim results, annual budgets, acquisitions, material contracts, major capital commitments, going concern and long-term viability statements, and key policies.

Committees

The Board is assisted by three Board Committees to which it formally delegates matters as set out in each Committee's Terms of Reference, which are reviewed annually. Terms of Reference for each Committee can be found at www.focusriteplc.com/investors/corporate-governance. The reports of the Committees can be found on pages 77 - 87. The Board also has a Disclosure Committee which meets when required. Other than to approve various share dealings by persons discharging managerial responsibilities, the Disclosure Committee was not called upon to meet during the year. The Board may also call upon a number of Directors to form a sub-committee for an individual decision or authorisation.

Matters for the Delegation of Authority

The Board delegates authority for the executive management of the Group to the CEO, other than those matters reserved for decision by the Board and matters delegated to Committees of the Board. The Group has a delegated authority matrix, which is an internal document that sets out the delegations below Board level. It provides a structured framework to ensure the correct level of scrutiny of various decisions, covering matters that include contracts, capital expenditure, tax, treasury and people-related decisions.

Advice and access to employees

All Directors have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters. Directors are also entitled to obtain independent professional advice on any matters related to their responsibilities to the Group, at the Group's expense. The Board is authorised to seek any information it requires from any employee of the Company in order to perform its duties.

Philip Dudderidge
Non-executive Chairman and Founder
28 June 2026

STAKEHOLDER ENGAGEMENT

The strong relationships we have built over many years with a wide range of stakeholders continue to underpin our success. Their trust and support enable us to build a more sustainable and resilient business that operates responsibly and delivers meaningful value for all stakeholders.

How we engaged	What was important in the year	Priorities for the next year
OUR PEOPLE		
• Annual engagement survey supported by employee responses and action plans • Employee-led EDIB networks • Employee-led wellness networks • Monthly 'Our Focus' people forum and works councils to discuss topics raised by employees • Various sports and social activities, linked to local cultures	• Emotional Wellbeing & Financial Wellness awareness activities • Introducing phase 1 of an Employee-recognition system • Extended and enhanced our performance management processes • Pay benchmarking systems revised • Revising pension and retirement plan offerings	• Deliver a flexible benefits offering to all UK employees • Deliver phase 1 of a new HRIS system • Deliver a bespoke manager training programme covering three essential areas of management • Upskill employees with a broader skills training offering • Deliver phase 2 of a recognition system • Broadening Wellness and EDIB across the Group • Developing our 'blind' application processes • Pay benchmarking system to be extended
OUR CUSTOMERS*		
• Regular NPS surveys giving constant feedback on services and products, reviewed by brand management teams on a monthly basis • Constant interaction through social media and online forums, supported by our global teams • Dedicated customer support teams providing localised support • Large-scale end-user surveys	• Carried out our most comprehensive end-user survey to date, to get a comprehensive picture of customer profiles, product ownership and purchase and evaluation behaviours • Aligned the NPS survey programme across the remaining Content Creation Hardware brands, to enable a more holistic understanding of content creators' experience across our brands • Consolidation of the Customer Service function to enable 24/7 support for all Direct to Consumer sales • Social listening tool deployed, increasing actionable insights	• Centralising all customer feedback from surveys, support interactions, reviews and social listening • Analysis and classification of customer feedback at scale, using large language models. • Investing in automation to reduce the time to resolution for common support enquiries where appropriate • Continuing to offer human-driven 24/7 support
OUR PARTNERS**		
• Regular business reviews with each distributor and reseller • Speaking with key distributors and resellers on at least a monthly basis • All key accounts, distributors and direct-to-reseller partners have a personal account manager	• Continued our commitment to verify that there is no modern slavery in our supply chains by visits to different partners across the Group, including overseas manufacturing sites • Increased our direct-to-reseller presence in significant markets • Improved price and profit margins	• Expanding our direct routes to market with key partners, to continue to provide the best service to our customers • Exploring options to improve demand generation in selected markets • Supporting these markets with targeted product launches
OUR PLANET		
• Green team network set up across the Group, supported by a full-time Global Head of Sustainability • Founder member of the Greening Music Technology Group – working with peers across the industry • Separate Environment and Climate Report, published for the second time	• Second year of mandatory UK Climate-related Financial Disclosures ('CFD') compliance • First time engaging with the Carbon Disclosure Project ('CDP') • Committed to setting science-based targets for decarbonisation	• Continuing to implement recycled and bio-based materials in mass production • Develop and submit our science-based targets for decarbonisation
OUR INVESTORS		
• Annual General Meetings • Investor roadshows • Corporate website • Results presentations broadcast on investor meet platform	• Increased dialogue with investors, with feedback shared at Board level	• Maintaining open dialogue and demonstrate how investor feedback informs our decision-making and, where appropriate, informs our strategic approach • Providing greater clarity on product portfolio development and long-term strategy so that investors understand our investment proposition and growth plan

* Our customers are our end-users.

** Our partners are our sales partners and suppliers.

SECTION 172 STATEMENT

Engaging with our stakeholders helps us to deliver better outcomes for the Focusrite Group's business, which is fundamental to our long-term success.

The Board has a duty to promote the success of the Company and, under Section 172 of the Companies Act 2006, in doing so it must have regard for a number of matters when making decisions. Set out below is a table showing our key stakeholder groups and how each of them is considered as part of key decisions, along with a case study as to the considerations the Board gives to each of those stakeholders. The purpose of this statement is to demonstrate how those matters are taken into account in decisions made by the Board. The Board's decision-making process can be illustrated as follows:

A	The likely consequences of any decision in the long term	The Board regularly reviews the long-term planning of the Group, as part of an annual three-year planning exercise, with a mid-year review. Regular reviews of the product roadmap, business development and ESG, particularly climate, are included in the Board agenda. Equally, the management and longer-term implications of more immediate issues such as the current global economic and political challenges, the use of artificial intelligence and cyber security are also discussed and debated in detail by the Board.
B	The interests of our employees	The Chief People Officer attends the Board meetings twice per year, to provide updates on engagement and diversity & inclusion, amongst other topics. People-related metrics are included in monthly Board reports. Our actions in this area are included in the Social section on pages 56 - 61.
C	The need to foster our business relationships with suppliers, customers and others	The Board receives annual updates from our brokers and retained solicitors and brand updates from each of our brand leaders on key market issues throughout the year, supported by the CEO's monthly report. Our actions in this area are further covered in the Stakeholder Engagement section set out on page 75 and in the case study following.
D	The impact of the Company's operations on the environment and the community	The Global Head of Sustainability provides quarterly updates to the Board. See the Environment section on pages 44 - 55 and the Social section on pages 56- 61 for more information.
E	The desire to maintain a reputation for high standards of business conduct	The Board recognises the importance of a robust Corporate Governance Framework and follows the Quoted Companies Alliance Corporate Governance Code – see the Governance section on pages 68 - 73. An annual refresh of the corporate governance rules is provided annually by the Group's retained solicitors, Stephenson Harwood LLP.
F	The need to act fairly between members of the Company	The Company has one class of shares in issue; therefore, all shareholders have the same rights. The Board does not take any decisions or actions that would provide any shareholder with an unfair advantage or favourable position compared with the shareholders as a whole. It should be noted that where Directors are also shareholders of the Company, they are privy to confidential or inside information that is discussed at Board meetings. The Company has a share-dealing code that prevents all employees from dealing in the Company's shares at certain points during the year and particularly when they are in possession of inside information.

Case study: the impact of **Artificial Intelligence ('AI')** across the Group

AI has moved from an emerging technology to a topic the Board considers material to how the Group operates and competes. It is reshaping how software is written, how content is produced, how musicians and producers create, and how creators perceive the tools we make. The Board's focus this year has been to capture the productivity and innovation upside without losing control of the security, IP and reputational risks that uncontrolled AI adoption could bring.

Board Activities

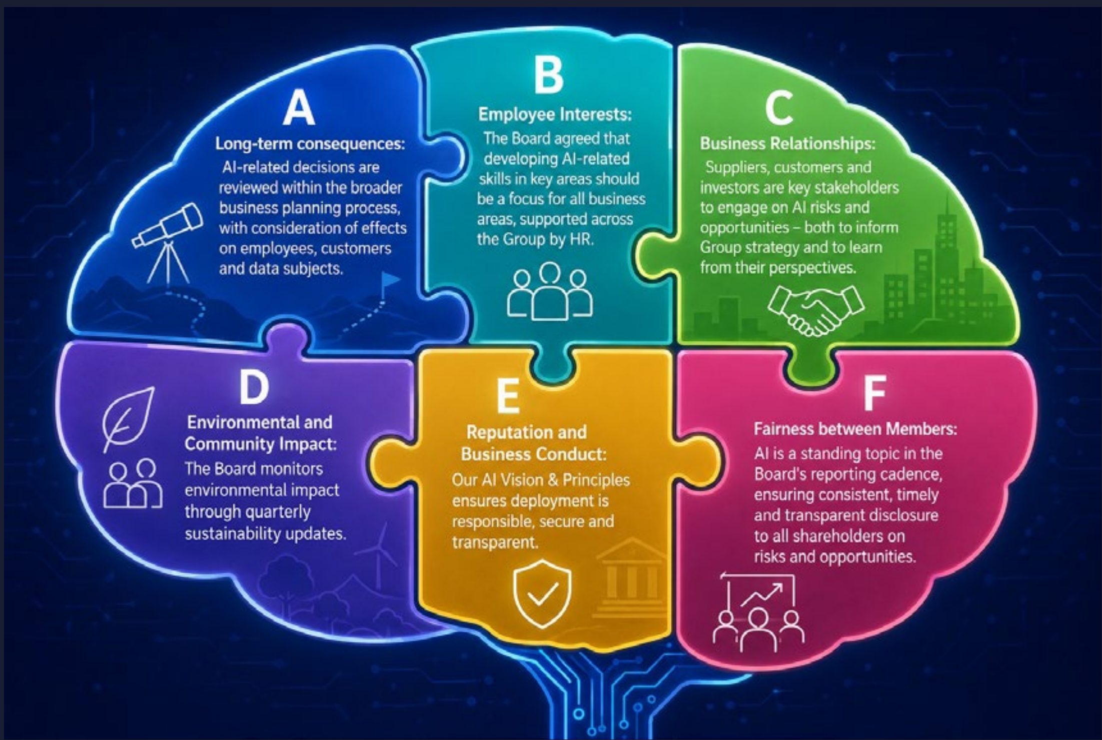
Review of Group adoption and opportunities

The Group CIO led a discussion at the Board in August 2025 reviewing key AI trends which could impact the Group. This covered the following areas:

Increased cyber risk through AI deep fakes. AI can enable video as well as audio messages to be faked, requiring greater vigilance and awareness of threats through heightened and regular training, exercises and communications.

The use of AI in product engineering. In our Audio Reproduction division, AI-assisted coding has become an established part of how software and firmware are developed. The productivity gains have been material and will inform how we think about extending the approach into other parts of the Group.

Market shift of AI-generated music. Generative AI music tools are expanding access to music creation, bringing new users who may later adopt software, interfaces, monitors and other tools we make. While the landscape continues to evolve, we see this as an emerging opportunity rather than a threat.



Actions taken: Group AI Vision & Principles, approved April 2026.

The Board approved a Group-wide AI Vision & Principles, establishing our position on responsible adoption, governance and accountability for AI usage across every brand and function. The Board also committed to receiving regular updates on the use of AI across the Group

Conclusion:

This year is the first year in which the Board has formally set a Group-wide AI position, but will continue to monitor such a rapidly changing environment. Our priorities for FY27 are to standardise the toolset available across the Group, embedding AI-assisted engineering more widely where it is proven, and continuing to monitor the impact of generative AI on the creative markets we serve. As a result, the Board expects AI to remain a recurring item on its agenda through the year ahead.

AUDIT COMMITTEE REPORT

Mike Butterworth
Audit Committee Chair

Dear shareholder,

On behalf of the Board, I am pleased to present the Audit Committee Report for the 18 months to 28 February 2026.

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and reviewed. Its role includes:

- monitoring the integrity of the financial statements (including annual and interim accounts and results announcements);
- reviewing internal control and risk management systems;
- reviewing any changes to accounting policies;
- reviewing and monitoring the extent of the non-audit services undertaken by the external auditor;
- advising on the appointment of the external auditor; and
- meeting with the external auditor outside the Committee schedule to ensure there is full opportunity for discussion.

Members of the Audit Committee

During the period, the Committee consisted of three independent Non-executive Directors: Mike Butterworth, David Bezem and Naomi Climer. Phil Dudderidge, Tim Carroll and Sally McKone may attend Committee meetings by invitation if required. The Committee met four times during the period. Ian Barkshire joined the Committee post period end on his appointment as Non-executive Director in March 2026.

The Board is satisfied that I, as Chair of the Committee, have recent and relevant financial experience. I am a Chartered Accountant and served as CFO of a FTSE 250 company for eight years until December 2012. I am currently Chair of the Audit Committee of Hammerson plc and Chesterfield Special Cylinders Holdings plc, and previously of Cambian Group plc, Johnston Press plc, Kin and Carta plc and Stock Spirits Group plc. The Company Secretary, Francine Godrich, acts as Secretary to the Committee. I report the Committee's deliberations at the next Board meeting and the minutes of each meeting are made available to all members of the Board.

Duties

The main duties of the Audit Committee are set out in its Terms of Reference, which are available on the Company's website (focusriteplc.com) and are available on request from the Company Secretary. The main items of business considered by the Audit Committee during the period included:

- appointment of the external auditor following a retender in the previous year;
- agreement and approval of the external audit plan and fees;
- monitoring the extent of the non-audit services undertaken by the external auditor;
- a review of the effectiveness of internal controls and risk management systems;
- reviews of going concern, key judgements and significant accounting policies;
- reviews of the carrying values of intangible assets;
- a review of the interim results;
- a review of the auditor's findings from the annual audit, including consideration of the external audit report and management representation letter;
- a review of the annual financial statements;
- a review of the Annual Report to ensure that it is fair, balanced and understandable;
- meeting with the external auditor without management being present;
- the agreement of the internal audit programme and review of the internal audit reports;
- a review of the IT position of the Group with particular regard to systems development, access controls and cyber security; and
- a review of the appropriateness of the Group's financial reporting following a change in year end.

Role of the external auditor

The Audit Committee monitors the Group's relationship with the external auditor, Ernst & Young LLP, to ensure that auditor independence and objectivity are maintained. As part of its review, the Committee monitors the provision of non-audit services by the external auditor. The breakdown of fees between audit and non-audit services is provided in note 9 to the Group's financial statements.

The Audit Committee also assesses the external auditor's independence and performance. Ernst & Young LLP has complied with the partner rotation requirement set out in Ethical Standards for Auditors, as this is their first period as the Group's external auditor.

External auditor retender

As an AIM-listed company there is no formal requirement as to the retendering of the external auditor. However, as detailed in last year's Audit Committee Report, the Audit Committee decided in the prior year that it would be best practice to follow the requirements of the Corporate Governance Code, applicable to companies listed on the main market, which require an audit tender after ten years and a rotation of the external auditor after 20 years. Following a competitive retender process conducted between July to September 2024, Ernst & Young LLP were selected to be proposed for appointment as the Group's auditors at the Annual General Meeting in January 2025. Following approval by shareholders, Ernst & Young LLP were appointed as the Group's auditors for the 18 month period to 28 February 2026.

Material matters, judgements and estimates

The material matters, judgements and estimates reviewed by the Committee in respect of the period under review were as follows:

Going concern and viability

An assessment is required to recommend to the Board that the financial statements be prepared on a going concern basis. The Committee, in conjunction with the Board, reviewed management's assessment of going concern. The assessment contained a base scenario derived from the Group's FY27 Budget and three-year plan and took account of the Group's principal risks, including climate change and the latest geopolitical, economic and trading outlook. The assessment contained earnings, balance sheet, cash flow, liquidity and credit metric projections, including key covenants. They also contained three downside scenarios to appraise the Group's resilience to adverse changes to key variables.

The Committee reviewed and challenged the financial forecasts and their underlying assumptions and were satisfied that management had conducted a robust assessment. Based on the work undertaken, the Committee concluded that the 2026 financial statements be prepared on a going concern basis.

Fair, balanced and understandable

The Directors are required to consider whether the disclosures in the Annual Report are fair, balanced and understandable. This includes both the narrative explanation of the Group's performance and the use of alternative performance measures (APM's), being financial measures not specified under International Financial Reporting Standards (IFRS). These are used to monitor the performance of the business. Judgement is required to ensure disclosures and associated commentary explain clearly the performance of the business and, for APM's, provide reconciliations to IFRS. Due to the change in year end (see below), the Annual Report and financial statements include certain 'pro-forma' financial information and related commentary to help provide additional information and insight into the Group's performance and position.

The Committee reviewed management's paper outlining their judgement that the Annual Report was fair, balanced and understandable. This set out the consistency and balance across the various sections of the Annual Report and the completeness of disclosures. In relation to the APM's, the paper explained that APMs: are properly explained, including the rationale for their use and are not given undue prominence relative to measures under IFRS and where relevant, are reconciled to IFRS

The Committee also reviewed the use of 'pro-forma' information in the Annual Report. Following its review, the Committee was satisfied that the Annual Report and financial statements, taken as a whole, were fair, balanced and understandable and recommended this conclusion to the Board.

Revenue recognition

Stock is sold and revenue recognised when we have satisfied our performance obligations to distributors and dealers. The key judgement required regards sales to the USA, where the Group has a single distributor, American Music & Sound ('AM&S') with a considerable of variable consideration based on the ultimate selling price to end customers.

As a result the calculation of revenue in relation to AM&S in any particular period relies, to some extent, on the assessment by management of the level of variable consideration under the contract at period end. Management must apply judgment based on historical sales data, promotional, and other information to assess the measurement of the expected value of variable consideration for the stock still held by AM&S at period end. Based on the work undertaken by management, the Committee was satisfied that the calculation of revenue in respect of AM&S for the period was reasonable.

Impairment testing

For all of the major intangible assets, there is an ongoing review process in which these assets are tested for impairment. The recoverable value of an asset is assessed and, in the event that the recoverable value is less that the carrying value, an impairment is recognised.

During the period, Sequential has experienced ongoing market challenges and greater uncertainty in future cashflows following the planned closure of our US contract manufacturing partner. After reviews of cashflow models and sensitivities, the decision was made to impair the assets by £9.8 million. This impairment has been allocated to acquired brands and internally developed intangible assets. Further details on these assumptions and the resulting impairment are provided in note 18 of the Group Financial Statements.The Committee reviewed and challenged the financial forecasts, their underlying assumptions, and downside scenarios and were satisfied that management had conducted a robust assessment of Sequential's future prospects.

Based on the work undertaken, the Committee concluded that the impairment was reasonable.

Capitalisation and recoverability of internally generated intangible assets

In line with IAS 38, the Group capitalises product development costs where certain conditions are met. The Committee considered the capitalisation of cost, the commencement of amortisation and the period over which the costs were amortised, and concluded that all were acceptable.

Prior year restatements

Consolidated financial statements: inventory

Following the identification of errors relating to inventory, a restatement of the prior year consolidated financial statements for the 12 months to August 2024 has been made.

This has resulted in a reduction in inventory of £1.0 million, a reduction in deferred tax liability of £0.2 million, and a reduction in opening reserves of £0.2 million all at 31 August 2024, and a reduction in gross profit, EBITDA and operating profit of £0.7 million and an increase in the tax credit of £0.2 million, both for the 12 months to 31 August 2024.

Consolidated financial statements: Inventory accrual Following the identification of an error relating to the overstatement of goods received not invoiced (GRNI) balances in respect of inventory purchases a restatement of the prior year financial statements for the 12 months to August 2024 has been made.

This has resulted in a reduction in trade and other payables of £0.4 million and an increase in current tax liability of £0.1 million, both at 31 August 2024, and an increase in gross margin, EBITDA and operating profit of £0.4 million and a reduction in the income tax credit of £0.1 million, all for the 12 months to 31 August 2024.

Consolidated financial statements: trademark amortisation

Following the identification of an error relating to the length of amortisation of capitalised trademarks a restatement of the prior year consolidated financial statements for the 12 months to August 2024 has been made.

This has resulted in an increase in intangible assets of £1.0 million, an increase in current tax liability of £0.2 million and an increase in opening net assets of £0.7 million all at 31 August 2024, and a reduction in amortisation and increase in operating profit of £0.2 million and a reduction in the income tax credit of £0.1 million all for the 12 months to 31 August 2024.

The Committee reviewed and challenged management's paper which explained the nature of the three prior year restatements and agreed that these restatements were required to be made.

Write off of deferred tax asset

Following a capital restructuring of the US group during the period, it was determined that a deferred tax asset of £1.0 million as at 31 August 2024 did not now meet the probability test for recognition on the balance sheet. As a result this deferred tax asset was derecognised and treated as an 'adjusting' item in the results for the 18 months to 28 February 2026 due to its nature and value.

The Committee reviewed and challenged management's paper which explained the nature of the capital restructuring of the US group and the subsequent tax advice received from two third party tax advisors on the likelihood of the capital restructuring generating sufficient tax losses. Management also noted that it was appropriate to recognise the write off as an 'adjusting' item given its nature and value.

Based on the work undertaken, the Committee was satisfied with management's judgement that it was appropriate to write off the deferred tax asset and that the write off be treated as an 'adjusting' item.

Audit process

The external auditor prepares an audit plan for its review of the financial statements, including any acquisitions that have taken place. The audit plan sets out the scope of the audit, areas to be targeted and audit timetable. This plan is reviewed and agreed in advance by the Audit Committee. Following its review, the external auditor presented its findings to the Audit Committee for discussion. No major areas of concern were highlighted by the external auditor during the period. However, areas of significant risk and other matters of audit relevance are regularly communicated. The Committee also formally reviews the effectiveness of the external audit process.

Internal audit

Historically, the Group does not utilise a dedicated internal audit function and the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management by using outsourced resources to carry out internal audits. A dedicated contract resource was appointed on an interim basis to carry out three of the internal audits.

An audit programme was agreed for the period, focusing on key risk areas. The programme comprised three reviews of our financial control processes in our Content Creation operations in EMEA and Asia-Pacific, and our 'PLC' holding company. The reviews identified a number of control improvements, which management are in the process of rectifying to a timetable approved by the Committee. Three further audits are planned in the coming year, focusing on key risk focus areas identified during the course of this year's external audit.

Change in year end

As detailed in last year's Audit Committee Report, the Audit Committee agreed a recommendation from management to change the year end from 31 August to 28 February. This was done to allow the Group to report full year-end results after the busy Christmas and Thanksgiving holiday season and so provide greater clarity on trading to investors.

As a result of this change, the current statutory reporting period is for the 18 month period to 28 February 2026, with interim results having been reported for the six-month periods to 28 February 2025 and for the 12-month period to 31 August 2025. Given the lack of comparability to this 18 month period to the prior year, the Audit Committee approved the inclusion of additional pro-forma financial information relating to the twelve months ended 28 February 2025 and 2026. This pro-forma financial information sits alongside the statutory reporting financial information and provides additional information and insight on the Group's financial performance and position.

Risk management and internal controls

As described on page 70 of the Corporate Governance Report, the Group has established a framework of risk management and internal control systems, policies and procedures.

The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively.

During the period, the Committee has reviewed the framework and has received regular updates on the priorities agreed at the end of FY24. A new forecasting and consolidation system has been largely] implemented across the Group during the current period, bringing further rigour to our finance processes.

The Committee recognises that, in light of the restatements to the prior year results (see above), there needs to be additional focus in FY27 to strengthening our financial reporting controls. This will include, inter alia, strengthening our formal documentation to standardise controls and process across the Group to an agreed standard, and committing additional resource to the central finance team.

In August 2025, the Group's Chief Information Officer led a discussion at the Board reviewing key AI trends which could impact the Group. This covered, inter alia, increased cyber risks through AI deep fakes, the use of AI in product engineering, and the market shift of AI generated music. The Committee has noted the risks associated with the emerging impact of AI and will keep this matter under review during FY27.

Whistleblowing, fraud and the UK Bribery Act

The Group has in place a whistleblowing policy that sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. Whistleblowing is a standing item on the Audit Committee's agenda, and regular updates are provided. During the period, no incidents were reported to the Committee.

The Group also has a procedure in place for detecting fraud, along with systems and controls to prevent a breach of anti-bribery legislation. All employees are required to participate in an online training course to provide awareness of anti-bribery regulations and controls. The Group is committed to a zero-tolerance position with regard to bribery. During the period, no incidents were reported to the Committee.

Mike Butterworth
Chair of the Audit Committee
28 June 2026

Naomi Climer
Independent Non-executive Director

Dear shareholder,

Focusrite's performance in the 18 months to the end of February 2026 has been resilient, and has delivered in line with expectations over the 18-month period despite significant political and economic instability presenting challenges, particularly in the US. The team has actively implemented mitigating strategies as issues emerge and continues to be well placed to take advantage of a future upturn in the market.

This was the transition period to a new financial year end, with the 'annual' bonus being set for a 12-month period followed by a six-month period. The Remuneration Committee has determined that the financial criteria and the strategic elements of the bonus for the 12-month period to the end of August 2025 were above threshold and below maximum, leading to an award of 59% of maximum for the period.

The financial criteria and the strategic elements of the bonus for the 6 months to February 2026 were above target and below maximum achievement. The strategic element included measures of customer satisfaction, new product introductions, and employee satisfaction (the 'S' in ESG). It also included a qualitative assessment of the continued development of synergies across the Group and with its partners. Overall, the total bonus was awarded at 63% of maximum, which the Committee considered an appropriate outcome given the performance of the business, including the improved margins and cash generation within the context of macro headwinds. These awards are detailed on page 85.

After another challenging period of continued global and industry-wide headwinds, the Remuneration Committee considers that these bonuses are appropriate and that there is good alignment with shareholders' interests.

The Remuneration Committee keeps under review the Executive Directors' salaries and other aspects of their remuneration annually, in line with the approach that is being taken for other employees.

For the 18 month period to the end of February 2026, considering the market situation and other relevant factors, the decision was made to award pay increases to the Executive Directors at the level of the general staff increases, resulting in a 3% salary increase for both Tim Carroll and Sally McKone. The same 3% increase will also be awarded for FY27, in line with the staff increases. As regards the Non Executives, their fees will also be increased by 3% other than in respect of Philip Dudderidge, whose fee will be reduced to £100k when he ceases to be Chair, and Ian Barkshire whose fee has been set at £140k.

The Remuneration Committee has previously signalled that it believes it is important to introduce ESG criteria into the Executive remuneration structure, and we now have a mature 'S' objective, Employee NPS, implemented as one of the criteria within the annual bonus strategic objectives, while keeping the LTIP focused on growth in bottom-line earnings.

As a company admitted to AIM, Focusrite plc is not required to prepare a Directors' Remuneration Report. However, the Board supports the principle of transparency and has, therefore, prepared this report in order to provide useful information to shareholders on its Executive remuneration arrangements.

Although not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the 'Regulations'), the Company has used these Regulations, and those recommended by the Quoted Companies Alliance ('QCA'), as guidance for presenting selected disclosures where it considers these to be relevant, helpful and appropriate.

Accordingly, this report sets out information about the remuneration of the Directors of the Company for the 18 months to February 2026 and, as appropriate, the following financial year. In keeping with the updated QCA Corporate Governance Code ('QCA Code'), this Directors' Remuneration Report will be put to an advisory shareholder vote at the Annual General Meeting ('AGM') in 2026.

Remuneration Committee

The members of the Remuneration Committee during the period are Naomi Climer (Chair), David Bezem and Mike Butterworth. Ian Barkshire joined the Committee on 27th March 2026. All are independent Non Executive Directors.

Attendance at meetings of the Remuneration Committee by individual members is detailed in the Corporate Governance Report on page 70.

The Chairman, Phil Dudderidge, is invited to attend the meetings and the CEO, Tim Carroll, and external advisers may be invited to attend meetings, too.

Invited attendees do not take part in the decision-making and are absent when their own remuneration is being discussed. The Company Secretary, Francine Godrich, acts as Secretary to the Committee.

Terms of Reference have been approved for the Remuneration Committee and are reviewed annually. The Committee's primary responsibility is to determine, on behalf of the Board, the remuneration of the Executive Directors and to review the remuneration of such other members of the senior management team of the Group as is deemed appropriate. The remuneration of the members of the Committee is determined by the Board.

The Committee members have no personal financial interest, other than as shareholders in the Company, in the matters to be decided. They have no conflicts of interest arising from cross-directorships or from being involved in the day-to-day business of the Group. None of the Committee members or Phil Dudderidge participates in any bonus, share awards or pension arrangements.

Directors' remuneration policy

This section sets out the Directors' remuneration policy (the 'Policy'). In keeping with the QCA Code, this was put to an advisory shareholder vote for the first time at the 2025 AGM. The Committee would like to thank the shareholders for their support on this matter.

The Policy was developed by the Remuneration Committee, taking into account the regulations applicable to FTSE Main Market companies, the principles of the QCA Code and relevant UK institutional investor guidance. It applies from 1 September 2024 and any future material changes proposed to this shall be submitted to a further advisory shareholder vote at the appropriate time.

The Committee's principal aims in setting a remuneration policy are to attract, retain and motivate high-calibre senior management, to focus them on the delivery of the Group's strategic and business objectives, to promote a strong and sustainable performance culture, and to align the interests of Executive Directors and other senior members of the management team with those of shareholders.

The package for each Executive Director is designed to include performance- and non-performance-related elements appropriate for a Group whose objectives include continued growth over the medium term. Fixed pay elements include salary, taxable benefits and employer pension contributions. Other components of the remuneration package comprise a mixture of cash-and share-based remuneration and short- and long-term incentives, as set out below.

Directors' remuneration policy table

This section describes the key components of the Executive Director remuneration package.

Element and purpose	Operation	Opportunity	Performance linkage
Base salary			
Provides a competitive level of fixed remuneration, to help attract and retain individuals with the relevant experience and skillset to achieve the Group's strategic aims.	Base salaries are generally reviewed annually, with reference to individual performance (and that of the Company as a whole) and to the salary increases awarded to other employees. The Committee also considers salary levels at companies of comparable sector, size and complexity when determining increases.	There is no maximum salary. Salaries are set to reflect an individual's role, responsibilities and experience. Salary increases will normally be within the range awarded to other employees. However, higher increases may be awarded in circumstances including, but not limited to, sustained strong individual performance, a material change in the responsibility, size or complexity of the role, or if an individual is intentionally appointed on a below-market salary.	Not applicable.
Benefits			
Provides a competitive level of benefits in the market in which the individual is employed.	Benefits include life assurance, health insurance, critical illness insurance and travel insurance, and may also include other benefits as deemed appropriate (including those for which the wider workforce becomes eligible in the future).	The cost of benefits changes in accordance with market conditions, which will determine the maximum amount under this Policy.	Not applicable.

Element and purpose	Operation	Opportunity	Performance linkage
Pension			
Provides post-retirement benefits for participants in a cost-efficient manner.	Defined contribution scheme (or a cash allowance in lieu).	Aligned with the level available to the workforce, currently 3% of salary.	Not applicable.
Annual bonus			
Reward for the achievement of annual goals.	Performance measures are set by the Committee at the start of the year and are weighted to reflect a balance of financial and strategic objectives. At the end of the year, the Committee determines the extent to which these objectives have been achieved. Payments are usually in cash. However, Executive Directors may elect to receive a portion of their bonus in the form of shares. If they elect to do so, the Company makes a Matching Award of shares, subject to the deferred shares and the Matching Award (after satisfying tax payments arising in respect of this remuneration) being held for at least two years, including if the Director is no longer employed by the Company. Bonus payouts and Matching Awards are subject to clawback and malus provisions.	Up to 100% of base salary, with up to a further 50% of salary in matching shares awarded on a 1:1 basis on any voluntary deferral of bonus into shares.	Bonuses may be based on a combination of financial and non-financial measures. Details of the measures and targets will normally be disclosed retrospectively in the relevant Remuneration Report. Financial measures will normally constitute at least 80% of the total bonus opportunity. The Committee retains the discretion to adjust the bonus outcome if it considers the payout to be inconsistent with the Company's underlying performance, when taking into account any factors it considers relevant.
Long-term incentive			
Incentivises and rewards the achievement of longer-term value creation objectives, creates an alignment of executive and shareholder interests, supports retention and promotes executive share ownership.	Awards may be granted annually as a combination of Performance and Restricted Awards, in the form of nominal-cost options. Performance Awards ordinarily vest subject to continued employment and the achievement of performance conditions, typically over three years. Restricted Awards ordinarily vest subject to continued employment only, typically vesting three years after grant and subject to a discretionary underpin based on the broader performance context. Malus and clawback provisions apply to all Awards.	Normally, awards are up to 100% of salary per annum when valued in Performance Award equivalents (using a 2:1 ratio to value Restricted Awards). Over this Policy's life, the annual opportunity will normally comprise a Performance Award with a face value of 50% of salary, and a Restricted Award with a face value of 25% of salary. However, the Committee retains the discretion to adjust this split at the start of each cycle to align with the Company's strategy at the time. However, it is not anticipated that the Company will use only a Restricted Award during the life of this Policy. No more than 20% of the Performance Award will vest for achieving threshold performance, rising to 100% at stretch performance.	The measures on which the vesting of Performance Awards will be subject shall be selected, and targets set, at the start of the performance period and shall align with the Company's strategy. The Committee retains discretion to adjust vesting outcomes if it considers that the level of vesting is inconsistent with the Company's underlying performance, when taking into account any factors it considers relevant.

Malus and clawback

Payments and awards under the annual bonus and long-term incentive plan are subject to malus and clawback provisions, which can be applied to both vested and unvested awards. Malus and clawback provisions will apply for a period of at least two years after payment or vesting. Circumstances in which malus and clawback may be applied include gross misconduct or a material misstatement of the Group's financial statements and corporate failure. Participants are required to acknowledge their understanding and acceptance of these provisions as a condition of receiving an annual bonus and the provisions are included in the legal documentation for the long-term incentive plan.

Remuneration Committee discretion

To ensure fairness and align Executive Director remuneration with underlying individual and Group performance, the Committee may exercise its discretion to adjust the outcome of the annual bonus or, within the limits of the relevant plan rules, the long term incentive plan awards for exceptional events. These may include, but are not limited to, corporate transactions, factors outside reasonable management control, changes in the Group's accounting policies and administrative matters.

Approach to recruitment remuneration

External appointment

When hiring or appointing a new Executive Director from outside the Group, the Committee may make use of all existing components of the Remuneration Policy operating at that time, as set out in the table above, to structure the annual remuneration package.

In addition, the Committee may make an award under a different structure to replace incentive arrangements forfeited on leaving a previous employer (a Buy-out Award). Any such award (which would be disclosed in the relevant Remuneration Report) would typically have a fair value no higher than that of the awards forfeited, taking into account relevant factors including performance conditions, the likelihood of those conditions being met and the proportion of the vesting period remaining.

Internal promotion to the Board

In cases of appointing a new Executive Director via internal promotion, the Policy will be consistent with that for external appointees, as detailed above (except in relation to Buy-out Awards). Where an individual has contractual commitments made prior to their promotion to Executive Director, the Company will continue to honour these arrangements even if there were instances where they would not otherwise be consistent with the prevailing Directors' remuneration policy in operation at the time of promotion.

Service contracts

The Executive Directors are employed under contracts of employment with Focusrite plc. The CEO contract may be terminated on twelve months' notice being given by either party and the CFO contract may be terminated on six months' notice being given by either party. The following table shows the date of the contract for each Executive Director who served during the year.

Directors' remuneration policy table

This section describes the key components of the Executive Director remuneration package.

Executive Director	Date of appointment	Date of service agreement	Notice period (months) (employer/employee)
Tim Carroll	1 January 2017	5 December 2016	12/12
Sally McKone	1 March 2021	28 August 2020	6/6

Payment for loss of office or change of control

There are no predetermined special provisions for Executive Directors with regard to compensation in the event of loss of office. The Group's policy on exit payments is to limit severance payments on termination to pre-established contractual arrangements comprising fixed pay and any other statutory payments only. In the event that the employment of an Executive Director is terminated, any compensation payable will be determined in accordance with the terms of the service contract between the Company and the employee, as well as the rules of any incentive plans.

There is no automatic entitlement to bonus or the vesting of long-term incentives on termination. However, the Committee retains the discretion to pay an annual bonus on cessation of employment, the amount of which will be determined in the context of the time served during the performance year, the performance of the Company and of the individual over the relevant period, and the circumstances of the Director's loss of office. If Company or individual performance has been poor, or if the individual's employment has been terminated in circumstances amounting to misconduct, no bonus will be payable. Matching awards do not lapse on termination, subject to the Director evidencing that they continue to hold these and the deferred shares for the holding period (which shall expire on a change of control).

The rules of the long-term incentive plan set out treatment if a Director leaves employment prior to awards vesting. If the Director is considered a good leaver (through injury, disability, death, redundancy, retirement or other such event as the Committee determines), then awards would normally be pro rated for time and vest on the normal vesting date, based on performance over the original performance period. In the event of a change of control, an award may vest early, subject to the extent to which the performance conditions have been achieved and scaled back pro rata for service. The Committee retains discretion, where permitted by the plan rules, to alter these default provisions on a case-by-case basis, following a review of circumstances and to ensure fairness for shareholders and participants.

Non-executive Directors

This section of the Report describes the remuneration arrangements for the Non-executive Directors.

Element and purpose	Operation	Opportunity	Performance linkage
Annual fee To attract and retain high-calibre Non-executive Directors.	Annual cash fees paid to the Chairman and other Non-executive Directors are reviewed periodically. An additional fee is payable to the Senior Independent Director, and also in respect of chairing a Board Committee.	Annual fees are applied in line with the outcome of each periodic review. The aggregate fees payable to Non-executive Directors are limited by the Articles of Association of the Company.	None

None of the Non-executive Directors has a service contract with the Company. They have letters of appointment, which provide that no compensation is payable on termination. The appointments are terminable by the Company or the Non-executive Directors with six months' notice. The Non-executive Directors do not participate in any of the incentive plans, nor do they receive benefits. The dates relating to the appointments of the Chairman and Non-executive Directors who served during the reporting period are as follows:

Non-Executive Director	Position	Date of appointment	Date of letter of appointment	Date of election/re-election
Phil Dudderidge	Non-executive Chairman	1 January 2022	17 December 2021	31 January 2025
David Bezem[1]	Senior Independent Director	5 December 2014	17 December 2021	31 January 2025
Mike Butterworth	Non-executive Director	1 January 2022	17 December 2021	31 January 2025
Naomi Climer	Non-executive Director	25 May 2018	17 December 2021	31 January 2025
Ian Barkshire	Non-executive Director	27 March 2026	27 March 2026	–

1 David Bezem will not be standing for election at the 2026 AGM.

The terms of appointment for a new Non-executive Director would be in accordance with the Remuneration Policy for Non-executive Directors, as set out in the table above. All Non-executive Directors' appointments are subject to approval by shareholders annually at the AGM.

Statement of consideration of employment conditions elsewhere in the Company

When setting the Policy for Executive Directors' remuneration, the Committee has regard to the pay and employment conditions elsewhere within the Group. The Committee is kept informed on a regular basis of salary increases for the general employee population and takes these into account when determining salary increases for Executive Directors and the executive management team.

Statement of consideration of shareholder views

The Committee is mindful of the views of shareholders in determining appropriate levels of remuneration and in ensuring that shareholder and Director interests are aligned. The Committee is committed to an ongoing dialogue with shareholders.

Base salary

Base salaries are reviewed annually and determined by taking account of individual performance, scope of responsibility, market context and the treatment of staff pay levels within the Group. The Executives' base salaries for the 18-month period to 28 February 2026 are set out on page 87. As a result of the annual review, Tim Carroll's base salary was increased to £412,803 and Sally McKone's base salary was increased to £293,766 from 1 March 2026.

Performance-based annual bonus

The Executive Directors were entitled to discretionary performance-based annual bonuses for the 12 months to 31 August 2025, followed by the six months to 28 February 2026 to adjust for the new financial year end. The 12-month annual bonuses were based on three performance criteria:

- 60% on adjusted EBITDA;
- 20% on adjusted free cash flow as a proportion of adjusted EBITDA; and
- 20% on individual contribution to developing strategic opportunities for the Group (assessed both quantitatively and qualitatively by the Committee).

For the six-month bonus period, the weightings were adjusted to 55% for adjusted EBITDA and 25% for free cash-flow percentage, with strategic objectives remaining as 20% of the total.

The three performance criteria operated independently of one another.

The maximum cash bonus for both Tim Carroll and Sally McKone was 100% of annual base salary for the 12-month period to 31 August 2025, unchanged from previous years. The maximum cash bonus for both Tim Carroll and Sally McKone was 50% of annual base salary for the 6-month period to 28 February 2026.

In addition, the Executive Directors had the opportunity to elect to receive a portion of any cash bonus in the form of shares up to a maximum value of 50% of their respective base salary. To the extent they elected to do so, the Company undertook to make a matching award of shares (the 'matching shares'). This was subject to the condition that both the shares they elected to receive out of their cash bonus and the matching shares would be held for not less than two years, including if they were no longer employed by the Company, other than to satisfy any tax payments arising in respect of this remuneration. This arrangement is broadly consistent with that adopted in previous financial years.

The strategic element of the bonus (20%) comprised three quantitative strategic targets, as well as a qualitative strategic objective. The quantitative objectives were Customer Net Promoter Score, Employee Net Promoter Score, and a New Product Introduction target. The Committee determined that individual contributions to developing strategic opportunities for the Group warranted a 75% payout of that element for the 12-month period to 31 August 2025 and a 75% payout of that element for the six-month period to 28 February 2026. For both periods, all measures were considered at least on target with the quantitative objectives close to or at maximum. The Committee considered these appropriate to reflect the overall performance for the period.

The following table shows the performance range below which no bonus is paid and above which no additional bonus is paid, and calculated on a straight-line basis between Threshold and Target as well as between Target and Maximum:

	12 months to 31 August 2025 Performance criteria	Threshold	Target	Maximum	Actual
Tim Carroll	Adjusted EBITDA	£22.6m	£25.1m	£27.6m	£24.7m
	Cash bonus entitlement	£0	£144,281	£240,468	£121,516
	% of salary	0%	36%	60%	30%
	Free cash flow % of EBITDA	19%	24%	29%	25.1%
	Cash bonus entitlement	£22,444	£48,094	£80,156	£54,921
	% of salary	6%	12%	20%	14%
	Strategic bonus cash settlement	–	–	£80,156	£60,118
	% of salary	–	–	20%	15%
	Total cash bonus	**£22,444**	**£192,375**	**£400,780**	**£236,555**
Sally McKone	Adjusted EBITDA	£22.6m	£25.1m	£27.6m	£24.7m
	Cash bonus entitlement	£0	£102,675	£171,124	£86,475
	% of salary	0%	36%	60%	30%
	Free cash flow % of EBITDA	19%	24%	29%	25.1%
	Cash bonus entitlement	£15,972	£34,225	£57,041	£39,084
	% of salary	6%	12%	20%	14%
	Strategic bonus cash settlement	–	–	£57,041	£42,781
	% of salary	–	–	20%	15%
	Total cash bonus	**£15,972**	**£136,900**	**£285,206**	**£168,340**

	6 months to 28 February 2026 Performance criteria	Threshold	Target	Maximum	Actual
Tim Carroll	Adjusted EBITDA	£9.5m	£10.6m	£11.7m	£10.4m
	Cash bonus entitlement	£0	£66,129	£110,215	£45,471
	% salary	0%	17%	28%	11%
	Free cash flow % of EBITDA	8%	10%	12%	34%
	Cash bonus entitlement	£14,027	£30,059	£50,098	£50,098
	% salary	4%	8%	13%	13%
	Strategic bonus cash settlement	–	–	£40,078	£30,058
	% salary	–	–	10%	8%
	Total cash bonus	**£14,027**	**£96,188**	**£200,391**	**£125,627**
Sally McKone	Adjusted EBITDA	£9.5m	£10.6m	£11.7m	£10.4m
	Cash bonus entitlement	£0	£47,059	£78,432	£32,358
	% salary	0%	17%	28%	11%
	Free cash flow % of EBITDA	8%	10%	12%	34%
	Cash bonus entitlement	£9,982	£21,391	£35,651	£35,651
	% salary	4%	8%	13%	13%
	Strategic bonus cash settlement	–	–	£28,251	£21,391
	% salary	–	–	10%	8%
	Total cash bonus	**£9,982**	**£68,540**	**£142,334**	**£89,400**

Long-term share incentives

The following table shows details of the awards made to Tim Carroll and Sally McKone, as well as other senior management, under the Focusrite Performance Share Plan ('PSP'), which had not vested or lapsed as at 28 February 2026.

PSP awards to Executive Directors and other senior managers

Grant date	28-Nov-23	4-Dec-24
Terms:		
Performance period – three years to:	31-Aug-26	28-Feb-28
Performance period – three and a half years to:		
Performance criterion: 3-year cumulative EPS[2]	131.7p to 143.3p or greater	
Performance criterion: 3.5-year EPS CAGR[1]		10% to 18% or greater
Proportion of award vesting	20% to 100%	20% to 100%
Exercise price	0.1p	0.1p
Options granted:		
Tim Carroll	84,956	116,831
Sally McKone	60,458	83,141
Other senior managers	132,038	98,205
Vesting (%)	N/A	N/A
Shares vesting:		
Tim Carroll	N/A	N/A
Sally McKone	N/A	N/A

1 Compound annual growth rate.

2 Cumulative EPS – based on adjusted diluted EPS.

Awards to be made in the 2027 financial year

Following the announcement of results in respect of the 18 months to February 2026, it is intended to grant Performance Awards and Restricted Awards to Tim Carroll and Sally McKone, as well as to other senior management.

The structure of awards to be made in the 2027 financial year will be in line with the Policy outlined earlier in this report. The performance conditions attaching to the Performance Awards will be assessed over a three-year period to 28 February 2029, and Performance and Restricted Awards will vest as soon as practicable following that date.

Performance Awards will vest subject to EPS growth over the three year period to 28 February 2029. Targets will be set on the basis of a CAGR ranging from 10% to 18%, set to be challenging while nevertheless appropriately realistic so as to be motivational in the context of ongoing volatility in the Company's markets.

Restricted Awards will vest, subject to continued employment over the vesting period and the Committee deeming a discretionary underpin, based on the Company's broader performance context, to have been met. All awards will be subject to malus and clawback provisions, which are enshrined in the deed. Details of all awards made in the 2027 financial year will be set out in the next remuneration report.

Dilution

All the Group's equity-based awards are subject to an overall limit on the number of new ordinary shares that can be issued, which will be dilutive. Other than awards satisfied by shares held by the Employee Benefit Trust ('EBT') at the time of the IPO, these must not, in aggregate, exceed 10% of the Company's issued share capital over any rolling ten-year period post-IPO. Over the period since the IPO, which is the last 10 years, a total of 1,136,639 shares (1.9% of share capital) have been issued in respect of vesting Long-Term Incentive Plans ('LTIPs') and bonus awards. The following table illustrates the outstanding share awards and potential maximum future net dilution as at 28 February 2026.

Plan	Maximum number of shares relating to award	% of issued share capital
Tim Carroll – PSP	255,098	0.4%
Sally McKone – PSP	181,536	0.3%
Other senior management – PSP	451,824	0.8%
Other employee share option plans inc CSOP	375,769	0.6%
Options outstanding at the end of the period	1,267,684	2.1%
Less: unallocated issued shares held by the EBT[1]	(446,150)	(0.7%)
Potential maximum net dilution	821,534	1.4%

1 Represents the number of shares held by the EBT as at the IPO and since issued into the EBT, less the number of shares used by the EBT to satisfy options that have vested and been exercised.

Directors' emoluments table

Plan		Salary/ fees £'000	Other taxable benefits £'000	Annual bonus £'000	Pension contribution £'000	Total £'000
Tim Carroll[1]	FY24 12 months to 31 Aug 24	389	2	56	10	457
	18 months to 28 Feb 26	601	3	471	15	1,090
Sally McKone[2]	FY24 12 months to 31 Aug 24	277	2	72	7	358
	18 months to 28 Feb 26	428	3	365	10	806
Non-executive Directors						
Phil Dudderidge[3]	FY24 12 months to 31 Aug 24	198	4	–	–	202
	18 months to 28 Feb 26	256	66	–	–	322
David Bezem[4]	FY24 12 months to 31 Aug 24	60	–	–	–	60
	18 months to 28 Feb 26	93	–	–	–	93
Naomi Climer[5]	FY24 12 months to 31 Aug 24	60	–	–	–	60
	18 months to 28 Feb 26	93	–	–	–	93
Mike Butterworth[6]	FY24 12 months to 31 Aug 24	60	–	–	–	60
	18 months to 28 Feb 26	93	–	–	–	93

1 The bonus for Tim Carroll comprises a cash bonus of £164,414 for the 12 months to 31 Aug 25 ("FY25") and £89,558 for the 6 months to 28 Feb 26 ("FP26") (FY24: £45,283), with £72,140 taken as shares for FY25 and £36,070 for FP26 (FY24: £5,300) and £72,140 in the form of matching shares for FY25 and £36,070 for FP26 (FY24: £5,300).
The pension contribution was taken as additional income net of the appropriate percentage of income tax and Employer's National Insurance, which would not otherwise have fallen due.

2 The bonus for Sally McKone comprises a cash bonus of £97,037 for FY25 and £53,749 for FP26 (FY24: £nil), with £71,303 taken as shares for FY25 and £35,651 for FP26 (FY24: £35,997) and £71,303 for FY25 and £35,651 for FP26 in the form of matching shares (FY24: £35,997). The pension contribution was taken as additional income net of the appropriate percentage of income tax and Employer's National Insurance, which would not otherwise have fallen due.

3 The remuneration for Phil Dudderidge comprises a fee/salary of £150,000 (FY24: £198,000). The benefits are a legacy entitlement to private healthcare provision, which will cease when Phil Dudderidge steps down as Chairman following the 2026 AGM. In respect of FY27, Philip Dudderidge's remuneration will be decreased to £100k when he ceases to be Chair.

4 The remuneration for David Bezem comprises a basic fee of £50,830 per annum for his role as Non-executive Director of the Group and an additional £10,815 per annum for his role as Senior Independent Director.

5 The remuneration for Naomi Climer comprises a basic fee of £50,830 per annum for her role as Non-executive Director of the Group and an additional £10,815 per annum for her role as Chair of the Remuneration Committee.

6 The remuneration for Mike Butterworth comprises a basic fee of £50,830 per annum for his role as Non-executive Director of the Group and an additional £10,815 per annum for his role as Chair of the Audit Committee.

Approval

This report was approved by the Directors and signed by order of the Board.

Naomi Climer
Chair of the Remuneration Committee
28 June 2026

DIRECTORS' REPORT
FOR THE 18-MONTH PERIOD ENDED 28 FEBRUARY 2026

The Directors present their report and audited financial statements for the 18-month period to 28 February 2026.

Focusrite plc (the 'Company') is listed on the Alternative Investment Market ('AIM'), a market operated by the London Stock Exchange.

Pursuant to section 414c, Companies Act 2006, certain information required to be included in the Directors' Report has been included in the Strategic Report, namely:

- information in respect of employee matters (including implementing hybrid working, details on sharing best practice across the Group, remaining focused on employee engagement and our approach to ongoing employee learning and development) (see Social section on pages 56-61);
- likely future developments (see Chief Executive's Report on pages 8 - 13);
- risk management (see Principal Risks and Uncertainties on pages 36 - 43);
- details on how the Directors have had regard to the need to foster business relationships with stakeholders (see page 74; and
- greenhouse gas emissions (see Environment section on pages 44 - 55).

AGM Notice

The Company's Annual General Meeting ('AGM') will be held at Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH on Tuesday 4 August 2026 at 1:30pm.

Capital – shares and major shareholders

Details of the Company's share capital are shown in note 28 to the financial statements. As at 28 February 2026, the Company had 59,211,639 ordinary shares of £0.001 each in issue (31 August 2024: 59,211,639). The shares are traded on AIM, a market operated by the London Stock Exchange. The rights and obligations attached to the shares are set out in the Company's Articles of Association, which are available at focusriteplc.com/investors/aim-rule-26. As at 6 June 2026, the Company had been notified of the following substantial interests in 3% or more of its ordinary shares:

Shareholder	Number held	% holding
Directors, Employees & Related Parties	20,628,942	34.84
Liontrust Asset Management	8,367,440	14.13
Harwood Capital	2,500,000	4.22
Canaccord Genuity Group Inc.	3,648,426	6.16
River Global	2,093,260	3.54
Stancroft Trust	1,909,000	3.22

Note: These holdings may have changed since the Company was notified. Notification of any change is not required until the next notifiable threshold is crossed.

As at 28 February 2026, the EBT held 447,408 ordinary shares of £0.001 each for the satisfaction of future vesting share options (31 August 2024: 588,017). The EBT has waived its right to dividends.

Details of ordinary shares under option in respect of the Company's share schemes are shown in note 31 to the financial statements.

The Articles of Association do not contain any restrictions on the transfer of ordinary shares in the capital of the Company other than the usual restrictions, which are applicable where a share instrument is not duly stamped or certified as exempt from stamp duty, is in respect of more than one class of share, relates to joint transferees and such transfer is in favour of more than four such transferees, or relates to shares that are not fully paid. The rules of the CSOP set out the consequences in the event of a change of control.

Corporate governance

The Company's statement on corporate governance can be found in the Corporate Governance Report on pages 68 to 73.
The Corporate Governance Report forms part of this Directors' Report and is incorporated into it by cross-reference.

Directors and their interests

Directors in the period as at 28 February 2026 were as follows:

Shareholder	Number held	% holding
Philip Dudderidge*	19,266,000	32.54
Timothy Carroll	136,937	0.23
Sally McKone	82,519	0.14
David Bezem*	3,969	0.01
Naomi Climer	0	0
Mike Butterworth	3,873	0.01

* includes persons, closely associated shareholdings.

Ian Barkshire was appointed as a Non-executive Director post period end on 2 March 2026, at which date he held no shares in the Company.

Details of each Director's contractual arrangements, including notice periods, are included as part of the Directors' Remuneration Report on pages 80 - 89, and that information is incorporated by reference into the Directors' Report. The Directors' shareholdings can be viewed on the Focusrite plc website at focusriteplc.com/investors/significantshareholders.

Directors are subject to annual re-election in line with best practice, and details of Directors' remuneration, service agreements and interests in the share capital of the Company are given in the Directors' Remuneration Report on pages 80-89.

The Chairman owns a small property, part of which the Group leases. Details are in note 34 to the financial statements. Other than this, no Director has had any material interest in any contract of significance with the Company or any of its subsidiaries during the year under review.

Dividends

Subject to shareholder approval at the AGM on Tuesday 4 August 2026, the Board proposes paying a final dividend of 4.5p per ordinary share (2024: 6.6p) on 7 August 2026 to the shareholders on the register at the close of business on 10 July 2026.

Employees

The Company's strategy is to be a great place to work. Part of this means ensuring adequate provision for the welfare and health and safety of its employees and of other people who may be affected by our activities, and the Group is committed to ensuring that there are equal opportunities for all employees, irrespective of age, gender, ethnicity, race, religion and belief, sexual orientation, disability and marital status. All people are treated fairly and equally. Applications for employment are reviewed by our in-house recruitment team and are viewed equally, with a focus on applicants' ability, experience and the requirements of the job.

Ethical business practices

The Group has adopted a Code of Ethics that underlines our zero-tolerance approach to bribery, corruption and fraud and is committed to ensuring that it has effective processes and procedures in place to counter those risks. A formal anti-bribery and corruption policy is in place and training is undertaken annually. During the 18-month period to February 2026, the Economic Crime and Corporate Transparency Act 2023 came into effect, which placed new obligations on the Board to globally to assess and mitigate the risk of employees, agents or subsidiaries committing fraud to benefit the business or its customers. The Board considered the Group's revised anti-fraud policy and the Group has performed a fraud risk assessment in each of its divisions, as well as rolled out training to all people. The anti-bribery and corruption and prevention of fraud policies are reviewed on a regular basis by the Audit Committee.

The Company is committed to conducting business responsibly and takes action to ensure that our supply chains operate to those same high standards, including in relation to employment practices, workplace conditions and, more specifically, the prevention of forced, bonded and trafficked labour. This is upheld through the Group's policies and processes, which are fully supported by the Board. The steps taken to help manage the risks outlined by the legislation are detailed in our Anti-Modern Slavery statement, which is published annually on our website.

Going concern

The Directors considered the going concern assumption and, after careful enquiry and review of the available financial information, including detailed projections of profitability and cash flows for a period of at least 12 months ('the going concern period'), the Directors believe that the Group has adequate resources to continue to operate for the going concern period and that it is, therefore, appropriate to continue to adopt the going concern basis of accounting in the preparation of the consolidated and Company financial statements.

Shareholder and voting rights

All members who hold ordinary shares are entitled to attend and vote at the AGM. The Notice of Meeting specifies the deadlines for exercising voting rights. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and voting rights. There are no restrictions on the transfer of ordinary shares in the Company, other than certain restrictions imposed by laws and regulations (such as insider trading laws and market requirements relating to closed periods) and the requirements of internal rules and procedures whereby Directors and certain employees of the Company require prior approval to deal in the Company's securities.

Statement as to the disclosure of information to the auditor

The Directors have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware.
The Directors have individually confirmed that they have taken all reasonable steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor. The auditor, Ernst & Young LLP, has indicated its willingness to be reappointed and, in accordance with Section 489 of the Companies Act 2006, a resolution for reappointment will be proposed at the AGM.

Non-financial and sustainability information statement

This is now the third year that we are in scope for the UK's Climate-related Financial Disclosures (CFD) framework (see page 44-55). We have not fundamentally altered our disclosure this year as we believe it to be consistent with what we reported in the 12 months to February 2024, and have instead focused on further enhancing our CDP report and including a narrative first look at a Net Zero transition plan for the Group.

By order of the Board.

Francine Godrich
Company Secretary
28 June 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange, they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards ('IAS') and applicable law, and they have elected to prepare the Parent Company financial statements with UK accounting standards and applicable law, including the FRS 101 Reduced Disclosure Framework.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the Parent Company financial statements, state whether they have been prepared in accordance with the Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101');
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report and a Directors' report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOCUSRITE PLC

Opinion

In our opinion:

- Focusrite plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2026 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Focusrite plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 28 February 2026 which comprise:

Group	Parent company
Consolidated Statement of Financial Position as at 28 February 2026	Balance sheet as at 28 February 2026
Consolidated Income Statement for the period then ended	Statement of Changes in Equity for the period then ended
Consolidated Statement of Comprehensive Income for the period then ended	Related notes 1 to 14 to the financial statements including material accounting policy information
Consolidated Statement of Changes in Equity for the period then ended	
Consolidated Cash Flow statement for the period then ended	
Related notes 1 to 36 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Understanding management's process and controls related to the assessment of going concern.
- Checking the arithmetical accuracy of the cash flow forecast models and assessing the group's historical forecasting accuracy.
- Obtaining management's going concern models which included a base case (testing for consistency with the Board-approved three-year plan), a severe but plausible downside cash flow scenario and a reverse stress test covering the going concern assessment period. These forecasts include an assessment of available cash balances and external revolving credit facility as well as understanding how the impact of the ongoing macro-economic uncertainty have been reflected in the forecasts.
- Considering the plausible downside scenarios, including the reverse stress-test, identified by management, independently assessing whether there are any other scenarios which should be considered, and assessing the quantum of the impact on the available cash flows of the downside scenarios in the going concern period.
- Challenging management's assumptions within the cash flow forecasts in relation to the forecast revenue growth rates, operating cost inflation and working capital in the going concern period, including searching for sources of contradictory evidence in our assessment of management's forecasting, such as assessing historical budgeting accuracy and comparing the forecast with analyst expectations and other external data sources. We have additionally performed sensitivity analysis and assessed severe but plausible scenarios and whether the reverse stress test scenario is considered remote.
- Assessing the reasonableness of management's potential mitigating actions, principally the removal of forecast, undeclared dividends.
- Assessing the adequacy of the going concern period assessment until 30 June 2027, considering whether any events or conditions foreseeable after the period indicated a longer review period would be appropriate.
- Assessing whether there are any material climate-related risks that should be incorporated into management's forecasts to 30 June 2027.
- Enquiring of management as to their knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the group's ability to continue as a going concern.
- Comparing management's forecasts to actual results through to the end of May and performing enquiries to the date of this report.
- Assessing if the going concern disclosures in the financial statements are appropriate and in accordance with the revised ISA (UK) 570 Going Concern standard.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period to 30 June 2027.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of five components and audit procedures on specific balances for a further five components and central procedures on Goodwill and Acquired Intangibles, Provision for Unrealised Profits in stock, and Capitalised Development Costs.
Key audit matters	• AM&S Contract Variable Consideration Measurement • Capitalised Development Costs • Impairment of Non-current Assets related to the Sequential CGU
Materiality	• Overall group materiality of £870k which represents 2.5% of adjusted EBITDA.

An overview of the scope of the parent company and group audits

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the group. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the group financial statements, we considered our understanding of the group and its business environment, the potential impact of climate change, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures can be performed in the following areas:

Key audit area on which procedures were performed centrally	Component(s) subject to central procedure
Goodwill and Acquired Intangibles	Group consolidated balance
Provision for Unreleased Profits in stock	Group consolidated balance
Capitalised Development Costs	Group consolidated balance

We identified ten components as individually relevant to the group due to materiality or financial size of the component relative to the group and a pervasive risk of material misstatement of the group financial statements or a significant risk or an area of higher assessed risk of material misstatement of the group financial statements being associated with the component.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. We selected two components of the group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the ten components selected, we designed and performed audit procedures on the entire financial information of five components ("full scope components"). For the other five components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components").

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the group audit engagement team, or by component auditors operating under our instruction.

Our audit strategy for performing an audit of an entity with multiple locations is risk-based and our scoping of the group audit responds to the risks of material misstatement that we have identified for the group financial statements. We determined that audit procedures on all components operating in the English-speaking jurisdictions can be performed by one UK-based audit team, supported by a German audit team for the one German component. The group audit team interacted regularly with the component team where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the group as a whole.

This, together with the additional procedures performed at group level, gave us appropriate evidence for our opinion on the group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the group. The group has determined that the most significant future impacts from climate change on their operations will be from increased storm-intensity, climate-induced conflict and mineral commodity shifts. These are explained on page 42 in the principal risks and uncertainties. They have also explained their climate commitments on pages 46 to 53. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the group's business and any consequential material impact on its financial statements.

The group has explained in note 1, the basis of preparation, how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on page 45. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Impairment of non-current assets related to the Sequential CGU **(Carrying value of Sequential CGU £7.4m; 2024 £18.7m). Impairment of Sequential CGU £9.8m 2024: £5.4m)** Refer to the Audit Committee Report (page 77-79); Accounting policies (pages 105 to 109); and Note 18 of the Consolidated Financial Statements. In the current year the group has recognised an impairment against non-current assets allocated to the Sequential CGU. Due to the degree of estimation involved in calculating the expected future cash flows, determining appropriate long term growth rates and discount rates when measuring the impairment charge, we have identified this as a key audit risk area.	We performed the following procedures: • Evaluated management's assessment of impairment indicators for the Sequential CGU. • Validated the appropriateness of the classification of CGUs. • Audited the impairment calculation performed for the Sequential CGU and challenged the appropriateness of the key assumptions applied. • Challenged the forecasts and judgements used in the calculations along with considering management's historical forecasting accuracy. • Compared the discount rate used by management to a range of acceptable outcomes determined independently by EY specialists. • Performed sensitivity analysis on the key assumptions to focus any challenge on area of higher financial reporting impact.

Key observations communicated to the Audit Committee

Based on the procedures performed, we found that management's impairment assessment was consistent with the requirements of IAS 36. Management have recorded impairment of £9.8m. We concluded this to be calculated appropriately. We also concluded that the remaining value of the CGUs assets to be appropriately supported by the value-in-use calculated by management. We concluded that the disclosures in the group's financial statements, are appropriate.

How we scoped our audit to respond to the risk and involvement with component teams

All procedures were performed by the group audit team covering 100% of the Sequential CGU carrying value.

Risk	Our response to the risk
Capitalised Development Costs **£16.1m Additions (2024: £8.8m Additions)** Refer to the Audit Committee Report (page 77-79); Accounting policies (pages 108 to 109); and Note 19 of the Consolidated Financial Statements. There is a risk that operating costs which do not meet the capitalisation criteria per IAS 38 are incorrectly capitalised as internally generated intangibles to influence reported performance. The primary area of judgement relates to distinguishing the research and development phases of a project, where costs incurred in the research phase must be expensed. Consideration of qualitative and quantitative factors are required to demonstrate the capitalisation criteria of IAS 38 has been met. Further judgement is required determining which costs are directly attributable to the intangible asset. The determination of capitalisation could be prematurely reached, or costs not providing incremental benefits could be incorrectly capitalised, to manipulate expenses to align profit with forecasts and budgets.	We performed the following procedures: • Performed walkthrough procedures to understand the underlying systems, processes, and controls in place. • Performed analytical procedures to compare capitalised costs to prior periods and industry benchmarks. • Challenged the appropriateness of the group's policy for capitalising development costs. • Evaluated whether a sample of projects with capitalised costs met the criteria for capitalisation under IAS 38. • Tested the calculation of the capitalised costs by tracing the costs to the source documentation. • Confirmed that a sample of costs capitalised are directly attributable development costs. • Reviewed project documentation, examining project plans, budgets, and feasibility studies to challenge the classification of phases (research versus development). • Made enquiries of project managers and project developers to understand the work performed on a sample of projects during the period and ascertained whether costs capitalised have been correctly classified as development.

Key observations communicated to the Audit Committee

We have concluded that development costs capitalised under IAS 38 are materially correct, and that the underlying disclosures are appropriate.

How we scoped our audit to respond to the risk and involvement with component teams

We performed full scope audit procedures over this risk in six locations, which covered 100% of the risk amount. Audit work performed to address this risk was undertaken by the group audit team.

Risk	Our response to the risk
AM&S Contract Variable Consideration Measurement **(Receivable £0.4m; 2024 Receivable: £0.1m)** Refer to the Audit Committee Report (page 77-79); Accounting policies (page 106) There is a risk that forward looking estimates used to measure AM&S (American Music & Sound) contract revenue are manipulated to overstate revenue. The estimated value of variable consideration could be manipulated near year-end to align revenue with forecasts and budgets. At the reporting date, management must apply judgment based on historical sales data, rebates, promotions, and other information to assess the measurement of the expected value of variable considerations for the stock still held by AM&S; this amount can either be a receivable or a payable.	We performed the following procedures: • Performed walkthroughs for the AM&S revenue stream to understand the key systems, processes and design effectiveness of controls in place. • Reviewed the terms of the distribution agreement between Focusrite and AM&S to identify those that are key to the group's revenue recognition and use our understanding to ensure revenue is recognised in line with those key terms. • Obtained direct confirmation with AM&S of the terms and conditions of the distribution agreement. • Obtained direct confirmation with AM&S of the transactions and balances, recognised in and reported at the end of the reporting period. • Evaluated the estimation techniques adopted by management for estimating variable consideration for product in the distribution channel. • Validated the arithmetic accuracy of management's model. • Assessed whether the methodology used in the variable consideration adjustment at the period end is reasonable, considering qualitative factors obtained through our understanding of the business and the agreement. • Performed independent calculations and compared potential ranges of outcomes to understand how changes in key assumptions impact the estimated variable consideration.

Key observations communicated to the Audit Committee

We have concluded that the AM&S consideration is materially correct and recognised in accordance with IFRS 15.

We concluded that management's disclosures in relation to revenue, including disclosed accounting policies and those relating to critical accounting judgements, are appropriate.

How we scoped our audit to respond to the risk and involvement with component teams

We performed full scope audit procedures over this risk in two locations, which covered 100% of the risk amount. Audit work performed to address this risk was undertaken by the group audit team and Germany component team. We designed and directed audit procedures to address this key audit risk and exercised ongoing supervision over the component team's execution of those procedures. We subsequently reviewed the work performed by the component team and concluded that sufficient appropriate audit evidence had been obtained and that the conclusions reached were consistent with those of the group audit team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be £870k, which is 2.5% of Adjusted EBITDA being profit before tax adjusted for interest, taxation, depreciation, amortisation and adjusting items. We believe that Adjusted EBITDA provides us with the most appropriate basis as it is a key measure of the group's performance and has a direct impact on debt covenant compliance.

We determined materiality for the Parent Company to be £532k, which is 0.5% of Total Assets.

Starting basis	• Operating profit – £2,054k
Adjustments	• Add depreciation and amortisation – £14,097k • Add amortisation of acquired intangibles – £8,122k • Add impairment of intangible assets - £9,843k • Add other adjusting items – £785k
Materiality	• Totals £34,901k adjusted EBITDA • Materiality of £870k (2.5% of materiality basis)

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely £435k. We have set performance materiality at this percentage given this is a first-year audit.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £109k to £286k.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £43k, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 90, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 90, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant of those related to the reporting framework (IFRS, UK GAAP including FRS 101 "Reduced Disclosure Framework", the Companies Act 2006 and the Quoted Companies Alliance (QCA) Corporate Governance code), relevant tax compliance regulations in the UK, relevant employment law in the UK and the Data Protection Act 2018. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statement, being the AIM Rules of the London Stock Exchange.
- We understood how Focusrite Plc is complying with those frameworks by making inquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our inquiries through our review of Board minutes, discussions with the Audit Committee and any correspondence received from regulatory bodies.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, meeting with management to understand where it considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings or influence the perceptions of analysts. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. The key audit matters section above addresses procedures performed in areas where we have concluded the risks of material misstatement are highest (including where due to the risk of fraud). In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the Quoted Companies Alliance (QCA).
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, review of Board minutes to identify non-compliance with such laws and regulations, review of reporting to the Audit Committee on compliance with regulations, review of reporting of internal audit, enquires of the Company Secretary and management and review of any instances of whistleblowing reporting.

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

Use of our report

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

Richard Harrison (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading

29 June 2026

CONSOLIDATED INCOME STATEMENT FOR THE 18 MONTHS TO 28 FEBRUARY 2026

	Note	18 months to 28 February 2026 £'000	Restated[1] 12 months to 31 August 2024 £'000
Revenue	6	**245,505**	158,524
Cost of Sales		**(135,867)**	(88,374)
Gross Profit		**109,638**	70,150
Administrative expenses		**(107,584)**	(64,618)
Adjusted EBITDA[2] (non-GAAP measure)		**34,901**	24,876
Depreciation and amortisation		**(14,097)**	(8,395)
Adjusting items:			
Amortisation of acquired intangible assets	14	**(8,122)**	(5,510)
Impairment of intangible assets	19	**(9,843)**	(5,355)
Other adjusting items – included in administrative expenses	14	**(785)**	(84)
Operating profit	8	**2,054**	5,532
Finance income	10	**266**	100
Finance costs	11	**(4,545)**	(3,292)
(Loss)/Profit before tax		**(2,225)**	2,340
Income tax (charge)/credit	15	**(75)**	145
(Loss)/Profit for the period from continuing operations		**(2,300)**	2,485
(Loss)/earnings per share			
Basic (pence per share)	17	**(3.9)**	4.2
Diluted (pence per share)	17	**(3.9)**	4.2

1 Restated due to adjustments to the prior year – see note 1 for more details.

2 Comprising earnings adjusted for interest, taxation, depreciation and amortisation. See notes 5 and 15 to the financial statements for further detail.

The accompanying notes on pages 103 to 134 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 18 MONTHS TO 28 FEBRUARY 2026

	Note	**18 months to 28 February 2026 £'000**	Restated[1] 12 months to 31 August 2024 £'000
(Loss)/Profit for the period (attributable to equity shareholders)		**(2,300)**	2,485
Items that may be subsequently reclassified to the income statement			
Exchange gain/(losses) on translation of foreign operations		**1,530**	(923)
Loss on forward exchange contracts		**(458)**	(491)
Tax on hedging instruments		**115**	190
Total other comprehensive income/(expense) for the period		**1,187**	(1,224)
Total comprehensive (expense)/income for the period		**(1,113)**	1,261

1 Restated due to adjustments to the prior year – see note 1 for more details.

The accompanying notes on pages 103 to 134 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2026

	Note	28 February 2026 £000	Restated[1] 31 August 2024 £000
Assets			
Non-current assets			
Goodwill	18	**14,403**	14,194
Other intangible assets	19	**57,157**	67,061
Property, plant and equipment	20	**11,580**	11,096
Deferred tax assets	24	**4,612**	2,666
Total non-current assets		**87,752**	95,017
Current assets			
Inventories	22	**44,105**	48,303
Trade and other receivables	23	**30,657**	37,391
Cash and cash equivalents	30	**20,623**	22,040
Current tax asset	15	**1,282**	226
Total current assets		**96,667**	107,960
Current liabilities			
Trade and other payables	26	**(23,716)**	(30,381)
Other liabilities	25	**(1,336)**	(1,527)
Current tax liabilities	15	**(1,440)**	(2,274)
Provisions	27	**(259)**	(522)
Derivative financial instruments		**(601)**	–
Total current liabilities		**(27,352)**	(34,704)
Net current assets		**69,315**	73,256
Total assets less current liabilities		**157,067**	168,273
Non-current liabilities			
Deferred tax liabilities	24	**(9,059)**	(10,574)
Bank loans and arrangement fee[2]	33	**(29,218)**	(34,565)
Provisions	27	**(1,389)**	–
Other liabilities	25	**(6,368)**	(6,793)
Total non-current liabilities		**(46,034)**	(51,932)
Total liabilities		**(73,386)**	(86,636)
Net assets		**111,033**	116,341
Capital and Reserves			
Share capital	28	**59**	59
Share premium	29	**115**	115
Merger reserve	29	**14,595**	14,595
Merger difference reserve	29	**(13,147)**	(13,147)
Translation reserve	29	**(2,150)**	(3,680)
Hedging reserve	29	**(343)**	–
Employee Benefit Trust ('EBT') reserve	29	**(1)**	(1)
Retained earnings		**111,905**	118,400
Equity attributable to the owners of the Company		**111,033**	116,341
Total Equity		**111,033**	116,341

1 Restated due to adjustments to the prior year – see note 1 for more details.

2 Restated for the reclassification of outstanding bank loans as non-current liabilities from current liabilities and error relating to inventory in a subsidiary. See note 1 for more details.

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2026. They were signed on its behalf by:

Sally McKone
Chief Financial Officer

The company number of Focusrite plc is 09312676.

The accompanying notes on pages 103 to 134 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 18 MONTHS TO 28 FEBRUARY 2026

	Share capital £'000	Share premium £'000	Merger reserve £'000	Merger difference reserve £'000	Translation reserve £'000	Hedging reserve £'000	EBT reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 September 2023	59	115	14,595	(13,147)	(2,757)	491	(1)	119,097	118,452
Adjustments in relation to prior period errors1	–	–	–	–	–	–	–	508	508
Balance at 1 September 2023 (restated)[1]	59	115	14,595	(13,147)	(2,757)	491	(1)	119,605	118,960
Profit for the year[1]	–	–	–	–	–	–	–	2,485	2,485
Other comprehensive (loss)/income	–	–	–	–	(923)	(491)	–	190	(1,224)
Total comprehensive (loss)/income	–	–	–	–	(923)	(491)	–	2,675	1,261
Transactions with shareholders:									
Share based payments: deferred tax	–	–	–	–	–	–	–	(84)	(84)
EBT shares issued	–	–	–	–	–	–	–	22	22
Share-based payments	–	–	–	–	–	–	–	158	158
Shares withheld to settle tax obligations	–	–	–	–	–	–	–	(106)	(106)
Dividends paid	–	–	–	–	–	–	–	(3,870)	(3,870)
Balance at 31 August 2024 (restated)[1]	59	115	14,595	(13,147)	(3,680)	–	(1)	118,400	116,341
Loss for the period	–	–	–	–	–	–		**(2,300)**	**(2,300)**
Other comprehensive income	**–**	**–**	**–**	**–**	**1,530**	**(343)**	**–**	**–**	**1,187**
Total comprehensive (loss)/income	**–**	**–**	**–**	**–**	**1,530**	**(343)**	**–**	**(2,300)**	**(1,113)**
Transactions with shareholders:									
Share based payments: deferred tax	–	–	–	–	–	–	–	**73**	**73**
EBT shares issued	–	–	–	–	–	–	–	**21**	**21**
Share-based payments	–	–	–	–	–	–	–	**762**	**762**
Shares withheld to settle tax obligations	–	–	–	–	–	–	–	**(103)**	**(103)**
Share based payments in lieu of bonuses	–	–	–	–	–	–	–	**152**	**152**
Dividends paid	–	–	–	–	–	–	–	**(5,100)**	**(5,100)**
Balance at 28 February 2026	**59**	**115**	**14,595**	**(13,147)**	**(2,150)**	**(343)**	**(1)**	**111,905**	**111,033**

1 Restated due to adjustments to the prior year – see note 1 for more details.

CONSOLIDATED CASH FLOW STATEMENT FOR THE 18 MONTHS TO 28 FEBRUARY 2026

	Note	**18 months to 28 February 2026 £'000**	Restated[1] 12 months to 31 August 2024 £'000
Operating activities			
(Loss)/profit for the financial year		**(2,300)**	2,485
Income tax charge/(credit)	15	**75**	(145)
Net interest expense	10,11	**4,279**	3,192
Loss on disposal of property, plant and equipment		**63**	13
Loss on disposal of intangible assets		**54**	75
Amortisation of intangibles	19	**18,122**	11,019
Impairment of goodwill and acquired intangibles	14	**9,843**	5,355
Depreciation of property, plant and equipment	20	**4,097**	2,887
RDEC income recognised in operating profit		**(683)**	(625)
Share-based payments charge	31	**762**	158
Operating cash flow before movements in working capital		**34,312**	24,414
Decrease/(increase) in trade and other receivables		**6,200**	(4,909)
Decrease in inventories		**3,908**	7,069
Decrease in trade and other payables and provisions		**(5,070)**	(10,731)
Operating cash flows before interest and tax		**39,350**	15,843
Interest paid		**(3,843)**	(2,503)
Interest received		**266**	100
Income tax paid		**(2,695)**	(1,781)
Net cash generated by operations		**33,078**	11,659
Net foreign exchange movements		**799**	(563)
Net cash flows generated from operating activities		**33,877**	11,096
Investing activities			
Purchase of property, plant and equipment	20	**(2,734)**	(1,540)
Purchase of intangible assets	19	**(1,722)**	(3,040)
Capitalised R&D costs	19	**(18,321)**	(9,660)
Acquisition of businesses, net of cash acquired[2]		**(570)**	(2,494)
Net cash used in investing activities		**(23,347)**	(16,734)
Financing activities			
Proceeds from loans and borrowings	33	**–**	9,355
Repayments of loans and borrowings	33	**(5,100)**	(2,750)
Payment of lease liabilities	33	**(1,877)**	(1,423)
Equity dividends paid		**(5,100)**	(3,870)
Net cash flows (used in)/generated from financing activities		**(12,077)**	1,312
Net decrease in cash and cash equivalents		**(1,547)**	(4,326)
Cash and cash equivalents at the beginning of the period		**22,040**	26,787
Foreign exchange movements		**130**	(421)
Cash and cash equivalents at the end of the period	30	**20,623**	22,040

The accompanying notes on pages 103 to 134 form part of these financial statements.

1 Restated due to adjustments to the prior year – see note 1 for more details.

2 The acquisition cashflow in the 18 months to February 2026 relates to a staged acquisition payment for the purchase of the Oberheim brand, acquired in April 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTHS TO 28 FEBRUARY 2026

1 General information

Focusrite plc (the 'Company') is a company incorporated in the UK. The consolidated financial statements ('financial statements') as at and for the 18 month period ended 28 February 2026 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a business engaged in the development, manufacture and marketing of professional audio and electronic music products.

Basis of preparation

Statement of compliance

The financial statements of the Group and the Company for the 18 month period ended 28 February 2026 are presented in pounds ('GBP' thousands; £000).

The Group has changed its financial year end from 31 August to 28 February to better align its reporting timetable with its operational and strategic planning cycle. As a consequence of this change, the current financial statements cover an 18 month period from 1 September 2024 to 28 February 2026. Comparative information presented in these financial statements relates to the 12 month period to 31 August 2024. Accordingly, the amounts presented in the current period are not directly comparable with those of the prior period. Users of the financial statements should consider this lack of comparability when interpreting the Group's financial performance, financial position and cash flows. This change has been accounted for in accordance with IAS 1 Presentation of Financial Statements.

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IAS') and the Company has elected to prepare its Parent Company accounts in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including the Financial Reporting Standards ('FRS') 101 Reduced Disclosure Framework.

These financial statements were authorised for issue by the Company's Board of Directors on 28 June 2026.

Going concern

The Board of Directors has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence and meet their liabilities as they fall due for a period of 12 months from the approval of these financial statements ('the going concern period'). Accordingly, the financial statements have been prepared on a going concern basis.

The Group meets its day-to-day working capital requirements from cash balances and a revolving credit facility of £50 million, of which £29.7 million was drawn at the Balance Sheet date, which has a maturity date of September 2028. The availability of the revolving credit facility is subject to continued compliance with certain covenants.

The Directors have prepared projected cash flow forecasts for the going concern period. These forecasts include the base case, along with three discrete severe but plausible downside scenarios, which include potential impacts from risks identified from the business, including:

- loss of our largest customer, our distributor for Focusrite, Novation and ADAM Audio in the US;
- loss of a key contract manufacturer, potentially due to increased storm intensity, as flagged in our climate risk analysis; and
- a reduction in gross margin due to ongoing pricing pressures and the impact of import tariffs for goods imported into the US.

Whilst climate change is considered to bring both risks and opportunities to the Group, as outlined in our Environmental, Social, Governance ('ESG') section on pages 44 to 55, we consider the quantifiable risk in the short term to relate to increased storm intensity, resulting in the potential loss of a distributor or contract manufacturer and this is included within our scenarios. The increased geopolitical risk that could impact our manufacturing partners in China has also been considered, but has not been modelled, given that the considered likelihood and scale of global sanctions would not make this a plausible scenario.

The base case covers a period of 12 months from the date of signing and includes demanding but achievable forecast growth.

The forecast has been extracted from the Group's budget for the 12 months to February 2027 and three-year plan for the remainder of the going concern period.

Key assumptions include:

- future growth assumptions consistent with those assumed in the Group's internal plans for market growth and new product introductions;
- working capital requirements in line with historic trends;
- continued investment in research and development in all areas of the Group;
- dividends consistent with the Group's dividend policy;
- no additional investment in acquisitions in the forecast period; and
- foreign exchange rates in line with those prevailing as at 28 February 2026.

Throughout the period, the forecast cash flow information indicates that the Group will have sufficient cash reserves and headroom on the revolving credit facility to continue to meet its liabilities throughout the forecast period, as well as continuing to maintain covenant compliance.

The Directors have modelled three severe but plausible downside scenarios to take account of the risks identified above, together with a combined scenario, containing elements from each of these scenarios. These models assume that purchases of stock will, in time, reduce to reflect reduced sales. The Group would respond to a revenue or gross margin shortfall by taking reasonable steps to reduce dividends, overheads and capital expenditure within its control. These mitigants have been included in each of the downside scenarios. Across these scenarios, the most significant impact expected would be a level of net debt of around £27 million for a period of 7 months; however, the Group would be expected to remain well within the terms of its loan facility with the leverage covenant (net debt to adjusted EBITDA) in the period not exceeding the maximum of 2.5x.

1 General information continued

Separately, as a reverse stress test, the Directors estimate that if the Group were to experience a reduction in revenue of greater than 30% compared to the base case, permanently from the start of the forecast period, interest cover limits would exceed those allowed by the banking covenants by May 2027. This scenario includes consequential reductions in the purchases of stock and dividends, as well as other mitigating cost reductions. However, the Directors' view is that any scenario of a revenue shortfall of greater than the severe yet plausible scenario above is not realistic.

In practice, the Group is still currently experiencing stable levels of consumer registrations and underlying customer demand, and therefore revenue levels have been maintained at expected levels since period end. The Group remains focused on managing working capital. The Group's net debt balance increased from £8.7 million reported at period end to approximately net debt of £10.7 million at 19 June 2026, due to working capital phasing. The net debt balance is expected to improve by the end of the next reporting period. As a result, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis

Prior year restatements

During the preparation of the current year financial statements, three errors were identified which resulted in a restatement of the prior year.

These errors have been corrected through prior year adjustments and restatement of the comparative information.

- The first error relates to the understatement of the provision for unrealised profits in stock on intercompany sales ('PURP'). Upon restatement, this results in a decrease in inventory, a corresponding increase in cost of sales, and an associated deferred tax impact.
- The second error relates to the overstatement of goods received not invoiced (GRNI) balances in respect of inventory purchases. Upon restatement, this results in a decrease in trade and other payables and a corresponding decrease in cost of sales and an associated current tax impact.
- The third error related to the over amortisation of capitalised trademarks. Upon restatement this results in a decrease in accumulated amortisation and a reduction in amortisation charged in the year and an associated current tax impact.

These errors have been corrected through the restatement of the comparative information presented in these financial statements, as set out below:

Financial Statement Line	Balance as previously reported at 31 August 2024	Impact of PURP error correction	Impact of GRNI error correction	Impact of amortisation correction	Balance as restated at 31 August 2024
Income Statement					
Cost of Sales	(88,031)	(707)	364	–	**(88,374)**
Gross profit	70,493	(707)	364	–	**70,150**
Amortisation	(8,574)	–	–	179	**(8,395)**
Operating profit	5,696	(707)	364	179	**5,532**
Income tax credit/(charge)	104	177	(91)	(45)	**145**
Profit for the period	2,608	(530)	273	134	**2,485**
Basic EPS (p)	4.5	(0.9)	0.5	0.2	**4.2**
Diluted EPS (p)	4.4	(0.9)	0.5	0.2	**4.2**
Adjusted basic EPS (p)	18.3	(0.9)	0.5	0.2	**18.1**
Adjusted diluted EPS (p)	18.0	(0.9)	0.5	0.2	**17.8**
Balance Sheet					
Other intangible assets	66,065	–	–	996	**67,061**
Inventory	49,267	(964)	–	–	**48,303**
Trade and other payables	(30,745)	–	364	–	**(30,381)**
Current tax liability	(2,022)	–	(91)	(161)	**(2,274)**
Deferred tax liability	(10,815)	241	–	–	**(10,574)**
Opening Net Assets	118,452	(193)	–	701	**118,960**
Closing Net Assets	115,956	(723)	273	835	**116,341**

The impact of these restatements also resulted in a £508,000 increase in opening reserves as shown in the Statement of Changes in Equity. The Statement of Cash Flows and related disclosure notes have also been restated where relevant.

The Directors have reviewed the Group's relevant financial reporting controls and implemented additional review procedures over spreadsheet-based calculations within the consolidation process and year end balance sheet reviews to reduce the risk of similar errors arising in future periods.

2 Adoption of new and revised standards

New and amended standards and interpretations adopted by the Group and Company for the first time in the 18 month period ended 28 February 2026

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants. The standard requires entities to consider the substance of liabilities and their classification as either current or non-current and the conditions applicable to any renewal of the loan. The directors have the right to defer payment of the loans for longer than 12 months from the Balance Sheet date and, as a result, the bank loans held by the Group have been reclassified as non-current, with the change being applied retrospectively. As at 31 August 2024, a total of £34.6 million has been reclassified as non-current liabilities from current liabilities.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Amendments to IAS 12 – International Tax Reform: Pillar Two Model Rules

The adoption of these amendments and interpretations has not had a significant impact on the consolidated financial statements.

Standards, revisions and amendments to standards and interpretations not yet effective and not yet adopted by the Group

The following pronouncements, issued by the IASB, have not yet been endorsed by the UK, are not yet effective and have not yet been adopted by the Group:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to lack of exchangeability effective for periods beginning on or after 1 January 2025.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments

The standards have been reviewed to assess the impact they will have on future financial statements. No material impact is expected to the accounts and any changes are expected to be limited to changes to disclosures notes only.

- IFRS 18 Presentation and Disclosure in Financial Statements: IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including defined categories of income and expense and additional disclosure requirements for management-defined performance measures. IFRS 18 will replace IAS 1 and is effective for annual reporting periods beginning on or after 1 January 2027. The Directors are currently assessing the impact of this new standard, which is expected to result in changes to the presentation and disclosure of the Group's financial statements.

3 Material accounting policies

The accounting policies set out below have been applied consistently for all periods presented in the financial statements.

Any standards and interpretations that have been issued but are not yet effective, and that are available for early application, have not been applied by the Group in these financial statements.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and all entities controlled by the Group from the date control commences until the date that control ceases. Control is achieved where the Company:

- has the power over the investee;
- is exposed or has rights to a variable return from the involvement with the investee; and
- has the ability to use its power to affect its returns.

As such, the results of subsidiaries acquired during the year are included in the Consolidated Income Statement from the effective date of acquisition.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the 'acquisition date'). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the amounts of the identifiable assets acquired and the liabilities assumed. Further information about the assumptions made in measuring fair values of the acquisition of a subsidiary is included in note 18.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units ('CGUs') expected to benefit from synergies arising from the combination. CGUs to which goodwill has been attributed under IFRS 3 Business Combinations are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata, on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

3 Material accounting policies continued

Revenue recognition

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Having identified the customer, the performance obligations and the transaction price, the revenue is recognised when the Group satisfies the performance obligations.

The value of revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of sales taxes and discounts.

If a contract includes variable consideration, Focusrite will estimate the amount of consideration to which it will be entitled and present any amounts that are expected to be due back to the customer as a refund liability within Trade and other payables. Variable consideration will take into account discounts, incentives and penalties expected due, based on expected value calculated from historic experience and planned future marketing campaigns. We have constrained the revenue recognised to an amount that it is highly probable that a significant reversal will not occur.

Due to the fact that the vast majority of sales by Focusrite involve the sale of goods, the timing of the revenue recognition is considered in relation to 'Performance obligations satisfied at a point in time' (IFRS 15; 38), considering the following factors:

a) The entity has a present right to payment for the asset.

b) The customer has legal title to the asset.

c) The entity has transferred physical possession of the asset.

d) The customer has the significant risks and rewards of ownership of the asset.

e) The customer has accepted the asset.

Sale of goods

The Group has three routes to market for the sale of goods: distributors, resellers and direct to end users. These cover all segments and geographical markets. Revenue from sales to distributors, resellers and direct to end users are recognised in line with the terms defined within the contract of sales, as this will define when control is passed to the customer. This is deemed to be in line with the Incoterms of the shipment, which clarify when the customer has accepted the asset and legal title and, therefore, risk of ownership has passed. For the majority of shipments this occurs on despatch of goods, but may differ depending on the specific shipment terms agreed with the customer. Payment is also due to the Group in line with agreed credit terms at this point. The Group has certain non-standard distribution arrangements with customers whereby the customer incurs freight and duty costs paid to a third party and recharges them to the Group at market rates. The Group considers these costs to relate to a clearly identifiable, separate and distinct service provided by the customer, independent of the underlying product sale. Accordingly, amounts recharged are recognised within cost of sales, reflecting the nature of the service received.

Sale of software

Revenue from the download of apps and paid feature upgrades is recognised upon confirmation of the sale from the app store provider. Perpetual licences are recognised in entirety at the point of sale.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of other income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Adjusting items

Adjusting items are those items that are unusual because of their size, nature or incidence, and are applied consistently year-on-year. The Directors consider that these items should be separately identified within their relevant income statement category to enable a full understanding of the Group's result. Items included are acquisition and restructuring costs, earnout accrual in relation to acquisitions and impairments of goodwill and acquired intangibles. See note 14 for more information on adjusting items.

Leases

The Group recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically assessed for impairment triggers and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if available, otherwise using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments and variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in ‘Property, plant and equipment’ and lease liabilities as ‘Other liabilities’ in the Statement of Financial Position.

Foreign currencies

Sterling is the predominant functional currency of the Company and presentation currency for the consolidated financial information. In preparing the financial statements of the individual companies, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised within the Income Statement in the period in which they arise. Exchange differences on the retranslation of trade receivables are recognised within Revenue. Exceptions to this are as follows:

- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/cash flow hedges).
- For the purpose of presenting consolidated financial information, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in Other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial information, the assets and liabilities of the Group’s foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group’s obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Equity-settled share-based payments

The Group issues equity-settled payments to certain employees (including Directors). Where employees are rewarded using share-based payments, the fair values of employees’ services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

Share options are valued at the date of grant using the Black–Scholes option pricing model for options with non-market vesting conditions attached and a simulation model for options with market vesting conditions attached, and are charged to operating profit over the vesting period of the award with a corresponding credit to retained earnings.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if the share options ultimately exercised are different from that estimated on vesting.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital and, where appropriate, share premium account.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income (‘OCI’).

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3 Material accounting policies continued

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are only recognised for taxable temporary differences arising on investments in subsidiaries, where the Group can foresee the reversal of the temporary difference and it is probable that the temporary difference will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in Other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tangible and intangible assets

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets less residual value over their useful lives, using the straight-line method, on the following bases:

Plant, equipment and tooling	3 to 5 years
Computer equipment	2 to 3 years
Fixtures and fittings	3 to 5 years
Leasehold improvements	5 to 8 years
Leasehold buildings	25 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the income statement on the transfer of the risks and rewards of ownership.

Intangible assets

Intangible assets are amortised over the following periods on a straight-line basis:

Internally generated development costs	2 to 10 years
Purchased intellectual property	2 years
Licences	2 to 5 years
Software	2 years
Trademarks	10 years

Acquired intangible assets

Intangible assets acquired through a business combination are amortised over the following periods on a straight-line basis:

Subsidiary	Brand	Developed technology, products and patents
ADAM Audio	10 years	3 years
Martin Audio	20 years	8 years
Sequential	10 to 15 years	15 years
Linea Research, Sheriff Technology and Innovate Audio	15 years	9 years
Sonnox	10 years	10 years

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Group's development of new and enhanced products is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as a product design);
- the asset is technologically feasible;
- the Group intends to complete the asset and use or sell it;

- adequate technical, financial and other resources are available to complete the asset and use or sell it;
- it is probable and demonstrable that the asset created will generate future economic benefits; and
- the costs of developing this asset can be measured reliably. Costs include payroll costs plus project-specific sub-contractor and materials costs.

Where no internally generated intangible asset can be recognised, the expenditure is recognised as an expense in the period in which it is incurred.

Assets begin to be amortised once it is determined they are available to generate economic benefit, this is determined from the ability to sell the completed product, on a phased basis from engineering sample to mass production completion.

Valuation of investment in subsidiaries for business combination purposes

For the purposes of valuation of the Group's subsidiaries arising from business combinations under IFRS3, the Group applies the acquisition method. For reorganisations where subsidiaries are under common control, the Group applies the pooling of interest method.

Impairment of goodwill and intangible assets with an indefinite useful life

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Recoverable amount is the higher of: (i) fair value less costs to sell; and (ii) value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses (excluding goodwill), the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years for the asset (or CGU). A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Inventory provisions are made where relevant to provide for the costs of inventory held for demonstration or service requirements that may result in their sale at a lower value, or for products with relatively high levels of inventory compared to recent demand, assessed on a rolling 12-month basis.

Trade and other receivables

Trade debtors, which generally have 30- to 60-day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. The Company measures loss allowances at an amount equal to lifetime expected credit loss ('ECL'), except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL (see the accounting policy on impairment in section (iv) below). Balances are written off when the probability of recovery is assessed as being remote.

Payment terms are standard with most customers at 30 days following month of invoice, but there are also other payment terms that are linked to inventory level for a key distributor, which allows hold-back of payment if inventory levels are over a certain level of calculated demand.

Financial instruments

(i) Recognition and initial measurement

Financial instruments included in the financial statements are measured at either fair value or amortised cost. The measurement of this fair value can in some cases be subjective; therefore, the Group uses observed market prices and relevant market data where appropriate for the instrument being valued.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at amortised cost or at fair value through profit and loss ('FVTPL').

3 Material accounting policies continued

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL – these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value.

Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost – these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial item, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

(iv) Impairment of financial assets

The Group recognises loss allowances for ECLs' on financial assets measured at amortised cost and contract assets (as defined in IFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. Trade receivables and contract assets with a significant financing component are measured using the general model described above.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The ECL is not material to the Group's financial results.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. A provision is reversed where it is no longer probable that an outflow of economic benefits will be required to settle the obligation.

Warranty

The Group provides warranties on certain products sold to customers. A provision is recognised at the date of sale for the expected future costs associated with warranty claims arising under contractual warranty arrangements. The warranty provision is measured based on management's estimate of the expenditure required to settle future obligations under warranties outstanding at the reporting date. The estimate is determined using historical claims experience, current repair and replacement costs, and the remaining warranty period applicable to products sold determined at a brand level.

Property and Dilapidations Provisions

The Group leases certain properties including arrangements that contain obligations to restore leased premises to a specified condition at the end of the lease term.

Where such obligations exist, a provision is recognised for the present value of the expected costs required to restore the property in accordance with the lease terms. The corresponding amount is included in the cost of the related right-of-use asset on initial recognition of the lease in accordance with IFRS 16.

The provision is measured using management's estimate of the future costs required to satisfy the restoration obligation, taking into account expected remediation activities.

Subsequent changes in the estimated timing or amount of the expected cash outflows are recognised as an adjustment to the carrying amount of the related right-of-use asset, to the extent that the asset remains in use, with any excess recognised in profit or loss where required by IFRS 16.

The dilapidations provision is reviewed at each reporting date and updated to reflect the Group's current estimate of the obligation. The unwinding of the discount is recognised as a finance cost over the remaining lease term.

4 Judgements and estimations in applying the Group's accounting policies

Judgements

The following are critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial information.

Revenue recognition

The Group has a customer contract with a single distributor in the US, American Music & Sound ('AM&S'), that includes elements of variable consideration, including retrospective rebates, price protection arrangements and rights of return. In these instances, management is required to exercise judgement in determining the amount of revenue to recognise, including the estimation of forward-looking adjustments to transaction prices.

4 Judgements and estimations in applying the Group's accounting policies continued

Variable consideration is estimated at contract inception and reassessed at each reporting date using either the expected value method or the most likely amount method, depending on which better predicts the outcome. These estimates incorporate historical experience, current sales performance, contractual terms and forward-looking information.

A key judgement arises in determining the extent to which it is highly probable that a significant reversal in recognised revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This includes assessing the likelihood and magnitude of potential future claims under price protection clauses and evaluating customer behaviour patterns in response to market conditions.

The Group recognises amounts relating to variable consideration as either a refund liability or, where appropriate, a receivable where amounts are expected to be recovered from the customer. At the reporting date, the forward-looking estimate gives rise to a net receivable position; however, this is presented within trade and other payables as it is offset against a larger liability balance, the majority of which relates to distribution services rendered under the arrangement. A corresponding adjustment is made to revenue.

These estimates comprise several constituent elements, and management reviews them on a regular basis, updating them as new information becomes available. No single element is expected to result in a material adjustment to revenue in future periods

Impairment of intangible assets with indefinite lives

The Group has intangible assets with indefinite lives; therefore, it tests annually whether intangible and tangible fixed assets have suffered any impairment. The recoverable amount of the CGU is based on the higher of value in use and the fair value less cost of disposal. Value in use is calculated from cash flow projections over three years using data from the Group's latest internal forecasts and extrapolated further using estimated long-term growth rates. Key assumptions are disclosed in note 18.

Other judgements and estimates

The Directors have also applied the following judgements and estimates to these financial statements, but consider them to not be significant in this financial year.

Stock manufactured and distributed by a third party

Sequential has a relationship with its key manufacturer to purchase raw material, to build product and distribute its stock to customers. Sequential is not the contract manufacturer's sole customer. It has been determined for the purposes of the financial statements that the risks and rewards in relation to products that are both work in progress and finished goods not yet shipped to customers are Sequential's, and therefore should be recognised as inventory, with a corresponding entry to liabilities for the payment due to the manufacturer. As raw materials have alternative use to the manufacturer, and there is no requirement for Sequential to compensate the manufacturer for unused or unusable raw materials, it has been determined that they are not in substance under Sequential's control. Therefore, no accrual is made for raw materials.

The amount accrued at year end for work in progress and finished goods held by the contract manufacturer was £1,664,000 (31 Aug 2024: £1,659,000).

Capitalisation and recoverability of internally generated intangible assets

Management considers that both the capitalisation and the recoverability of its internally generated intangible asset for development costs are sources of estimation uncertainty; balances are included in the balance sheet at 28 February 2026 of £22,942,000 (31 Aug 2024: £19,285,000). The amount capitalised in the period was £16,066,000 (31 August 2024: £8,793,000). For the majority of these costs, amounts are based on timesheets and tracked costs; for the remainder, management applied estimates of amounts capitalised to certain projects in accordance with IAS 38: Intangible Assets. Any sensitivity on the remaining amounts would not be materially different from the actuals. These projects continue to progress in a satisfactory manner, and customer reaction has reconfirmed management's previous estimates of anticipated revenues from the projects.

Management is confident that the carrying amount of the asset will be recovered in full. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

5 Alternative performance measures

The Group has applied certain alternative performance measures ('APMs') within these financial results. A reconciliation to GAAP measures is provided in the table below, or is cross-referenced to tables within the Financial Review section. The APMs presented are used in discussions with the Board, management and investors to aid the understanding of the performance of the Group. The Group considers that the presentation of APMs allows for improved insight to the trading performance of the Group. The Group considers that the term 'Adjusted', together with an adjusting items category, best reflects the trading performance of the Group.

Adjusting items are those items that are unusual because of their size, nature or incidence, and are applied consistently year-on-year. The Directors consider that these items should be separately identified within their relevant income statement category to enable full understanding of the Group's results. Items included are acquisition costs, earnout payable to employees of acquired businesses, impairment of goodwill and acquired intangible assets and restructuring costs.

The following APMs have been used in these financial results:

- Organic constant currency growth – this is calculated by comparing current period revenue with prior period revenue, adjusted for current period exchange rates and the impact of acquisitions, shown within the Financial Review.
- Adjusted EBITDA – comprising earnings (operating profit) adjusted for interest, taxation, depreciation, amortisation and adjusting items. This is shown on the face of the income statement.
- Adjusted operating profit – operating profit adjusted for adjusting items. See reconciliation below.

- Adjusted earnings per share ('EPS') – earnings per share excluding adjusting items. See reconciliation below.
- Free cash flow – net increase/(decrease) in cash and cash equivalents, excluding net cash used acquisitions, movements on the bank loan and dividends paid. See reconciliation below.
- Underlying free cash flow – as for free cash flow but adding back adjusting items. See reconciliation below.
- Net debt – comprising cash and cash equivalents, overdrafts and amounts drawn against the RCF, including the costs of arranging the RCF. See reconciliation below.

	18 months to 28 February 2026			Restated[1] 12 months to 31 August 2024		
	Adjusted EBITDA £000	**Adjusted Operating Profit £000**	**Adjusted Diluted EPS £000**	Adjusted EBITDA £000	Adjusted Operating Profit £000	Adjusted Diluted EPS £000
Reported operating profit	**2,054**	**2,054**	**–**	5,532	5,532	–
Reported (loss)/profit after tax	**–**	**–**	**(2,300)**	–	–	2,485
Add back/(deduct):						
Depreciation and amortisation (excluding acquired)	**14,097**	**–**	**–**	8,395	–	–
Amortisation on acquired intangibles	**8,122**	**8,122**	**8,122**	5,510	5,510	5,510
Acquisition costs	**–**	**–**	**–**	98	98	98
Impairment of goodwill and acquired intangibles	**9,843**	**9,843**	**9,843**	5,355	5,355	5,355
Earnout in relation to acquisition	**(60)**	**(60)**	**(60)**	–	–	–
Restructuring	**845**	**845**	**845**	(14)	(14)	(14)
Tax on adjusting items	**–**	**–**	**(4,292)**	–	–	(2,842)
Tax-related adjusting item	**–**	**–**	**1,025**	–	–	
Adjusted	**34,901**	**20,804**	**13,183**	24,876	16,481	10,592
Weighted average number of total ordinary shares including dilutive impact			**59,705**			59,400
Adjusted diluted EPS (p)			**22.1**			17.8

1 Restated due to adjustments to the prior year. See note 1 for details.

	18 months to 28 February 2026		12 months to 31 August 2024	
	Free cash flow £000	**Underlying free cash flow £000**	Free cash flow £000	Underlying free cash flow £000
Net decrease in cash and cash equivalents during the year	**(1,547)**	**(1,547)**	(4,326)	(4,326)
Add back: dividends paid	**5,100**	**5,100**	3,870	3,870
Add back: cash outflow in relation to the acquisition of a business	**570**	**570**	2,494	2,494
Change in bank loan	**5,100**	**5,100**	(6,605)	(6,605)
Add back: adjusting items	**–**	**739**	–	84
Free cash flow/Underlying free cash flow	**9,223**	**9,962**	(4,567)	(4,483)

	2026 Net debt £000	2024 Net debt £000
Cash and cash equivalents	**20,623**	22,040
Bank loan	**(29,745)**	(35,101)
RCF arrangement fee	**527**	536
Net debt	**(8,595)**	(12,525)

6 Revenue

An analysis of Group revenue is as follows:

	18 months ended 28 February 2026 £000	12 months ended 31 August 2024 £000
Focusrite Novation[2]	**125,017**	78,503
ADAM Audio	**38,002**	22,610
Sequential	**14,913**	9,705
Content Creation	**177,932**	110,818
Audio Reproduction[3]	**67,573**	47,706
Total	**245,505**	158,524

	18 months to 28 February 2026				12 months to 31 August 2024			
	Americas £000	**EMEA £000**	**APAC £000**	**Total £000**	Americas[1] £000	EMEA £000	APAC[1] £000	Total £000
Content Creation	**76,869**	**79,671**	**21,392**	**177,932**	52,297	47,715	10,806	110,818
Audio Reproduction[3]	**19,938**	**27,381**	**20,254**	**67,573**	13,317	19,414	14,975	47,706
Total	**96,807**	**107,052**	**41,646**	**245,505**	65,614	67,129	25,781	158,524

1 Regions restated to reflect the revised Group operating model with LATAM now part of Americas and APAC replacing 'Rest of World'.

2 During this period, the Focusrite, Novation and Sonnox brands have been merged into one operating segment within the financial statements following the reorganisation of the relevant R&D teams, resulting in joint product development.

3 In the prior period the Audio Reproduction division was called Martin, it has been renamed to reflect the broader composition of the division.

Revenue is attributed to countries based on the location of the external customer. The amount of revenue sold to external customers in the UK was £22,372,000 (12 months to 31 August 2024: £11,759,000) and in the USA, it was £86,013,000 (12 months to 31 August 2024: £60,177,000). No revenue from any other foreign country was individually material.

7 Business segments

Information reported to the Group's Chief Executive Officer (who has been determined to be the Group's Chief Operating Decision-Maker) for the purposes of resource allocation and assessment of segment performance is focused on the main product groups that the Group sells. The Group's reportable segments under IFRS 8 are as follows:

Focusrite Novation – Sales of Focusrite, Novation products and Sonnox software plug-ins

ADAM Audio – Sales of ADAM Audio products

Sequential – Sales of Sequential and Oberheim products

Audio Reproduction – Sales of Martin Audio, Optimal Audio, Linea Research, TiMax and OutBoard products.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of the share of central administrative costs including Directors' salaries, investment revenue and finance costs, and income tax expense. This is the measure reported to the Board of Directors for the purpose of resource allocation and the assessment of segment performance.

Central administrative costs comprise principally the employment-related costs and other overheads incurred by the Group. Also included within central administrative costs is the expense relating to the share option scheme (note 31) of £762,000 for the 18 month period to 28 February 2026 (12 months to 31 August 2024: £158,000).

The following is an analysis of the Group's revenue and results by reportable segment

	18 months to 28 February 2026 £000	Restated[2] 12 months to 31 August 2024 £000
Revenue from external customers		
Focusrite Novation[1]	**125,017**	78,503
ADAM Audio	**38,002**	22,610
Sequential	**14,913**	9,705
Content Creation	**177,932**	110,818
Audio Reproduction[3]	**67,573**	47,706
Total revenue from external customers	**245,505**	158,524
Segment profit		
Focusrite Novation[1]	**55,978**	32,398
ADAM Audio	**18,501**	11,217
Sequential	**6,038**	4,044
Content Creation	**80,517**	47,659
Audio Reproduction[3]	**29,121**	22,491
	109,638	70,150
Central distribution costs and administrative expenses	**(88,834)**	(53,669)
Adjusting items (note 14)[4]	**(18,750)**	(10,949)
Operating profit	**2,054**	5,532
Finance income	**266**	100
Finance costs	**(4,545)**	(3,292)
(Loss)/Profit before tax	**(2,225)**	2,340
Tax credit	**(75)**	145
(Loss)/Profit after tax	**(2,300)**	2,485

1 During the period, the Focusrite, Novation and Sonnox brands have been merged into one operating segment within the financial statements following the reorganisation of the relevant R&D teams, resulting in joint product development. **2** Restated due to adjustments to the prior year. See note 1 for details. **3** In the prior period the Audio Reproduction division was called Martin, it has been renamed to reflect the broader composition of the division. **4** Restated to include impairment on goodwill and intangible assets in the prior year

The Group's non-current assets, analysed by geographical location, were as follows:

	28 February 2026 £000	Restated[1] 31 August 2024 £000
Non-current assets		
Americas	**10,610**	8,014
Europe, Middle East and Africa	**77,068**	86,977
APAC	**74**	26
Total non-current assets	**87,752**	95,017
UK	**62,123**	69,394

1 Restated due to adjustments to the prior year. See note 1 for details.

Information about major customers

Included in the revenues shown for the 18 months to 28 February 2026 is £55.9 million (12 months to 31 August 2024: £29.8 million) attributed to the Group's largest customer, which is located in the USA.

8 (Loss)/Profit for the year

(Loss)/Profit for the year has been arrived at after charging/(crediting):

	Note	18 months to 28 February 2026 £000	12 months to 31 August 2024 £000
Net foreign exchange losses	10, 11	**361**	241
Loss on disposal of property, plant and equipment		**63**	13
Loss on disposal of intangible assets		**54**	75
Research and development costs		**5,578**	2,241
Depreciation and impairment of PPE	20	**4,097**	2,887
Amortisation of intangibles	19	**18,122**	11,019
Impairment of goodwill and intangibles	18	**9,843**	5,355
Cost of inventories within cost of sales		**105,562**	74,147
Staff costs	12	**48,433**	27,341
Movement in expected credit loss	23	**(12)**	88
Share-based payments	31	**762**	158

9 Auditor's remuneration

	18 months to 28 February 2026 £000	12 months to 31 August 2024 £000
Fees payable to the Group's auditor for the audit of the Group's Annual Report and Accounts	**1,190**	695
Additional fee in respect of prior year audit[1]	**68**	69
Audit of the accounts of subsidiaries pursuant to legislation	**228**	125
Total audit fees	**1,486**	889
Audit-related assurance services (half-year review)	**–**	55
Total	**1,486**	944

1 In the 18 months to 28 February 2026, an additional fee in respect of the prior year audit was paid to KPMG.

10 Finance income

	18 months to 28 February 2026 £000	12 months to 31 August 2024 £000
Bank deposit interest	**266**	100

11 Finance costs

	18 months to 28 February 2026 £000	12 months to 31 August 2024 £000
Interest on loans	**3,308**	2,612
Unwinding of RCF arrangement fee	**341**	259
Unwinding of discount on dilapidations provision	**342**	–
Charge on lease liability	**193**	180
Exchange losses	**361**	241
	4,545	3,292

12 Staff costs

	18 months to 28 February 2026 £000	12 months to 31 August 2024 £000
Wages and salaries	**56,265**	29,791
Social security costs	**5,991**	3,960
Other pension costs	**1,532**	805
Share-based payments	**762**	158
	64,550	34,714
Less: amounts capitalised within development costs	**(16,116)**	(7,373)
	48,433	27,341

The average number of persons, including Executive Directors, employed by the Group during the period was as follows:

	18 months to 28 February 2026 Number	12 months to 31 August 2024 Number
Operations	**101**	125
Sales and Marketing	**123**	119
Administration	**170**	157
Research and development	**185**	157
	579	558

13 Directors' remuneration

A detailed analysis of Directors' remuneration, including salaries, bonuses and long-term incentives, and that of the highest-paid Director, is provided in note 4 of the Company financial statements (page 139).

14 Adjusting items

The following adjusting items have been disclosed in the period because they do not reflect the underlying business activities for the Group:

	18 months to 28 February 2026 £000	12 months to 31 August 2024 £000
Adjusting items:		
Acquisition and due diligence costs	**–**	98
Earnout in relation to acquisitions	**(60)**	–
Restructuring costs	**845**	(14)
Total adjusting items for adjusted EBITDA	**785**	84
Impairment of goodwill and intangible assets	**9,843**	5,355
Amortisation of acquired intangible assets	**8,122**	5,510
Total adjusting items for adjusted operating profit	**18,750**	10,949
Tax on adjusting items	**(4,292)**	(2,842)
Adjusting tax item	**1,025**	–
Total adjusting items for adjusted profit after tax	**15,483**	8,107

The impairment of intangible assets and goodwill relates to the write-down of the goodwill and intangible assets in relation to the Sequential cash-generating unit. The total goodwill impairment was nil (12 months to August 2024: £2.5 million) and the impairment of intangible assets was £9.8 million (12 months to August 2024: £2.9 million).

15 Tax

	18 months to 28 February 2026 £000	Restated[1] 12 months to 31 August 2024 £000
Corporation tax charges		
Under/(over) provision in prior year	**445**	(359)
Current year charge	**2 947**	3,150
	3,392	2,791
Deferred taxation		
Under/(over) provision in prior year	**160**	(140)
Current year credit	**(3,477)**	(2,796)
Tax charge/(credit) for the year	**75**	(145)

[1] Restated due to adjustments to the prior year. See note 1 for details.

UK corporation tax is calculated at 25% (12 months to August 2024: 25%) of the estimated taxable profit for the year. Taxation for the US and German subsidiaries is calculated at the rates prevailing in the respective jurisdiction.

The tax credit/(charge) for each period can be reconciled to the (loss)/profit per the income statement, as follows:

	18 months to 28 February 2026 £000	Restated[1] 12 months to 31 August 2024 £000
Current taxation		
(Loss)/Profit before tax on continuing operations	**(2,225)**	2,340
Tax at the UK corporation tax rate of 25% (2024: 25.0%)	**(556)**	585
Effects of:		
Items not deductible/taxable for tax purposes	**(5)**	236
Other differences	**(328)**	200
Derecognised deferred tax on capital restructuring	**1,025**	–
Rate changes	**(49)**	(177)
Additional UK tax reliefs	**(853)**	(428)
Prior period adjustment	**601**	(499)
Impact of foreign tax rates	**240**	(62)
Tax charge/(credit) for the year	**75**	(145)

1 Restated to adjust for prior year corrections. See note 1 for details.

The prior period adjustment relates to adjustments made upon finalisation of the prior year tax returns, none of which are significant in isolation.

Tax credited directly to equity

In addition to the amount charged to the Income statement and Other comprehensive income, the following amounts of tax have been recognised in equity:

	18 months to 28 February 2026 £000	12 months to 31 August 2024 £000
Share-based payments: deferred tax	**73**	(84)

The net corporation tax debtor at 28 February 2026 is £92,000 (31 August 2024: Creditor £2,048,000).

16 Dividends

The following equity dividends have been paid or proposed for the period:

	18 months to 28 February 2026	12 months to 31 August 2024
Dividend per qualifying ordinary share	**8.84p**	6.6p

During the 18 months to 28 February 2026, the Company paid two interim dividends in respect of the 18-month period to 28 February 2026 of 2.1p per share each (12 months ended 31 August 2024: one interim dividend of 2.1p per share).

On 25 June 2026, the Directors recommended a final dividend of 4.64p per share (12 months to August 2024: 4.5p per share), making a total dividend of 8.84p per share for the period (12 months to August 2024: 6.6p per share).

17 Earnings per share

The calculation of the basic and diluted EPS is based on the following data:

	18 months to 28 February 2026 £000	Restated[1] 12 months to 31 August 2024 £000
(Loss)/ Profit after tax	**(2,300)**	2,485
Adjusting items (note 14)	**18,750**	10,949
Tax on adjusting items	**(4,292)**	(2,842)
Adjusting tax-related item (note 15)	**1,025**	–
Total underlying profit	**13,183**	10,592

	2026 Number 000	2024 Number 000
Number of shares:		
Weighted average number of ordinary shares	**58,662**	58,612
Effect of dilutive potential ordinary shares:		
Share option plans	**1,043**	788
Weighted average number of total ordinary shares, including dilutive impact	**59,705**	59,400

1 Restated to adjust for prior year corrections. See note 1 for details.

	Pence	Pence
EPS		
Basic EPS	**(3.9)**	4.2
Diluted EPS	**(3.9)**	4.2
Adjusted basic EPS	**22.5**	18.1
Adjusted diluted EPS	**22.1**	17.8

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the (loss)/profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For diluted EPS, the weighted average number of ordinary shares is adjusted for the dilutive effect of potential ordinary shares arising from the exercise of granted share options.

At 28 February 2026, the total number of ordinary shares issued and fully paid was 59,211,639 (31 August 2024: 59,211,639). This included 447,408 (31 August 2024; 588,017) shares held by the EBT to satisfy options vesting in future years. The operation of this EBT is funded by the Group, so the EBT is required to be consolidated, with the result that the weighted average number of ordinary shares for the purpose of the basic EPS calculation is the net of the weighted average number of shares in issue of 59,211,639 (31 August 2024: 59,211,639), less the weighted average number of shares held by the EBT of 549,791 (31 August 2024: 599,129). It should be noted that the only right relinquished by the Trustees of the EBT is the right to receive dividends. In all other respects, the shares held by the EBT have full voting rights.

The effect of dilutive potential ordinary share issues is calculated in accordance with IAS 33 and arises from the employee share options currently outstanding, adjusted by the profit element as a proportion of the average share price during the period.

18 Goodwill

	Focusrite Novation £000	Linea Research £000	Sequential £000	Martin Audio £000	ADAM Audio £000	Total £000
Cost						
At 31 August 2023	3,102	3,387	2,613	12,564	4,672	26,338
Goodwill on business combinations	–	–	–	750	–	750
Foreign Exchange	–	–	(90)	–	(81)	(171)
At 31 August 2024	**3,102**	**3,387**	**2,523**	**13,314**	**4,591**	**26,917**
Foreign Exchange	–	–	–	–	209	**209**
At 28 February 2026	**3,102**	**3,387**	**2,523**	**13,314**	**4,800**	**27,126**

	Focusrite Novation £000	Linea Research £000	Sequential £000	Martin Audio £000	ADAM Audio £000	Total £000
Carrying amount						
At 31 August 2023	3,102	3,387	2,613	2,364	4,672	16,138
Goodwill on business combinations	–	–		750	–	750
Impairment	–	–	(2,523)	–	–	(2,523)
Foreign Exchange	–	–	(90)	–	(81)	(171)
At 31 August 2024	**3,102**	**3,387**	–	**3,114**	**4,591**	**14,194**
Foreign Exchange	–	–	–	–	209	**209**
At 28 February 2026	**3,102**	**3,387**	–	**3,114**	**4,800**	**14,403**

The carrying value of goodwill includes cumulative impairment losses of £12,723,000 (31 August 2024: £12,723,000), attributable to Martin Audio and Sequential.

The goodwill shown in the table above and intangible assets where amortisation has not yet commenced are allocated to the CGUs as per the table below. These are projects in development, which have not yet been completed.

	Goodwill £000	Development costs: Amortisation not yet commenced £000
CGUs		
Focusrite Novation	3,102	5,680
ADAM Audio	4,800	3,182
Martin Audio	3,114	1,994
Sequential	–	597
Linea Research	3,387	2,856
Total	**14,403**	**14,309**

Assumptions for the assessment of impairment

The impairment review undertaken as described below for all Cash Generating Units (CGUs) covers goodwill, intangible assets with indefinite useful lives and other non-current assets.

An impairment assessment in relation to each of these CGUs was performed by management. The recoverable amounts of these CGUs have been determined based on the value in use method. The calculations use cash flow projections based on financial budgets and three-year plan approved by management covering a three-year period to the end of February 2029. Cash flows beyond that period have been extrapolated using revenue growth rates of 3% in years 4 and 5 and then a perpetual 2% growth rate (12 months to August 2024: 2%) based on estimates of long-term GDP growth across our markets.

Key assumptions in the plan relate to revenue growth and gross margin rates. These are determined using internal forecasts using a granular product based forecast taking into account product launches and lifecycles and the Group's three year plan which considers relevant macro-economic indicators, including the impacts of costs on products and overheads. The Group structure is assumed to remain unchanged, and with all Group companies executing on their existing product roadmaps.

The discount rate applied against future cash flows has been calculated with reference to a weighted average cost of the capital (WACC) calculated by reference to an industry peer group relevant to each of the cash generating units. Inputs include a 20-year nominal risk-free rate and market risk premium.

There is significant headroom between the carrying value and the value in use of all CGUs, with the exception of Sequential, and so the Directors believe that any reasonably possible changes in the key assumptions referred to would not give rise to an impairment charge for these CGUs.

Sequential CGU

The Sequential CGU comprises the Sequential and Oberheim brands, managed through one management and innovation team. Sequential was acquired in 2021 for £14.5 million, and the Oberheim brand was acquired in 2022 for £4.5 million. The assets of the CGU have a net book value of £17.2 million as at 28 February 2026, before the impact of the current period impairment charge.

Sequential operates at the premium semi-professional end of the synthesizer market, with products priced around $3,000 – $5,000, with this segment of the market being particularly impacted by recent pricing pressures. The Sequential team have reacted to this by introducing lower cost synthesizers across both Sequential and Oberheim brands and moving some elements of production to China to improve margins. As a result Sequential has seen revenue somewhat stablise in the 12 months to February 2026, with a small reduction of 7.3% compared to the 12 months to February 2025.

The Sequential team have plans to return the brand to growth through range expansion which is included in the current Five Year Forecast. However given the lower base in the year to February 2025, the volatility in the US market due to tariff policy changes together with the acceleration of the transition of manufacturing of existing products to China following the proposed closure of the brand's US contract manufacturer, this has resulted in a lower overall cashflow going forward and a resulting impairment of £9.8 million. This impairment has been allocated to acquired brands and intellectual property and research in development now in use.

A reasonable possible change to the forecast cashflows could be a six month delay in the launch of the products in the roadmap, which would result in a further impairment of £3.6 million. Gross margins are assumed to improve due to production efficiencies. A reasonable possible change would be an assumption that margin would remain flat throughout the Five Year Forecast, which would result in a further impairment of £3.0 million. The long term growth rate is assumed to be 2.2% based on Economist Intelligence Unit estimates. A reasonable possible change would be a drop of 1.0% which would result in a further impairment of £0.9 million. A reasonable possible increase in the WACC of 1% point would result in a further impairment of £1.1 million.

This impairment was calculated using the Five Year Forecast, calculating a post tax cashflow and using a post tax WACC of 10.6%, with profits taxable in the US in the State of California.

The following pre-tax discount rates were then used for the CGUs:

	18 months to 28 February 2026	12 months to 31 August 2024
CGUs		
Focusrite Novation	**15.2%**	14.9%
ADAM Audio	**15.7%**	16.1%
Martin Audio	**16.8%**	16.7%
Sequential	**16.5%**	16.8%
Linea Research	**15.8%**	15.7%

The pre tax discount rates used in the current period have remained broadly stable on the prior year. Management believes that any reasonably possible change in any assumptions on which these CGUs' recoverable amounts are based would not cause the carrying amount to exceed their respective recoverable amounts, with the exception of Sequential, which is discussed above.

19 Intangible assets

		Capitalised development costs					
	Brands £000	Acquired – in use £000	Internally generated – in use £000	In development[2] £000	Intellectual property, licences and trademarks £000	Computer software £000	Total £000
Cost							
At 1 September 2023	25,708	35,051	31,531	8,529	5,430	1,565	107,814
Additions – acquired separately	–	–	–	–	3,037	3	3,040
Additions – products developed during the year	–	–	1,859	6,934	–	–	8,793
Additions through business combination	–	2,242	–	–	–	–	2,242
Transfer	–	–	8,306	(8,306)	–	–	–
Disposals	–	–	(2,446)	–	(55)	–	(2,501)
Foreign Exchange	(468)	(135)	(207)	(54)	(11)	–	(875)
At 31 August 2024	25,240	37,158	39,043	7,103	8,401	1,568	118,513
Additions – acquired separately	–	–	–	–	1,564	158	1,722
Additions – products developed during the period	–	–	2,041	14,025	–	–	16,066
Transfer	–	465	5,399	(6,033)	65	104	–
Disposals	–	–	(4,758)	(53)	(811)	(955)	(6,577)
Foreign Exchange	14	14	(33)	367	113	–	475
At 28 February 2026	**25,254**	**37,637**	**41,692**	**15,409**	**9,332**	**875**	**130,199**
Amortisation							
At 1 September 2023[1]	5,598	10,797	21,522	–	2,024	1,164	41,105
Opening balance sheet adjustment	–	–	–	–	(817)	–	(817)
Charge for the year[1]	1,888	3,622	4,988	–	291	230	11,019
Impairment	1,303	784	745	–	–	–	2,832
Eliminated on disposal	–	–	(2,411)	–	(15)	–	(2,426)
Foreign Exchange	(156)	(67)	(33)	–	(5)	–	(261)
At 31 August 2024[1]	8,633	15,136	24,811	–	1,478	1,394	51,452
Charge for the period	2,662	5,460	8,225	–	1,446	329	18,122
Impairment	3,816	1,811	3,116	1,100	–	–	9,843
Eliminated on disposal	–	–	(4,758)	–	(810)	(955)	(6,523)
Foreign Exchange	(36)	2	80	–	102	–	148
At 28 February 2026	**15,075**	**22,409**	**31,474**	**1,100**	**2,216**	**768**	**73,042**
Carrying amount							
At 28 February 2026	**10,179**	**15,228**	**10,218**	**14,309**	**7,116**	**107**	**57,157**
At 31 August 2024	16,607	22,022	14,232	7,103	6,923	174	67,061
At 1 September 2023	20,110	24,254	10,009	8,529	3,406	401	66,709

1 Restated to adjust for prior year corrections. See note 1 for details.

2 Includes both items internally generated and acquired.

The impairments in the year ended 31 August 2024 and the 18 month period ended 28 February 2026 both relate to the Sequential CGU. Refer to note 18 for more details.

Further details on the additions to internally generated capitalised R&D costs in use and in development are provided in the strategic report on pages 32 to 33.

20 Property, plant and equipment

	Leasehold buildings £000	Plant, tooling equipment and machinery £000	Right-of-use assets £000	Fixtures, fittings and leasehold improvements £000	Computer equipment £000	Customer demonstration units £000	Total £000
Cost							
At 1 September 2023	1,500	4,763	11,131	3,794	2,227	119	23,534
Additions	–	126	411	351	255	397	1,540
Disposals	–	(11)	–	(10)	(8)	–	(29)
Foreign exchange	–	(1)	(95)	(22)	(20)	–	(138)
At 31 August 2024	1,500	4,877	11,447	4,113	2,454	516	24,907
Additions	–	664	1,772	536	426	1,128	4,526
Disposals	–	(819)	(145)	(1,094)	(1,147)	(96)	(3,301)
Transfers/reclassification[1]	–	1,881	(1,286)	78	71	(7)	737
Foreign exchange	–	(1)	67	40	(35)	–	71
At 28 February 2026	**1,500**	**6,602**	**11,855**	**3,673**	**1,769**	**1,541**	**26,940**
Accumulated depreciation							
At 1 September 2023	60	3,142	3,855	1,968	1,897	117	11,039
Charge for the year	60	782	1,023	725	297	–	2,887
Disposals	–	(5)	–	(10)	(1)	–	(16)
Foreign exchange	–	(1)	(55)	(25)	(18)	–	(99)
At 31 August 2024	120	3,918	4,823	2,658	2,175	117	13,811
Charge for the period	90	1,095	1,794	526	404	188	4,097
Disposals	–	(819)	(145)	(1,093)	(1,146)	(35)	(3,238)
Transfers/reclassification[1]	–	1,129	(536)	(8)	74	(2)	657
Foreign exchange	–	–	9	37	(13)	–	33
At 28 February 2026	**210**	**5,323**	**5,945**	**2,120**	**1,494**	**268**	**15,360**
Carrying amount							
At 28 February 2026	**1,290**	**1,279**	**5,910**	**1,553**	**275**	**1,273**	**11,580**
At 31 August 2024	1,380	959	6,624	1,455	279	399	11,096
At 1 September 2023	1,440	1,621	7,276	1,826	330	2	12,495

1 Transfers and reclassifications during the period ended 28 February 2026 represent reclassifications of opening balance assets between asset categories following a review of historical allocations. The reclassifications had no impact on total non-current assets, profit for the period, or net assets.

21 Subsidiaries and other undertakings

The Group's subsidiary and other undertakings for the period are listed below, including the name, country of incorporation and proportion of ownership interest:

Name	Country of registration or incorporation	Address	Principal activity	Class of shares	28 Feb 2026 %	31 Aug 2024 %
Focusrite Audio Engineering Limited ('FAEL')	England and Wales	Artisan, Hillbottom Road, High Wycombe, Bucks HP12 4HJ, England	Manufacture and distribution of audio interfaces and related hardware/software	Ordinary	100	100
Focusrite Group US.[4]	US	909 N Pacific Coast Highway Suite 270, El Segundo, CA, 90245, USA	Sales, marketing and distribution services	Ordinary	100	100
Focusrite Group EMEA Limited	England and Wales	Artisan, Hillbottom Road, High Wycombe, Bucks HP12 4HJ, England	Sales, marketing and distribution services	Ordinary	100	100
Focusrite Novation Asia Limited[1]	Hong Kong	2316, 23/F Hong Kong Plaza, 181-191 Connaught Road West, Shek Tong Tsui, Hong Kong	Marketing services	Ordinary	100	100
Focusrite Australia PTY Limited[1]	Australia	Suite 5, Level 1, 796 High Street, Kew East, Victoria 3102, Australia	Sales, marketing and distribution services	Ordinary	100	100
Focusrite Group Japan KK	Japan	c/o TA Lawyers GKJ, Shiroyama Trust Tower, 4-3-1, Toranomon, Minato-ku, Tokyo	Sales, marketing and distribution services	Ordinary	100	-
Pro Audio Beteiligungs GmbH	Germany	Grünstraße 13, Hugstetten, 79232, Germany	Holding company	Ordinary	100	100
ADAM Audio GmbH[2]	Germany	Rudower Chaussee 50, Berlin, 12489 Germany	Manufacture and distribution of professional studio monitors and loudspeakers	Ordinary	100	100
Dongguan ADAM Audio Business Service Co., Limited[2]	China	Room 505, Building 1 (-3H Maker Center), No. 552, Tangxia Avenue North, Tangxia Town, Dongguan, Guangdong, China	Support services	Ordinary	100	100
Optimal Audio Group Limited	England and Wales	Unit 2 Century Point, Halifax Road, High Wycombe, Bucks HP12 3SL	Holding company	Ordinary	100	100
Martin Audio Limited[3]	England and Wales	Unit 2 Century Point, Halifax Road, High Wycombe, Bucks HP12 3SL	Design, manufacture and supply of professional loudspeakers and audio solutions	Ordinary	100	100
Linea Research Holdings Limited[3]	England and Wales	Unit 1 & 2 Aylesford Court, Works Road, Letchworth Garden City, Hertfordshire SG6 1LP, England	Holding company	Ordinary	100	100
Linea Research Limited[3]	England and Wales	Unit 1 & 2 Aylesford Court, Works Road, Letchworth Garden City, Hertfordshire SG6 1LP, England	Manufacture and distribution of audio amplification products	Ordinary	100	100
Herts & Beds Electronic Services Limited[3]	England and Wales	Unit 1 & 2 Aylesford Court, Works Road, Letchworth Garden City, Hertfordshire SG6 1LP, England	Support services	Ordinary	100	100
Aylesford Court (Letchworth) Management Company Limited[3]	England and Wales	Lewis House, Great Chesterford Court, Great Chesterford, Essex CB10 1PF, England	Facilities support	Ordinary	40	40
Sheriff Technology Limited[3]	England and Wales	Unit 4 Church Meadows, Haslingford Road, Barrington, Cambridge, Cambridgeshire CB22 7RG, England	Research and development of audio technology	Ordinary	100	100
Innovate Audio Limited[3]	England and Wales	Unit 2, Century Point Halifax Road, Cressex Business Park, High Wycombe HP12 3SL, England	Research and development of audio technology	Ordinary	100	100
Sonnox Limited	England and Wales	Unit 1, Manor Barns Witney Road, Finstock, Chipping Norton, Oxon OX7 3DG, England	Sales and development of audio software plug-ins	Ordinary	100	100
Focusrite Investments Inc.	USA	909 N Pacific Coast Highway Suite 270, El Segundo, CA, 90245, USA	Holding company	Ordinary	100	100
Sequential LLC[4]	USA	1527 Stockton Street, 3rd Floor, San Francisco, CA 94133, USA	Manufacture and distribution of synthesisers and associated products	Ordinary	100	100
Marion Systems LLC[4]	USA	1527 Stockton Street, 3rd Floor, San Francisco, CA 94133, USA	High-end synth production company	N/A	100	100
Sequential Synths Limited[4]	England and Wales	Artisan, Hillbottom Road, High Wycombe, Bucks HP12 4HJ, England	Leasing of intellectual property and similar products	Ordinary	100	100

1 Owned indirectly through FAEL.

2 Owned indirectly through Pro Audio Beteiligungs GmbH.

3 Owned indirectly through Optimal Audio Group Limited.

4 Owned indirectly through Focusrite Investments Inc.

Focusrite plc has issued guarantees over the liabilities of the following companies at 28 February 2026 under Section 479C of the Companies Act 2006, and these entities are exempt from the requirements of the Act relating to the audit of individual accounts by virtue of Section 479A of the Act.

Company name	Company number
Focusrite Audio Engineering Limited	02357989
Focusrite Group EMEA Limited	14881828
Optimal Audio Group Limited	11341979
Martin Audio Limited	04824341
Linea Research Holdings Limited	11727359
Linea Research Limited	04742566
Herts & Beds Electronic Services Limited	07205776
Sonnox Limited	05820431
Sequential Synths Limited	14432484
Sheriff Technology Limited	04317138
Innovate Audio Limited	13022655

Acquisition of a subsidiary

In December 2023, the Group purchased Sheriff Technology Limited for £2,855,000, resulting in acquired intangible additions of £2,025,000 and goodwill of £750,000 arising due to this business combination.

In June 2024, the Group purchased Innovate Audio Limited for £217,000, resulting in acquired intangible asset additions of £200,000 with no associated goodwill.

22 Inventories

	28 February 2026 £000	Restated[1] 31 August 2024 £000
Raw materials	**4,099**	4,738
Work in progress	**1,883**	1,986
Finished goods	**38,123**	41,579
	44,105	48,303

1 Restated to due to adjustments in the prior year – see note 1 for details.

The stock value includes a provision of £4,216,000 (31 August 2024: £3,926,000). This stock provision is for slow-moving inventory and raw material where demand is low, therefore being at higher risk of becoming obsolete. During the year, the provision increased by £1,044,000 (31 August 2024: £396,000 reversed), with £753,000 utilised (31 August 2024: £2,002,000.

Stock charged to cost of sales during the period was £105,562,000 (12 months to 31 August 2024: £74,147,000).

No specific inventories have been pledged as security against borrowings (31 August 2024: £nil). The Group's bankers are party to a debenture that provides for security over the whole of the Company and certain subsidiaries assets and undertakings. This debenture is in place to support the RCF, the provision of forward contracts and a duty deferment facility.

23 Trade and other receivables

	28 February 2026 £000	31 August 2024 £000
Trade debtors	**27,185**	33,708
Expected credit loss	**(242)**	(254)
	26,943	33,454
Other debtors	**137**	470
Prepayments	**3,181**	2,943
Indirect tax debtor	**396**	524
	30,657	37,391

Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are measured at amortised cost.

The Group has not charged interest for late payment of invoices in the current period or prior year but in certain cases, the Group has withheld some of that customer's discount from the invoiced price.

Expected credit loss is recognised on the total trade receivables based on estimated irrecoverable amounts by reference to past default experience. Specific counterparty risk is also considered where an analysis of the counterparty's current financial position indicates a change in credit risk.

A single major distributor accounted for 44% (12 months to August 2024: 47%) of the total balance of trade receivables net of allowances for expected credit losses. This is largely covered by credit insurance. No other single customer accounted for more than 10% of the total balance of trade receivables net of allowances for expected credit losses during the period under review.

23 Trade and other receivables continued

Trade receivables disclosed above include amounts that are past due at the period end but against which the Group has not recognised an allowance for doubtful receivables. There has not been a significant change in credit quality during the year and the amounts are still considered recoverable.

Aged trade receivables

	28 February 2026 £000	31 August 2024 £000
Current	**23,931**	18,446
0-30 days	**1,609**	13,256
31-60 days	**456**	504
61-90 days	**223**	294
More than 90 days	**724**	954
	26,943	33,454

Movement in the expected credit loss

	28 February 2026 £000	31 August 2024 £000
At 1 September	**254**	166
Movement in expected credit loss	**(12)**	88
At 28 February/31 August	**242**	254

Ageing of expected credit loss

	28 February 2026 £000	31 August 2024 £000
0-30 days	**–**	–
31-60 days	**–**	–
61-90 days	**7**	–
More than 90 days	**235**	254
	242	254

Of the £242,000 (31 August 2024: £254,000) provision for the expected credit loss, £78,000 of this covers debt that has been provided for in full (31 Aug 2024: None).

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

24 Deferred tax

The following are the major deferred tax liabilities/(assets) recognised by the Group:

	Intangible assets recognised on acquisition £000	Capitalised development costs £000	Share-based payments £000	Other deferred tax £000	Hedging instrument £000	Total £000
Cost						
At 1 September 2023[1]	8,231	3,420	(161)	(1,386)	123	10,227
(Credit)/debit to income statement[1]	(2,792)	711	14	(638)	–	(2,705)
Credit to other comprehensive income	–	–	–	–	(123)	(123)
Arising on business combinations	560	–	–	–	–	560
Directly recognised in equity	–	–	84	–	–	84
Foreign exchange differences	(49)	–		(86)	–	(135)
At 31 August 2024[1]	5,950	4,131	(63)	(2,110)	–	7,908
(Credit)/debit to income statement	**(2,996)**	**1,282**	**(27)**	**(1,575)**	**–**	**(3,316)**
(Credit)/debit to other comprehensive income	**–**	**–**	**–**	**–**	**(115)**	**(115)**
Directly recognised in equity	**–**	**–**	**(73)**	**–**	**–**	**(73)**
Reclassification	**54**	**(165)**	**–**	**(74)**	**–**	**(185)**
Foreign exchange differences	**146**	**13**	**–**	**69**	**–**	**228**
At 28 February 2026	**3,154**	**5,261**	**(163)**	**(3,690)**	**(115)**	**4,447**

Other deferred tax includes £2,378,000 (31 August 2024: £1,881,000) relating to deferred tax assets on the elimination of unrealised profit held within stock, and £655,000 (31 August 2024: £779,000) relating to deferred tax liabilities on fixed asset timing differences.

Deferred tax assets are reviewed at each reporting date for recoverability. The Group assesses whether it is probable that sufficient future taxable profits will be available, taking into account expected profitability, the business model of each entity or jurisdiction, and any legislative restrictions.
Recent tax losses primarily arise from accelerated deductible temporary differences and acquisition-related deductible temporary differences

These are expected to reverse over the relevant amortisation periods and are non-recurring in nature. The assessment is further supported by approved forecasts, historical trading performance, and forward projections based on management's reasonable estimates.
Included within recognised deferred tax assets are £4.6 million expected to be utilised over up to eight years. While this extends beyond the three-year Board-approved forecast period, recognition is supported by longer-term projections with moderate growth assumptions, which management considers consistent with historical trends and the underlying business model.

	28 February 2026 '000	Restated[1] 31 August 2024 £000
Deferred tax liabilities	**(9,059)**	(10,574)
Deferred tax assets	**4,612**	2,666
	(4,447)	(7,908)

1 Restated to adjust for prior year corrections. See note 1 for details.

25 Other liabilities

The Group has leases for its offices, warehouses and related facilities, plant and machinery and some vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet. The Group classifies its right-of-use assets within 'Property, plant and equipment' (see note 20).

The remaining terms of the leases for offices and warehouses range from one to ten years in term, with the last leases due to expire in 2033. Lease payments are generally fixed and there is no option to purchase the buildings at the end of the term. For leases over office buildings and warehouses, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Right-of-use assets consist of the following leases:

	28 February 2026 £000	31 August 2024 £000
Offices and warehouses	**5,715**	6,522
Vehicles	**196**	102
	5,911	6,624

Lease liabilities are split between current and non-current:

	28 February 2026 £000	31 August 2024 £000
Current	**836**	1,001
Non-current	**5,243**	5,330
	6,079	6,331

When measuring the lease liabilities, the Group discounts lease payments using its incremental borrowing rate. The weighted average rate applied to leases adopted in the year was 5.6% (2024: 3.7%).

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable leases, which fall due as follows:

	28 February 2026 £000	31 August 2024 [1] £000
Within one year	**1,000**	1,105
Between 2 and 5 years	**4,834**	3,938
After 5 years	**694**	1,731
	6,528	6,774

[1] Restated in prior period to show gross and not discounted cashflows.

Amounts payable in relation to staged acquisition payments relating to the purchase of the Oberheim brand in May 2022 fall due as follows:

	28 February 2026 £000	31 August 2024 £000
Within one year	**500**	526
Between 2 and 5 years	**1,125**	1,463
After 5 years	–	–
Total other liabilities	**1,625**	1,989

	28 February 2026 £000	31 August 2024 £000
Within one year	**1,335**	1,527
Between 2 and 5 years	**5,684**	5,090
After 5 years	**685**	1,703
	7,704	8,320

26 Trade and other payables

	28 February 2026 £000	31 August 2024 £000
Trade payables	**12,515**	18,710
Accruals	**8,668**	9,109
Contract liability	**1,714**	1,066
Other taxation and social security	**819**	1,496
	23,716	30,381

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. No interest costs have been incurred in relation to trade payables. The Group policy is to ensure that payables are paid within the pre-agreed credit terms and to avoid incurring penalties and/or interest on late payments. Other creditors include sales taxes, property taxes, social security and employment taxes due to local tax authorities.

27 Provisions

	Warranty £000	Property £000	Total £000
At 1 September 2024	301	221	522
Additional provisions	522	817	1,339
Utilisation	(220)	–	(220)
Foreign exchange	7	–	7
At 28 February 2026	**610**	**1,038**	**1,648**
Current	259	–	259
Non-current	351	1,038	1,389
At 28 February 2026	**610**	**1,038**	**1,648**

The Group provides warranty cover for its products for no additional charge in respect of manufacturing defects that become apparent shortly after purchase. The Group offers warranties of up to five years and the estimated liability for product warranty is recognised when products are sold. No additional warranty services are provided to customers. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and cost to repair.

Property provisions costs relate to the best estimate to reinstate the Group's leased building to their condition at lease commencement.

28 Share capital

	28 February 2026 Number	31 August 2024 Number
Issued and fully paid		
Ordinary shares of £0.001 each	**59,211,639**	59,211,639

	28 February 2026 £	31 Aug 2024 £
Issued and fully paid		
Ordinary shares of £0.001 each	**59,212**	59,212

In the financial period, nil shares were issued to the EBT (12 months to August 2024: nil).

29 Other reserves

Share premium reserve

	28 February 2026 £000	31 August 2024 £000
Balance at beginning and end of period	**115**	115

Merger reserve

	28 February 2026 £000	31 August 2024 £000
Balance at beginning and end of period	**14,595**	14,595

On 4 December 2014, Focusrite plc obtained control of 100% of the share capital of FAEL in a share-for-share exchange, thereby inserting Focusrite plc as the Parent Company of the Group. In accordance with the Companies Act 2006, the difference between the cost of the investment and the nominal value of the share capital acquired was recognised in the merger reserve.

Merger difference reserve

	28 February 2026 £000	31 August 2024 £000
Balance at beginning and end of period	**(13,147)**	(13,147)

Under IFRS 3, the equity structure should reflect the equity structure of the legal parent (Focusrite plc), including the equity interests Focusrite plc issued to the combination. The merger difference reserve is the difference between the sum of the plc share capital and merger reserve, and the sum of the FAEL share capital, share premium and capital redemption reserve.

There were no movements in the merger difference reserve in the period.

Translation reserve

	28 February 2026 £000	31 August 2024 £000
Balance at beginning of period	**(3,680)**	(2,757)
Exchange differences on translating the net assets of foreign operations	**1,530**	(923)
Balance at end of period	**(2,150)**	(3,680)

Exchange differences relating to the translation of the net assets and results of the Group's US, German, Australian and Hong Kong subsidiaries from its functional currency into the Group's presentational currency are recognised directly in the translation reserve.

Hedging reserve

	28 February 2026 £000	31 August 2024 £000
Balance at beginning of period	**–**	491
Loss on forward exchange contracts	**(343)**	(491)
Balance at end of period	**(343)**	–

EBT reserve

	28 February 2026 £000	31 August 2024 £000
Balance at beginning of period	**(1)**	(1)
Shares issued to the EBT	**–**	–
Share options exercised	**–**	–
Balance at end of period	**(1)**	(1)

The EBT reserve arose when the Company issued equity share capital that is held in trust by the EBT. The interests of this trust are consolidated into the Group's financial statements and the relevant amount treated as a reduction in equity. The shares held in the trust relate to share options granted; upon exercise of the share options, this amount is reduced.

30 Cash and cash equivalents

	28 February 2026 £000	31 August 2024 £000
Cash and bank balances per the balance sheet	**20,623**	22,040
Net cash per the cash flow statement	**20,623**	22,040

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The Group has no outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

31 Share-based payments

Equity-settled share option schemes

The Group operates a number of equity-settled share-based payment schemes for employees. These comprise the Long-Term Incentive Plan ("LTIP"), the Performance Share Plan ("PSP"), and the Rockstar awards (together, the "Schemes"). All schemes are equity-settled and awards typically lapse if the employee leaves the Group before vesting, unless determined otherwise by the Remuneration Committee in accordance with plan rules.

Long-Term Incentive Plan (LTIP)

The LTIP was historically open to all employees but is now closed to new entrants. Awards under this scheme are granted in the form of options with a fixed exercise price. There are no performance or market-based vesting conditions attached to LTIP awards; instead, vesting is subject solely to continued employment over a specified vesting period. Once vested, options may be exercised subject to the terms of the plan.

Performance Share Plan (PSP)

The PSP is operated for senior management and Executive Directors at nil cost. Awards under the PSP are granted as nil-cost options. Under older PSP grants, vesting is subject to performance conditions based on growth in earnings per share ("EPS"). Where the specified performance conditions are not met, the relevant portion of the award lapses. For more recent awards, PSP grants are split into restricted awards, which have no performance conditions and vest based solely on continued service over the vesting period and performance awards, which vest subject to performance conditions based on growth in EBITDA over the performance period.

Rockstar awards

Rockstar awards are granted to selected senior employees. These awards are structured as nil-cost options and have no performance or market-based vesting conditions. Vesting is subject solely to a three-year service period.

65,262 options over Focusrite plc's shares were exercised during the period to 28 February 2026 (2024: 2,266). As at 28 February 2026, the total number of ordinary shares under option in Focusrite plc was 1,267,684 (31 August 2024: 1,078,198), of which 446,150 (31 August 2024: 588,017) can be satisfied by ordinary shares that are held in the EBT. The remaining number of options would, if exercised, result in the issue of 821,534 (31 August 2024: 490,181) ordinary shares. The options held by the Directors are subject to performance-related vesting conditions which are outlined in the Remuneration Report on pages 80 to 87. The weighted average share price at the date of exercise for share options exercised during the period to 28 February 2026 was £0.94 (12 months to 31 August 2024: £4.75). For the share options outstanding at the period end, the weighted average remaining contractual life was 7.9 years (2024: 6.5 years).

	2026		2024	
	Number of options	**Weighted average exercise price £**	Number of options	Weighted average exercise price £
Outstanding at the start of the period	**1,078,198**	**4.75**	734,404	2.37
Granted during the period				
2023 PSP: Executive Directors	**–**	**–**	145,414	0.01
2023 PSP: Other senior employees	**–**	**–**	132,038	0.01
2023 Management bonus award	**–**	**–**	153,527	0.01
2024 PSP: Executive Directors	**291,220**	**0.01**	–	–
2024 PSP: Other senior employees	**255,911**	**0.01**	–	–
Exercised during the year				
2018 LTIP	**–**	**–**	(666)	3.94
2019 LTIP	**–**	**–**	(1,600)	5.10
2021 Rockstars	**(18,301)**	**0.01**	–	–
2022 Rockstars	**(43,890)**	**0.01**	–	–
2023 Rockstars	**(3,071)**	**0.01**	–	–
Lapsed and forfeited during the period				
2018 LTIP	**(26,336)**	**3.94**	(4,402)	5.10
2019 LTIP	**(18,461)**	**5.45**	(9,585)	6.45
2020 LTIP	**(22,192)**	**6.45**	–	–
EMI 2014	**(4,690)**	**0.15**	–	–
EMI 2015	**(11,006)**	**1.71**	–	–
2020 PSP: Executive Directors	–	–	(39,537)	0.01
2021 PSP: Executive Directors	**(57,128)**	**0.01**	(5,021)	0.01
2022 PSP: Executive Directors	**(131,814)**	**0.01**	(9,904)	0.01
2021 Rockstars	**(1,804)**	**0.01**	(2,357)	0.01
2022 Rockstars	**(5,064)**	**0.01**	(4,836)	0.01
2023 Rockstars	**(13,888)**	**0.01**	(9,277)	0.01
Outstanding at the end of the period	**1,267,684**	**0.96**	1,078,198	4.75
Exercisable at the end of the period	**312,353**	**3.88**	372,505	4.19

	2026 £000	2024 £000
Expense arising from share-based payment transactions	762	158

31 Share-based payments continued

The estimated fair value of the share options was calculated by applying a Black–Scholes model. The model inputs were:

Grant date	Share price at date of grant	Exercise price	Expected volatility	Dividend yield £000	Contractual life of option	Risk-free interest rate
Monday, 1 September 2014	£1.74–£2.00	£0.001	51.8%	1.50%	3-5 years	1.93%
Thursday, 18 September 2014	£0.15	£0.15	51.8%	1.50%	3-5 years	0.56–1.93%
Tuesday, 1 December 2015	£1.76	£1.76	37.2–40.6%	1.50%	3-5 years	1.46–1.59%
Monday, 12 March 2018	£3.94	£3.94	31.0%	0.99%	3 years	1.24–1.34%
Wednesday, 13 March 2019	£5.10	£5.10	31.6%	0.63%	3 years	0.97–1.04%
Monday, 17 February 2020	£6.37	£6.37	31.0%	0.61%	3 years	0.5–0.53%
Thursday, 18 June 2020	£6.45	£6.45	33.6%	0.40%	3 years	0.03–0.08%
Wednesday, 18 November 2020	£9.35	£0.001	n/a	0.75%	3 years	n/a
Tuesday, 16 November 2021	£16.25	£0.001	n/a	0.28%	3 years	n/a
Tuesday, 20 December 2022	£8.40	£0.001	n/a	0.66%	3 years	n/a
Tuesday, 28 November 2023	£4.58	£0.001	n/a	1.36%	3 years	n/a
Wednesday, 04 December 2024	£2.83	£0.001	n/a	2.34%	3 years	n/a
Friday, 11 April 2025	£1.51	£0.001	n/a	4.39%	3 years	n/a

32 Retirement benefit scheme

The Group operates a number of defined contribution pension plans that are open to all employees.

Other than amounts that are deducted from employees' remuneration and accrued pending payment to the pension fund, no further obligations fall on the Group as the assets of these arrangements are held and managed by third parties entirely separate from the Group.

The pension charge for the year represents contributions payable to the fund and amounted to £1,503,000 (12 months to August 2024: £805,000) for the period. Contributions totalling £54,000 (12 months to August 2024: £13,000) were payable to the fund at the balance sheet date and are included in Trade and other payables.

33 Financial instruments

Capital risk management

The Group manages its capital to maximise future profitable growth and thereby the return on investment for shareholders. The Group's overall strategy has evolved in the last five years in response to both organic and acquisition-related growth opportunities.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Parent Company, comprising issued capital, reserves and retained earnings, as disclosed in notes 28 and 29.

The Group is not subject to any externally imposed capital requirements. Equity includes all capital and reserves of the Group that are managed as capital.

Categories of financial instruments

	28 February 2026 £000	31 August 2024 £000
Financial assets		
Amortised cost		
Cash and cash equivalents	**20,623**	22,040
Trade and other receivables	**26,943**	33,454
	47,566	55,494
Financial liabilities		
Trade and other payables	**12,515**	18,710
Bank loan (RCF) and arrangement fee	**29,218**	34,565
Amounts payable in relation to staged acquisition payments	**1,625**	2,166
Lease liabilities	**6,079**	6,331
	49,438	61,772
Financial liabilities at fair value through other comprehensive Income (FVOCI):		
Derivative financial instruments – cash flow hedges	**(601)**	–

The £0.5 million recorded as at 28 February 2026 against bank loan and arrangement fee is the amount paid to arrange the RCF in September 2023. The cost is being written down over the term of the RCF, which expires in FY28. This is shown net with the loan amount. As at 28 February 2026, the amount drawn down against the RCF is £29.7 million (31 August 2024: £35.1 million).

Financial assets and liabilities are measured at amortised cost, with the exception of financial derivatives, which are held at fair value.

Financial risk management objectives

The Group's finance function is responsible for all aspects of corporate treasury. It coordinates access to financial markets and monitors and manages the financial risks relating to the operations of the Group through internal reports that analyse exposures by degree and magnitude. The risks reviewed include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies, approved by the Board of Directors, which provide guidance to the finance function in addressing all risks, including foreign exchange risk, credit risk and the appropriate use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's bankers are party to a debenture that provides for security over the whole of the Company's assets and undertakings. This debenture is in place to support the RCF, the provision of forward contracts and a duty deferment facility.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk. Currently, the exposure to short-term foreign exchange rate risks is mitigated through the purchase of forward foreign exchange contracts to hedge the exchange rate risk arising on trading with overseas customers.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters, utilising forward foreign exchange contracts.

The carrying amounts of the Group's monetary assets and monetary liabilities at the relevant period end dates are as follows:

	Liabilities		**Assets**	
	28 February 2026 £000	31 Aug 2024 £000	**28 February 2026 £000**	31 Aug 2024 £000
USD	**14,473**	18,522	**16,131**	30,431
EUR	**2,787**	2,297	**13,459**	11,536
AUD	**362**	273	**1,115**	978
JPY	**–**	–	**844**	–
HKD	**310**	242	**67**	36
GBP	**31,506**	40,438	**15,950**	12,513
	49,438	61,772	**47,566**	55,494

Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro and US Dollar.

The following table details the Group's sensitivity to a 10% increase and decrease in GBP against the relevant foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

	Euro impact		**USD impact**	
	28 February 2026 £000	31 August 2024 £000	**28 February 2026 £000**	31 August 2024 £000
Profit or loss impact	**1,186**	903	**184**	753

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts during the following financial year with the aim that approximately 75% of the Euro foreign exchange exposure is covered. In addition, in accordance with the Group policy, hedges for approximately 50% of the Euro foreign exchange exposure for the year after that are also put in place.

Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sale or purchase transaction takes place. The Group hedges payments and receipts of trade debtors and creditors and no other financial assets, and therefore there is no uncertainty over the accounting for any payments for stock and other financial assets.

33 Financial instruments continued

As at 28 February 2026, the forward foreign exchange contracts for the upcoming financial reporting period had not been finalised classified as level 2 under the fair value hierarchy below. For the current and prior year, all forward foreign exchange contracts have been hedge accounted. For these cash flow hedges, the following table sets out the periods when the cash flows are expected to occur and when they are expected to affect profit or loss:

	28 February 2026				
	Carrying amount £000	Expected cash flow £000	Within 1 year £000	Between 1 and 5 years £000	Over 5 years £000
Forward exchange contracts					
Liability	**(601)**	**(601)**	**(601)**	**–**	**–**
Total	**(601)**	**(601)**	**(601)**	**–**	**–**

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. The Group's primary exposure to credit risk arises from trade receivables, together with cash and cash equivalents and deposits with financial institutions. The Group manages credit risk through a combination of credit assessments, established credit limits and ongoing monitoring of customer balances. Credit limits are set for customers based on internal and external credit ratings, trading history, and financial position, and are reviewed regularly. The Group's customer base is geographically diversified and comprises a large number of wholesale and retail counterparties, reducing concentration risk.

A significant proportion of trade receivables is covered by credit insurance arrangements, which typically protect approximately 80% of the outstanding balances against default. Credit insurance is obtained from reputable counterparties and forms a key component of the Group's credit risk mitigation strategy.

The Group applies the IFRS 9 simplified approach to measure expected credit losses ("ECL") on trade receivables, recognising a loss allowance based on lifetime ECLs. The ECL provision is determined using a provision matrix that incorporates historical credit loss experience, current economic conditions, and forward-looking information, including macroeconomic factors relevant to the Group's end markets. Trade receivables are written off where there is no reasonable expectation of recovery, typically when a customer enters insolvency or ceases trading. The carrying amount of financial assets recognised in the consolidated financial statements, net of impairment allowances, represents the Group's maximum exposure to credit risk. The Group does not hold collateral over trade receivables, other than the benefit derived from credit insurance, and has not provided guarantees in respect of third-party obligations.

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure that it maintains sufficient cash resources and committed funding facilities to meet its liabilities under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk through ongoing monitoring of forecast and actual cash flows, maintaining an appropriate level of headroom against its available facilities. The Group benefits from strong cash generation from its trading activities and maintains disciplined working capital management. The Group maintains a revolving credit facility (RCF), which provides committed funding and additional liquidity headroom. The facility is subject to financial covenants, which are monitored regularly, and was not breached during the period. At the reporting date, the Group was in compliance with all covenant requirements. The combination of cash balances and the undrawn portion of the RCF provides significant flexibility to manage short-term liquidity requirements and support strategic objectives.

The following table details the Group's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary to understand the Group's liquidity risk management, as the liquidity is managed on a net asset and liability basis.

Financial assets	**Less than 1 month £000**	**1 to 3 months £000**	**3 months to 1 year £000**	**1 to 5 years £000**	**5+ years £000**	**Total £000**
28 February 2026						
Non-interest-bearing	**47,566**	–	–	–	–	**47,566**
	47,566	–	–	–	–	**47,566**
31 August 2024						
Non-interest-bearing	55,494	–	–	–	–	55,494
	55,494	–	–	–	–	55,494

33 Financial instruments continued

Financial liabilities	Less than 1 month £000	1 to 3 months £000	3 months to 1 year £000	1 to 5 years £000	5+ years £000	Total £000
28 February 2026						
Interest-bearing RCF	–	–	–	**(29,745)**	–	**(29,745)**
Non-interest bearing	**(12,515)**	**(500)**	–	**(1,125)**	–	**(14,140)**
	(12,515)	(500)	–	**(30,870)**	–	**(43,885)**
31 August 2024						
Interest-bearing RCF	–	–	–	(35,101)	–	(35,101)
Non-interest bearing	(18,710)	–	(526)	(1,640)	–	(20,876)
	(18,710)	–	(526)	(36,741)	–	(55,977)

The amounts drawn down on the RCF are shown as less than one month, as this is the agreed term of the draw-down, but it can be renewed within the term of the credit facility.

The movement in financial liabilities is shown below:

	18 months to February 2026 £000	12 months to August 2024 £000
Balance as at start of period	**34,565**	28,093
Changes from financing cash flows:		
Proceeds from loans and borrowings	**-**	10,050
Repayment of loans and borrowings	**(5,100)**	(2,750)
	29,465	35,393
Other changes		
Capitalisation of RCF arrangement fee	**(332)**	(695)
Write-down of RCF arrangement fee	**341**	259
Foreign Exchange	**(256)**	(392)
Balance at period end	**29,218**	34,565

The maturity of non-derivative financial liabilities, comprising trade payables and other creditors, is less than three months for both of the financial period ends.

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the relevant year ends presented above.

On 22 September 2023, Focusrite plc renewed and extended a £50 million RCF with HSBC UK and NatWest for a period of four years. Under this agreement, Focusrite plc may draw down funds on demand, at an interest rate of 1.65%–2.30% + SONIA on utilised funds and 35% of margin on unutilised funds. This facility was extended for a further year in September 2024.

The movement in lease liabilities was as follows:

	18 months to February 2026 £000	12 months to August 2024 £000
Balance at start of period	**6,331**	7,210
Lease payments	**(2,070)**	(1,423)
	4,261	5,787
Interest on lease liabilities	**193**	180
New leases in the year	**1,772**	413
Derecognition	**(173)**	–
Foreign exchange	**26**	(49)
Balance at end of period	**6,079**	6,331

The following table sets out the periods when the cash flows in respect of leases are expected to occur:

	Carrying amount £000	Expected cash flow £000	Within 1 year £000	Between 1 and 5 years £000	Over 5 years £000
As at 28 February 2026					
Lease liabilities	**6,079**	**6,528**	**1,000**	**4,834**	**694**
Total	**6,079**	**6,528**	**1,000**	**4,834**	**694**
As at 31 August 2024					
Lease liabilities	6,331	6,774	1,105	3,938	1,731
Total	6,331	6,774	1,105	3,938	1,731

The total charge of short-term and low-value leases for which an exemption from IFRS 16 was taken during the year was £54,000 (12 months to August 2024: £56,000).

Fair value of financial instruments

Fair value of financial instruments carried at amortised cost

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis, using prices from observable current market transactions and dealer quotes for similar instruments.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows, estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Fair value measurements recognised in the Statement of Financial Position

Under IAS 39, all derivative financial instruments not in a hedge relationship are classified as derivatives at fair value through the income statement. The Group does not use derivatives for speculative purposes. All transactions in derivative financial instruments are underpinned by firm orders from customers or to suppliers, or where there is a high degree of certainty that orders will be received.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

34 Related party transactions

Balances and transactions between the Parent Company and its subsidiary, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and other related parties are disclosed below.

Remuneration of key management personnel

The key management personnel are the operational Directors of the Group, and the remuneration that they have received during the year while employed as an operational Director is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	18 months to February 2026 £000	12 months to August 2024 £000
Short-term employee benefits	**4,236**	2,912
Share-based payments	**369**	212
Pension contributions	**78**	39
	4,683	3,163
Aggregate emoluments of the highest-paid Director	**815**	391

More details on the members of the Board can be found on pages 64 and 65.

Transactions involving Directors and key management personnel

During the year, the Company continued a commercial lease agreement in Lincoln Road, High Wycombe. Mr P Dudderidge, a Director and shareholder of the Company, is the landlord of the property in Lincoln Road, High Wycombe. The annual rental is £24,250 (12 months to August 2024: £24,250) and is considered to be at arm's length. No amounts are outstanding at the year end (31 August 2024: £nil).

35 Capital commitments

As at 28 February 2026, the Group had no capital commitments (31 August 2024::Nil).

36 Subsequent events

On 20 February 2026, the United States Supreme Court issued a ruling invalidating certain tariffs imposed during 2025 on products imported into the United States. The Group had incurred costs in respect of these tariffs on imports during the 18 month period to February 2026 and is in the process of applying for refunds.

The recoverability of these amounts is subject to ongoing legal and administrative processes in the United States. As a result, management is currently unable to reliably estimate the amount or timing of any potential recovery, or the impact of any future changes in US tariff policy.

At the reporting date, given the mechanism by which to reclaim such amounts was not established, and the level of uncertainty regarding the amounts recoverable, the matter has been treated as a non-adjusting post-balance sheet event and no quantification has been included in this disclosure.

COMPANY BALANCE SHEET AS AT 28 FEBRUARY 2026

	Note	28 February 2026 £000	Restated[1] 31 August 2024 £000
Assets			
Non-current assets			
Investment in subsidiaries	6	**88,267**	70,184
Intangible assets	7	**–**	56
Trade and other receivables	8	**14,432**	36,640
Total non-current assets		**102,699**	106,880
Current assets			
Trade and other receivables	8	**3,467**	2,994
Deferred tax asset		**105**	7
Cash at bank and in hand		**164**	49
Total current assets		**3,736**	3,050
Current liabilities			
Trade and other payables	9	**(4,481)**	(37,090)
Total current liabilities		**(4,481)**	(37,090)
Net current liabilities		**(745)**	(34,040)
Total assets less current liabilities		**101,954**	72,840
Non-current liabilities			
Bank loan and arrangement fee[1]	10	**(29,218)**	(34,565)
Total non-current liabilities		**(29,218)**	(34,565)
Total liabilities		**(33,699)**	(71,655)
Net assets		**72,736**	38,275
Capital and reserves			
Share capital	11	**59**	59
Share premium		**115**	115
Merger reserve	12	**14,595**	14,595
Employee Benefit Trust ('EBT') reserve	13	**(1)**	(1)
Non-distributable reserve	14	**3,650**	3,650
Retained earnings		**54,318**	19,857
Total equity and shareholders' funds		**72,736**	38,275

1 Restated for the reclassification of outstanding bank loans as a non-current liabilities from current liabilities. See note 2 for more details.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The Company reported a profit for the 18 months to 28 February 2026 of £38.6 million (12 months to 31 August 2024: loss of £2.1 million).

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2026. They were signed on its behalf by:

Sally McKone
Chief Financial Officer

Registered number 9312676

The accompanying notes on pages 137 to 142 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 28 FEBRUARY 2026

	Share capital £'000	Share premium £'000	Merger reserve £'000	EBT reserve £'000	Non-distributable reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 August 2023	59	115	14,595	(1)	3,650	25,718	44,136
Loss for the period	–	–	–	–	–	(2,056)	(2,056)
Share-based payments: deferred tax	–	–	–	–	–	(9)	(9)
EBT shares issued	–	–	–	–	–	22	22
Share-based payments	–	–	–	–	–	158	158
Shares withheld to settle tax obligations	–	–	–	–	–	(106)	(106)
Dividends paid	–	–	–	–	–	(3,870)	(3,870)
Balance at 31 August 2024	59	115	14,595	(1)	3,650	19,857	38,275
Profit for the period[1]	**–**	**–**	**–**	**–**	**–**	**38,590**	**38,590**
Share-based payments: deferred tax	**–**	**–**	**–**	**–**	**–**	**73**	**73**
EBT shares issued	**–**	**–**	**–**	**–**	**–**	**21**	**21**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**762**	**762**
Shares withheld to settle tax obligations	**–**	**–**	**–**	**–**	**–**	**(37)**	**(37)**
Share based payments in lieu of bonuses	**–**	**–**	**–**	**–**	**–**	**152**	**152**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(5,100)**	**(5,100)**
Balance at 28 February 2026	**59**	**115**	**14,595**	**(1)**	**3,650**	**54,318**	**72,736**

The accompanying notes on pages 137 to 142 form part of these financial statements.

NOTES TO THE COMPANY ACCOUNTS FOR THE 18 MONTHS TO 28 FEBRUARY 2026

1 Authorisation of financial statements and statement of compliance with FRS 101

The Parent Company financial statements of Focusrite plc for the period as at 28 February 2026 were authorised for issue by the Board of Directors on 28 June 2026 and the balance sheet was signed on the Board's behalf by Sally McKone, Chief Financial Officer.

Focusrite plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM. These financial statements were prepared in accordance with the Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). The accounting policies that follow set out those policies that apply in preparing the financial statements for the period as at 28 February 2026.

No profit and loss account is presented by the Company, as permitted by section 408 of the Companies Act 2006. The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Parent Company's Profit for the year was £38,590,000 (12 months to August : loss of £2,056,000).

2 Basis of preparation and summary of significant accounting policies

Basis of preparation

These financial statements were prepared in accordance with FRS 101.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- a cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- disclosures required under IFRS 2 in relation to share-based payments;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of key management personnel.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

Investments in subsidiaries

Investments in subsidiaries are stated at cost, less any provision for impairment. This is detailed in more depth in the Group accounting policies, in note 3.

Cash

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand, and short-term deposits with an original maturity of three months or less.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception: deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Deferred income tax assets and liabilities are offset only if a legally enforced right exists to set off current tax assets against current tax liabilities; the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise, income tax is recognised in the income statement.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Equity-settled share-based payments

The Company issues equity-settled payments to certain employees (including Directors). All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

2 Basis of preparation and summary of significant accounting policies continued

Share options are valued at the date of grant using the Black–Scholes option pricing model for options with non-market vesting conditions attached and using a simulation model for options with market vesting conditions attached, and are charged to operating profit over the vesting period of the award with a corresponding credit to Other reserves.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if those share options ultimately exercised are different from that estimated on vesting.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital and, where appropriate, share premium account.

The share option charge related to the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings is subsequently recharged to the relevant employing subsidiary.

Prior year restatement – Reclassification of Bank Loan

During the period, an update was made to IAS 1: Presentation of Financial Statements, requiring entities to consider the substance of liabilities and their classification as either current or non-current and the conditions applicable to any renewal of the loan. The Directors have the right to defer payment of the loans for longer than 12 months from the balance sheet date, and as a result, the bank loans held by the Group have been reclassified as non-current with the change being applied retrospectively. As at 31 August 2024, a total of £34.6m has been reclassified as non-current liabilities from current liabilities.

3 Directors' remuneration

Directors' emoluments

	18 months to 28 February 26 £000	12 months to 31 August 24 £000
Salaries, bonuses and other employee benefits	**2,470**	1,180
Social security costs	**322**	199
Pension costs	**25**	17
	2,817	1,396
Aggregate emoluments of the highest-paid Director	**1,090**	457

During the year, retirement benefits were accruing to two Directors (12 months to August : two Directors) in respect of employer's contributions to pensions, which were taken as cash. The highest-paid Director received remuneration (excluding the value of vested share options) of £1,090,000 (2024: £457,000). Details of the share options and long term incentive plans for the Directors can be found on page 86 of the Annual Report.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest-paid Director amounted to £nil (FY24: £nil) and £15,000 (FY24: £10,000) was paid as cash in lieu of pension. During the year, no share options were exercised by Directors (FY24: nil), resulting in no gain (FY24: no gain). As stated within the Directors' Remuneration report on page 87 the Directors' remuneration for the period was as follows:

Executive Directors		Salary/fees £000	Other taxable benefits £000	Annual bonus £000	Pension contribution £000	Total £000
Tim Carroll[1]	FY24 12 months to 31 Aug 24	389	2	56	10	457
	18 months to 28 Feb 26	601	3	471	15	1,090
Sally McKone[2]	FY24 12 months to 31 Aug 24	277	2	72	7	358
	18 months to 28 Feb 26	428	3	365	10	806
Non-executive Directors						
Philip Dudderidge[3]	FY24 12 months to 31 Aug 24	198	4	–	–	202
	18 months to 28 Feb 26	256	66	–	–	322
David Bezem[4]	FY24 12 months to 31 Aug 24	60	–	–	–	60
	18 months to 28 Feb 26	93	–	–	–	93
Naomi Climer[5]	FY24 12 months to 31 Aug 24	60	–	–	–	60
	18 months to 28 Feb 26	93	–	–	–	93
Mike Butterworth[6]	FY24 12 months to 31 Aug 24	60	–	–	–	60
	18 months to 28 Feb 26	93	–	–	–	93

1 The bonus for Tim Carroll comprises a cash bonus of £164,414 for the 12 months to 31 Aug 25 ("FY25") and £89,558 for the 6 months to 28 Feb 26 ("FP26") (FY24: £45,283), £72,140 taken as shares for FY25 and £36,070 for FP26 (FY24: £5,300) and £72,140 in the form of matching shares for FY25 and £36,070 for FP26 (FY24: £5,300). The pension contribution was taken as additional income net of the appropriate percentage of income tax and Employer's National Insurance, which would not otherwise have fallen due.

2 The bonus for Sally McKone comprises a cash bonus of £97,037 for FY25 and £53,749 for FP26 (FY24: £nil), with £71,303 taken as shares for FY25 and £35,651 for FP26 (FY24: £35,997) and £71,303 for FY25 and £35,651 for FP26 in the form of matching shares (FY24: £35,997).

3 The remuneration for Philip Dudderidge comprises a fee/salary of £150,000 (FY24: £198,000). The benefits are a legacy entitlement to private healthcare provision, which will cease when Philip Dudderidge steps down as Chairman. In respect of FY27 Philip Dudderidge's remuneration will be decreased to £100k when he ceases to be Chair.

4 The remuneration for David Bezem comprises a basic fee of £50,830 per annum for his role as a Non-executive Director of the Group and an additional £10,815 per annum for his role as Senior Independent Director.

5 The remuneration for Naomi Climer comprises a basic fee of £50,830 per annum for her role as a Non-executive Director of the Group and an additional £10,815 per annum for her role as Chair of the Remuneration Committee.

6 The remuneration for Mike Butterworth comprises a basic fee of £50,830 per annum for his role as a Non-executive Director of the Group and an additional 10,815 per annum for his role as Chair of the Audit Committee.

4 Staff costs

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

	18 months to February 26 £000	12 months to August 24 £000
Wages and salaries	**6,458**	2,383
Social security costs	**447**	328
Other pension costs	**54**	30
	6,959	2,741

The average monthly number of employees, including the Directors, during the year was as follows:

	18 months to February 26 Number	12 months to August 24 Number
Management and administration	**17**	15

5 Dividends

The following equity dividends have been paid or proposed:

	18 months to February 26 £000	12 months to August 24 £000
Total dividend per qualifying ordinary share	**8.84p**	6.6p

During the period, the Company paid two interim dividends of 2.1p each in respect of the 18-month period ended 28 February 2026, totalling 4.2 pence per share (12 months to August : 2.1 pence per share).

On 25 June 2026, the Directors recommend a final dividend of 4.64 pence per share (12 months to August : 4.5 pence per share), making a total dividend of 8.84 pence per share for the period (12 months to August : 6.6 pence per share).

6 Investments in subsidiaries

Name	Country of registration or incorporation	Principal activity	Class of shares	2026 %	2024 %
Focusrite Audio Engineering Limited ('FAEL')	England and Wales	Manufacture and distribution of audio interfaces and related hardware/ software	Ordinary	100	100
Focusrite Group EMEA Ltd	England and Wales	Sales, marketing and distribution services	Ordinary	100	100
Focusrite Group USA[4]	USA	Sales, marketing and distribution services	Ordinary	100	100
Focusrite Novation Asia Limited[1]	Hong Kong	Marketing services	Ordinary	100	100
Focusrite Australia PTY Limited[1]	Australia	Sales, marketing and distribution services	Ordinary	100	100
Focusrite Group Japan KK	Japan	Sales, marketing and distribution services	Ordinary	100	—
Pro Audio Beteiligungs GmbH	Germany	Holding company	Ordinary	100	100
ADAM Audio GmbH[2]	Germany	Manufacture and distribution of professional studio monitors and loudspeakers	Ordinary	100	100
Dongguan ADAM Audio Business Service Co., Limited[2]	China	Support services	Ordinary	100	100
Optimal Audio Group Limited	England and Wales	Holding company	Ordinary	100	100
Martin Audio Limited[3]	England and Wales	Design, manufacture and supply of professional loudspeakers and audio solutions	Ordinary	100	100
Linea Research Holdings Ltd[3]	England and Wales	Holding company	Ordinary	100	100
Linea Research Limited[3]	England and Wales	Manufacture and distribution of audio amplification products	Ordinary	100	100
Herts & Beds Electronic Services Limited[3]	England and Wales	Support services	Ordinary	100	100
Aylesford Court (Letchworth) Management Company Ltd[3]	England and Wales	Facilities support	Ordinary	40	40
Sheriff Technology Limited[3]	England and Wales	Research and development of audio technology	Ordinary	100	100
Innovate Audio Limited[3]	England and Wales	Research and development of audio technology	Ordinary	100	100
Focusrite Investments Inc	USA	Holding company	Ordinary	100	100
Sequential LLC[4]	USA	Manufacture and distribution of synthesisers and associated products	Ordinary	100	100
Marion Systems LLC[4]	USA	High-end synth production company	N/A	100	100
Sequential Synths Ltd[4]	England and Wales	Leasing of intellectual property and similar products	Ordinary	100	100
Sonnox Limited	England and Wales	Sales and development of audio software plug-ins	Ordinary	100	100

1 Owned indirectly through FAEL.

2 Owned indirectly through Pro Audio Beteiligungs GmbH.

3 Owned indirectly through Optimal Audio Group Limited.

4 Owned indirectly through Focusrite Investments Inc.

	28 February 2026 £000	31 August 2024 £000
At beginning of period	**70,184**	70,154
Additional investment	**51**	30
Addition via capital contribution	**18,032**	–
At end of period	**88,267**	70,184

During the period the Company converted an existing loan to the US holding company to capital in order to extinguish the debt.

Included within investments in subsidiaries of £88.3 million is £24.7 million relating to the investment in Focusrite Investments Inc., the Group's US holding company, which holds Sequential LLC and Focusrite Group US Inc.

During the 18 months to 28 February 2026, an impairment charge of £9.8 million was recognised in the Group's consolidated financial statements in respect of the Sequential cash generating unit (CGU). Following this, management performed an impairment assessment of the carrying value of the investment in the US subgroup at the parent company level. This assessment did not identify any impairment of the investment.

The recoverable amount of the investment is sensitive to changes in key assumptions, in particular the discount rate and terminal growth rate. An increase in the discount rate of 1 percentage point, or a decrease in the terminal growth rate of 1 percentage point, would reduce the headroom by approximately £2.3 million and would result in an impairment of approximately £1.3 million.

Management has reviewed the assumptions applied in the current year forecasts, including projected cash flows and long-term growth expectations, and considers these to be reasonable and supportable. On this basis, management believes that the carrying value of the investment is appropriate as at the reporting date.

7 Intangible assets

	Computer software £000	Website £000	Total £000
Cost			
At 31 August 2024	46	63	109
Additions	–	–	–
At 28 February 2026	46	63	109
Amortisation:			
At 31 August 2024	23	30	53
Charge for the year	23	33	56
At 28 February 2026	46	63	109
Carrying amount:			
At 28 February 2026	–	–	–
At 31 August 2024	23	33	56

8 Trade and other receivables

	28 February 2026 £000	31 August 2024 £000
Debtors due in less than one year		
Other debtors	**2**	72
Prepayments	**68**	871
Amounts owed by Group undertakings	**3,397**	2,051
	3,467	2,994
Debtors due in more than one year		
Amounts owed by Group undertakings	**14,432**	36,640

The amounts owed by Group undertakings are repayable on demand. These amounts include loans made to ADAM Audio, Martin Audio, totalling £14,432,000 (31 August 2024: £36,640,000). These loans have been made on an arm's length basis and interest is payable at a rate of SONIA +2%. In the prior year amounts also included loans made to Sequential LLC and FIIS LLC, which were converted to capital during the year, see note 6.

Of the amounts owed, management do not expect repayment of £14,432,000 (31August 2024: £36,640,000) within one year; therefore, this balance has been classified as due in more than one year. The Company has not accounted for any expected credit loss within intercompany receivables as this is deemed immaterial.

9 Trade and other payables

	28 February 2026 £000	31 August 2024 £000
Other creditors	**1,912**	2,518
Amounts due to Group undertakings	**2,569**	34,572
	4,481	37,090

The amounts owed to Group undertakings are repayable on demand, although no balances are expected to be repaid during the next 12 months.

10 Bank loan

	Total £000
28 February 2026	

Non-interest-bearing	527
RCF	(29,745)
	(29,218)
31 August 2024	
Non-interest-bearing	536
RCF	(35,101)
	(34,565)

The £0.5 million (31 August 2024: £0.5 million) recorded against the bank loan and arrangement fee as at 28 February 2026 is the amount paid to arrange the RCF in September 2023. The cost is being written down over the term of the RCF, which expires in FY28.

The Group's bankers are party to a debenture that provides for security over the whole of the Company's assets and undertakings. This debenture is in place to support the RCF, the provision of forward contracts and a duty deferment facility.

11 Share capital

	28 February 2026 Number	31 August 2024 Number
Issued and fully paid		
Ordinary shares of £0.001 each	**59,211,639**	59,211,639

In the financial year, nil shares were issued to the EBT (12 months to August : nil).

	28 February 2026 £000	31 August 2024 £000
Issued and fully paid		
	59,212	59,212

The Company has one class of ordinary shares that carries no right to fixed income.

12 Merger reserve

	28 February 2026 £000	31 August 2024 £000
At period end	**14,595**	14,595

The merger reserve represents the difference between the cost of the investment in FAEL (and its subsidiary, Focusrite Novation Inc.) of £14,647,000 and the nominal value of the ordinary shares issued in exchange of £52,000.

13 EBT reserve

	28 February 2026 £000	31 August 2024 £000
Balance at beginning of period	**(1)**	(1)
Shares issued to the EBT	**–**	–
Shares from EBT exercised	**–**	–
Balance at end of period	**(1)**	(1)

14 Non distributable reserve

During FY21, an amount of £3,650,000 dividend in specie was received on transfer of US entities to Focusrite plc. As this dividend is non-distributable, it has been treated as a non-distributable reserve within capital and reserves.

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Focusrite plc

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