Focusrite plc ("Focusrite" or "the Group")
Results for the six months to 31 August 2026

Improved profitability supporting full year expectations

Focusrite plc, the global music and audio products company supplying hardware and software used by professional and amateur musicians and the entertainment industry, today announces its interim results for the six months ended 31 August 2026.

Commenting on the results and outlook, Tim Carroll CEO said:

"We have delivered a strong first-half performance, with revenue growth, improved margins and double-digit growth in adjusted operating profit, alongside a significant strengthening of our balance sheet. Overall, these results reflect the progress we have made in recent years through investment in product innovation, improved routes to market and greater operational efficiency, with the business moving out of a period of adjustment to one of delivery, providing a solid foundation for future growth.

"Our Content Creation division continues to perform well with strong sales and profit growth, supported by new product launches and the strength of our established brands. In Audio Reproduction, double digit growth in the key US market was offset by a reduction in China, but the division has delivered strong growth in orders with a positive book to bill ratio for this half year. We have also made significant progress with our proprietary audio silicon chip technology, with the first product incorporating the technology expected to ship in early 2027, supporting future innovation and margin enhancement.

"Trading since the period end has been encouraging, with healthy underlying demand across both divisions. As previously indicated revenue and profitability are expected to be more heavily weighted towards the first half, whilst noting this impact our performance to date gives us confidence in meeting market expectations for the full year[6].

Key financial metrics

	Six months to 31 August 2026	Restated[5] Six months to 31 August 2025	% change
Revenue (£ million)	90.3	88.0	2.7%
Gross margin %	46.6%	44.9%	+1.7% points
Adjusted[1] EBITDA[2] (£ million)	15.8	14.3	10.9%
Operating profit (£ million)	10.9	6.5	67.6%
Adjusted[1] operating profit (£ million)	11.1	9.7	14.7%
Basic earnings per share (p)	12.8	6.2	106.5%
Adjusted[1] diluted earnings per share (p)	12.8	10.2	25.5%
Interim dividend per share (p)	2.16	2.10	3.0%
Net debt[3] (£ million)	(1.5)	(10.8)	Down £9.3m

Financial Highlights

- Revenue increased by 2.7%, (+2.5% organic, after adjusting for currency[4]).
    - Content Creation: Revenue grew by 5.2% (+5.0% OCC) driven by successful new product introductions
    - Audio Reproduction: Ongoing growth in the US region offset by a subdued market in China resulting in revenue decline of 3.9% (4.0% organic constant currency). Strong growth in orders of 12% for the 6 months compared to the prior year.
- Gross margin increased by 1.7 percentage points through targeted price increases, cost reductions delivered in partnership with contract manufacturers and refined routes to market
- Adjusted[1] Operating profit increased by 14.7%, through increased revenue and gross margins, disciplined cost control, refinements to fulfilment and logistics and a greater focus on higher-margin routes to market
- £2.8m of US tariff refunds received and £2.4m recognised as an adjusting item
- Adjusted[1] diluted EPS increased by 25.5% due to improved profitability and lower finance charges
- Net debt decreased by £9.3 million since August 2025 to £1.5 million, primarily due to improvements in working capital and the US tariff refunds.

Operational Highlights

- New technology platform development, securing future innovation
- Group's proprietary audio silicon chip technology now in production, the first product expected to ship in early 2027 – supporting improved future product functionality and enhanced margin development
- Ongoing portfolio development and market led innovation
    - Launch of new Focusrite interface, enhancing brand reach and reputation and new controller ranges driving Novation growth within Content Creation
- Route to market refinement driving growth and margin expansion
    - Japan: New direct-to-reseller route to market strengthening customer intimacy and supporting 20% year-on-year revenue growth
    - Direct-to-consumer: continued to grow, supporting closer customer relationships and improved margins
- Operational excellence: delivering product cost improvements across Content Creation
    - Over £1 million of product cost reductions achieved though partnering with contract manufacturers and proactive sourcing

Current Trading and Outlook

- As previously indicated, revenue and profitability are expected to be more heavily weighted towards the first half of the financial year, reflecting the phasing of sales into distribution channels ahead of the winter holiday season.
- Trading since the end of August has been encouraging with healthy underlying demand across both the Content Creation and Audio Reproduction divisions
- The Board is confident in meeting market expectations for the year ending 28 February 2027[6].

Capital Markets Event

Focusrite will be hosting a Capital Markets Event on Wednesday 25 November 2026 for institutional investors and analysts providing investors with further insight into the Group's strategy, growth opportunities and financial framework. No new material trading information will be disclosed.

[1] Adjusted for amortisation of acquired intangible assets and other adjusting items as detailed in note 4 to the Interim Statement.

[2] Defined as operating profit adjusted for depreciation and amortisation and adjusting items.

[3] Net debt defined as cash and cash equivalents, overdrafts and amounts drawn against the RCF including the costs of arranging the RCF.

[4] Organic constant currency growth. This is calculated by comparing HY27 revenue to HY26 revenue adjusted for HY27 exchange rates.

[5] Restated due to prior period adjustments – see note 1.10 to the financial statements

[6] In so far as the Board is aware, as at 2 November 2026, the range of market forecasts for the 12 month period to 28 February 2027, based on published sell-side research, were for revenue of £170.1 million to £173.7 million, adjusted EBITDA[2] of £25.2 million to £27.4 million and adjusted operating profit of £15.6 million to £17.5 million.

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Analyst meeting

An online briefing for analysts will be held today at 10:30am. If you are an analyst and would like to attend this meeting, please send an email to: focusrite@almastrategic.com

Investor presentation

A live online presentation open to all existing and potential investors will be held at 11:00am on 4 November 2026 on the Investor Meet Company platform.

If you would like to attend this online presentation, please sign up via the following link:

https://www.investormeetcompany.com/focusrite-plc/register-investor

Questions can be submitted pre-event via the Investor Meet Company dashboard up until 09:00am the day before the presentation or at any time during the live presentation.

Notes to Editors

Focusrite plc is a global audio products group that develops and markets proprietary hardware and software products. Used by audio professionals and musicians, its solutions facilitate the high-quality production of recorded and live sound.

With a high-quality reputation and a rich heritage spanning decades, the Focusrite Group trades under eleven established brands, each of which are category leaders in the music-making and audio recording industries.

The Group operates through two divisions: Content Creation and Audio Reproduction.

- Within its **Content Creation** business, Focusrite offers audio interfaces and other products for recording musicians, producers and professional audio facilities.
- The **Audio Reproduction** division provides high-quality, professional-grade solutions for both live sound and permanent installations.

The Company has offices in four continents and a global customer base with a distribution network covering approximately 240 territories.

Focusrite plc is traded on the AIM market, London Stock Exchange.

Business and operating review

Overview: improved profitability, providing a foundation for growth

I am pleased to report the Group's results for the six months to 31 August 2026. These results demonstrate that the Group has moved from a period of adjustment to one of delivery. Our investment in recent years in product development, platform capability and operational efficiency and improved routes to market has driven improvements in operational performance and earnings and provides a solid foundation for the next phase of growth.

Revenue increased by 2.5% on an organic constant currency ('OCC') basis (2.7% reported). Gross margin improved by 1.7 percentage points, adjusted operating profit rose by 14.7%, and adjusted diluted EPS rose by 25.5%. Net debt reduced from £10.8 million 12 months ago to £1.5 million at 31 August 2026 (February 2026: £8.6 million). The markets we serve continue to offer attractive long-term growth, and we remain focused on expanding our customer base through innovative products.

Demand for the Group's brands remained robust. Our market-leading Content Creation product lines are consistently recognised as best sellers on major reseller websites, whilst our emerging brands grew market share and brand awareness globally. The Group's new product launches in the half year comprised both refreshes of existing ranges further enhancing our pricing power and new solutions that extend our addressable market and allow us to provide an increasing range of products to our existing customer base.

Operationally, the Group drove increased efficiency through disciplined cost control, refinements to our fulfilment and logistics and a greater focus on higher-margin routes to market, delivering sales growth and margin expansion.

Strategic Objectives for H2

Our strategic objectives for the second half of the year will be centred around our long term growth strategy. These include focus on the successful launch of the first product to include our own silicon in early 2027, the further development of the technology platform, together with the expansion of our cross selling programme and further operational synergies across our Content Creation Division. We look forward to providing greater insight into our growth strategy and ambitions at the forthcoming Capital Markets Event.

Operational review

Revenue from external customers	Six months to 31 August 2026 £000	Six months to 31 August 2025 £000	Reported Growth %	OCC Growth[1] %
Content Creation	66,879	63,589	5.2%	5.0%
Audio Reproduction	23,464	24,417	-3.9%	-4.0%
Total	**90,343**	**88,006**	**2.7%**	**2.5%**

1 Organic constant currency (OCC) growth rate is calculated by comparing HY27 revenue to HY26 revenue adjusted for HY27 exchange rates

Content Creation: product innovation and routes to market delivering market leadership

Content Creation revenue grew by 5.0% on an OCC basis (5.2% reported). Our leading brands topped sales rankings with the largest retailers in our industry while our challenger brands continued to gain share and momentum. This reflects the breadth of our portfolio and the strength of our multi-brand strategy. Novation was a particularly strong performer during the period, delivering healthy year-on-year growth, through a further expansion of the range.

The division's performance is underpinned by the Group's consistent strategy. We aim to grow share in established categories, expand into adjacent segments, and improve margins through pricing discipline, product mix and refined routes to market, including direct customer engagement both reaching new customers and providing a wider portfolio of products to our existing customer base.

We continue to strengthen our position in established markets through our global distribution network and partnerships with major retailers, studios and educational institutions. These relationships reinforce the credibility of our brands and extend our reach into new customer segments.

Targeted digital marketing, influencer partnerships and educational initiatives, including online content and training, continue to build awareness and adoption of our brands, supporting new product launches and growth in emerging segments.

Routes to market driving growth and expanding margins

We continue to refine our routes to market, with the aim of moving ever closer to our end users and in so improving our market intimacy and product margins. The Group had previously moved to selling directly to resellers in key markets, including the UK, Germany and Australia. Last year, we adopted this model in Japan, the second largest market for music recording. Revenue in Japan grew by 20% year on year, supporting overall Content Creation growth in APAC of 16.1% on an OCC basis and contributed a 0.3% point uplift to gross margins for the Group. This demonstrates the value of dedicated Group field teams in priority markets.

Our direct-to-consumer (D2C) eCommerce channel continues to grow and is an increasingly important part of our business model, with growth across all brands. It enables direct relationships with customers, supports a richer product mix and increases opportunities to build customer lifetime value. During the period, we also streamlined fulfilment for end users, improving both operational efficiency and gross margin.

Alongside this, we implemented targeted pricing actions across several product categories to offset higher freight and logistics costs, whilst working with our contract manufacturing partners to deliver product cost reductions. Together, these measures contributed to the improvement in gross margin.

Content Creation: technology innovation supporting product development

Innovation remains central to our strategy and is a key driver of growth and market share. Over the past six months since February 2026, the Content Creation brands launched seven new products and delivered multiple updates to existing product lines contributing to our revenue growth and reflecting our commitment to continuous improvement and customer-centric innovation.

Two of the more significant releases were the Focusrite CX8 interface and the second edition of the FL Key controllers. The CX8 is a flagship professional audio interface that builds on Focusrite's long history of developing solutions for even the most demanding professional artists and recording studios. The next generation of FL key controllers builds on the success of the first generation, offering even deeper integration with one of the world's most popular Digital Audio Workstations (DAWs). Together with our Launchkey MK4 range, these products have contributed to a record-breaking year for Novation, further expanding our customer base.

New silicon platform (FAESIC) planned into future product roadmap

At the end of the last financial year, we announced the near completion of a multi-year programme to design our own custom silicon chip, FAESIC (Focusrite Audio Engineering Specific Integrated Circuit). The silicon chip is now in production, and the first Group product incorporating this technology is expected to ship in early 2027. Our future product roadmap currently includes multiple new and updated products utilising this technology. FAESIC will be a core element of the Group's long-term innovation and product strategy, supporting improved future product functionality and enhanced margin development, while derisking the supply chain for silicon. We look forward to updating shareholders further on its potential to transform our business.

Content Creation revenue by region

Content Creation	Six months to 31 August 2026 £000	Six months to 31 August 2025 £000	Reported Growth %	OCC Growth[1] %
Americas	27,785	29,172	-4.8%	-4.6%
EMEA	30,344	26,884	12.9%	12.2%
APAC	8,750	7,533	16.2%	16.1%
Total	**66,879**	**63,589**	**5.2%**	**5.0%**

1 Organic constant currency (OCC) growth rate is calculated by comparing HY27 revenue to HY26 revenue adjusted for HY27 exchange rates

Growth in demand, with US channel inventories normalising

Content Creation had a strong six months. EMEA delivered strong results, with OCC growth of 12.2%. This was driven by healthy sell-through and restocking orders across both distributors and direct resellers with the channel now more settled following the consolidation of bricks and mortar stores in the prior year. APAC grew by 16.1% on an OCC basis, with continued strength in Japan more than offsetting subdued demand in China. In the Americas the Group saw sell out to end users from stock in the channel increase by 5% across our portfolio. The final stages of planned destocking, following a period of inventory increases in advance of tariff changes, resulted in a small decrease of revenue in this region in the six months to August. Inventory in this region is now largely normalised with a small buffer remaining to manage against tariff volatility.

Audio Reproduction: US market growth supported by an improving order book

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

Audio Reproduction is a project-based business, with a pipeline and order book extending six to 24 months forward. As previously reported, the market has continued to normalise following a period of exceptional post COVID driven demand in 2024. Industry data indicates that the market declined by a mid-to-high single-digit percentage over the past 12 months. However, there are signs of an improving outlook, with growth expected to return within the next six to 12 months.

Our order intake increased year on year during the period by 12% with growth in the US, with a book to bill ratio of 1.09 for the six months to August 2026.

Audio Reproduction: a broader portfolio supported by advanced software

Over the past 12 months, our Audio Reproduction brands continued to expand the portfolio, extending the Group's reach across all live sound segments. The most significant hardware release was the next generation of Wavefront Platform (WP) Series, a best of breed line array portfolio designed for a wide range of applications, including festivals, tours, houses of worship, theatres and auditoria. Alongside this, Linea Research launched a new family of system controllers designed to manage complex loudspeaker systems and deliver high-quality sound in smaller, multi-room venues.

The Group also released several significant software updates across Martin Audio, Linea Research and TiMax incorporating AI-enabled functionality to simplify and accelerate the set-up of complex installations. These software updates greatly enhance the overall system offerings of the Group and have taken us from a position of disadvantage to robust competitiveness in a remarkably short amount of time, further enabling us to grow share across all markets and regions.

Audio Reproduction revenue by region

Audio Reproduction	Six months to 31 August 2026 £000	Six months to 31 August 2025 £000	Reported Growth %	OCC Growth[1] %
Americas	8,613	7,590	13.5%	13.8%
EMEA	9,706	10,061	-3.5%	-4.1%
APAC	5,145	6,766	-24.0%	-23.9%
Total	**23,464**	**24,417**	**-3.9%**	**-4.0%**

1 Organic constant currency (OCC) growth rate is calculated by comparing HY27 revenue to HY26 revenue adjusted for HY27 exchange rates

The division delivered revenue growth of 13.5% in the Americas, driven by the US, the world's largest market and one where we see significant continued opportunities to gain share. This is a direct result of our further investments in US demand generation and growing traction for our product portfolio.

Performance in EMEA and APAC was more subdued and broadly in line with industry trends. In APAC, China, the region's largest market, saw an industry wide material decline in demand across all live sound categories, following strong growth in 2024 and 2025. However, the rest of APAC had a strong first half as we work with our sales team in these markets to reach out to new customers through the Martin "Have you heard?" programme of live sound demonstrations.

Proactive Tariff Management

As set out in our recent results for the period to February 2026, the Group proactively managed a period of significant US tariff volatility during the prior year, through inventory phasing and targeted price increases. Following developments in the US tariff regime, the Group applied for refunds of additional duties previously paid. To date, refunds of £2.8 million have been received, of which £2.4 million has been recognised in profit. This amount has been treated as an adjusting item in the current financial period to ensure that underlying profitability remains comparable between periods.

Operational Excellence

By working with our strategic long term contract manufacturing partners we have delivered over £1 million of annualised cost reductions across our Content Creation brands. This has been delivered through a combination of relocation of production to more efficient production facilities together with joint development of more efficient, but still sustainable packaging as well as improved purchasing of components and raw materials.

This continues to be a focus of our Group teams, against a backdrop of increasing component costs, identifying opportunities to look for cost improvement across our entire supply chain, including moving production of all Sequential and Oberheim ranges from the US to China to deliver margin improvements.

Financial Review

Overview

The Group reported revenues of £90.3 million, representing a 2.7% increase compared to the six months ended 31 August 2025. On an organic constant currency ("OCC") basis, the underlying increase was 2.5%.

Adjusted EBITDA[2] of £15.8 million was 10.9% higher than the prior year, reflecting the impact of increased sales and a higher gross margin.

Reported operating profit increased to £10.9 million (HY26: £6.5 million), driven by the same factors impacting EBITDA together with the receipt of £2.4 million of US tariff refunds, which have been disclosed as an adjusting item. Adjusted operating profit increased by 14.7% to £11.1 million.

Adjusted diluted EPS[1] increased by 25.5% to 12.8 pence compared to the prior year at 10.2 pence.

Income statement

	Six months to 31 August 2026			Six months to 31 August 2025		
	Adjusted £m	**Adjusting items[1] £m**	**Reported £m**	**Adjusted £m**	**Adjusting items[1] £m**	**Restated[3] Reported £m**
Revenue	**90.3**	**-**	**90.3**	88.0	-	88.0
Cost of sales	**(48.3)**	**2.4**	**(45.9)**	(48.5)	-	(48.5)
Gross profit	**42.0**	**2.4**	**44.4**	39.5	-	39.5
Administrative overheads	**(26.2)**	**(0.2)**	**(26.4)**	(25.2)	(0.5)	(25.7)
EBITDA[2]	**15.8**	**2.2**	**18.0**	14.3	(0.5)	13.8
Amortisation of intangible assets	**(3.1)**	**(2.4)**	**(5.5)**	(3.1)	(2.7)	(5.8)
Depreciation of tangible assets	**(1.6)**	**-**	**(1.6)**	(1.5)	-	(1.5)
Operating profit	**11.1**	**(0.2)**	**10.9**	9.7	(3.2)	6.5
Net finance expense	**(1.3)**	**-**	**(1.3)**	(1.7)	-	(1.7)
Profit before tax	**9.8**	**(0.2)**	**9.6**	8.0	(3.2)	4.8
Income tax expense	**(2.1)**	**-**	**(2.1)**	(1.9)	0.7	(1.2)
Profit for the period	**7.7**	**(0.2)**	**7.5**	6.1	(2.5)	3.6
Memo: Total administrative expenses	**(30.9)**	**(2.6)**	**(33.5)**	(29.8)	(3.2)	(33.0)

1 Adjusted for amortisation of acquired intangible assets and other adjusting items detailed in note 4 to the Interim Financial Statements.
2 Defined as operating profit adjusted for depreciation and amortisation and adjusting items, when adjusted
3 Restated due to prior period adjustments – see note 1.10 to the financial statements

Revenue analysis

	Six months to 31 August 2026 Reported £m	**Six months to 31 August 2025 Reported £m**	**Six months to 31 August 2025 Currency £m**	**Six months to 31 August 2025 Adjusted £m**	**Reported Growth %**	**OCC Growth[1] %**
Content Creation	66.9	63.6	0.1	63.7	5.2%	5.0%
Audio Reproduction	23.4	24.4	-	24.4	-3.9%	-4.0%
Total	**90.3**	**88.0**	**0.1**	**88.1**	**2.7%**	**2.5%**

[1] *Organic constant currency (OCC) growth rate is calculated by comparing HY27 revenue to HY26 revenue adjusted for HY27 exchange rates*

Group revenue increased by 2.7% to £90.3 million (HY26: £88.0 million). On an organic constant currency (OCC) basis, revenue increased by 2.5%.

Currency movements were broadly neutral, with a slight weakening of the US Dollar offset by a strengthening of the Euro.

This performance is reflected in the regional results for Content Creation, with strong reported growth in EMEA of 12.9% and APAC of 16.2%, demonstrating healthy underlying demand in both regions. Our new direct route to market in Japan helped offset weakness in China, supporting growth across the APAC Region. In the Americas, channel destocking contributed to a reported revenue decline of 4.8%, despite encouraging underlying demand, as evidenced by an increase in product registrations in the region.

The Audio Reproduction division reported a revenue decline of 3.9% in the six months to August 2026. Continued weakness in China affected APAC performance, despite stronger sales in other regional markets, including key new project wins. Markets in EMEA also continued to normalise following the period of exceptional post-pandemic demand, with revenue declining by 3.5%. In the key US market, the division invested in additional sales personnel, supporting reported revenue growth of 13.5% despite a challenging market backdrop.

We believe the process of market normalisation is nearing completion, and the Audio Reproduction division is now seeing an encouraging pipeline of future orders. Order intake in the six months to August 2026 increased by 12% compared with the prior-year period. In addition, the division has maintained a positive book to bill ratio of 1.09 for the six months to August 2026.

Segment Profit

Segment profit is disclosed in more detail in note 3 ('Operating Segments') to the Interim Financial Statements. Segment profit is calculated by deducting directly attributable costs from the revenue generated by the relevant brands.

Gross Profit analysis

The Group's gross margin percentage for the six months to August 2026 was 46.6%, an improvement of 1.7 percentage points compared with the six months to August 2025, marking the third consecutive half year of gross margin improvement.

The most significant contribution to the Group's gross margin improvement came from the Content Creation division, where gross margin increased from 46.0% to 48.3% through a proactive cost reduction programme with our contract manufacturers and price management. Audio Reproduction declined slightly to 41.8% from 42.3% in HY26.

Targeted price increases across all regions, partially offset by inflationary cost pressures, together with product cost reductions negotiated with our contract manufacturers delivered a 1.4 percentage point improvement. The change in route to market in Japan contributed a further 0.3 percentage points. In addition, US tariff reductions improved gross margins by a further 0.3 percentage points, although duty rates remain significantly higher than those prevailing before the introduction of the April 2025 tariffs. These improvements were partially offset by a 0.3 percentage point adverse impact from product mix, including a lower contribution from our Sonnox software brand.

Looking ahead, the evolving US tariff regime has the potential to impact our gross profit margins, but we believe we are well positioned to address any future challenges. We also expect a greater weighting of promotional activity in the six months to February 2027, including Prime Day, Black Friday and Christmas. As a result we aim to maintain broadly stable Group gross margins through continued cost management and selective price increases, while maintaining our competitive position.

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 of £0.2 million), as well as central functions such as legal, finance and the Group Board. Total expenses were £26.4 million, up from £25.7 million in the prior year. There were adjusting costs of £0.2 million in the period relating to the write off of acquired intangible assets. (HY26: £0.5 million).

Adjusted administrative expenses increased by £1.0 million to £26.2 million (HY26: £25.2 million), reflecting inflationary cost increases of £0.6 million, additional overheads of £0.3 million associated with establishing our Japanese company to serve the market directly, and investment in the Audio Reproduction sales team. These increases were partially offset by restructuring savings in Content Creation.

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. Adjusted EBITDA increased from £14.3 million in HY26 to £15.8 million in HY27, an increase of 10.9%. The increase was due to sales growth and higher gross margins, as discussed above.

A reconciliation of adjusted EBITDA to operating profit can be found in Note 1 to the Interim Financial Statements.

Depreciation and amortisation

Depreciation is charged on tangible fixed assets using the straight-line method over their estimated useful lives, typically ranging from two to 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 period, £5.6 million of development costs were capitalised (HY26: £6.4 million), while £2.5 million of previously capitalised development costs were amortised (HY26: £2.4 million). Further details are provided in Note 8.

Amortisation of acquired intangible assets totalled £2.4 million during the period (HY26: £2.7 million) and is included within adjusting items.

Adjusting items

During the six months to August 2026 US tariff refunds were recognised as an adjusting item within cost of sales. These refunds relate to tariffs paid in the year to February 2026, following the US Supreme Court decision to disallow certain tariffs. A total of £2.8 million has been received during the period, of which £2.4 million related to tariffs expensed in the prior year, the remainder relating to tariffs included in inventory as at February 2026.

In addition, £0.2 million of intangible assets relating to prior acquisitions were written off following the decision to discontinue the associated projects and have been disclosed as an adjusting item. Amortisation of acquired intangible assets of £2.4 million (HY26: £2.7 million) was also treated as an adjusting item.

In HY26, adjusting costs of £0.5 million related to restructuring following a reorganisation of the Content Creation division.

Operating profit

Reported operating profit increased by 68% to £10.9 million (HY26: £6.5 million). Adjusted operating profit, which excludes the impact of US tariff refunds and other adjusting items, increased by 14.7% to £11.1 million (HY26: £9.7 million).

Adjusted operating profit margin improved from 11.0% to 12.3%, reflecting higher gross margins and continued cost control.

Foreign exchange and hedging

The exchange rates were as follows:

Exchange rates	**Six months to 31 August 2026**	Six months to 31 August 2025
Average		
USD:GBP	**1.34**	1.32
EUR:GBP	**1.15**	1.18
Period end		
USD:GBP	**1.35**	1.35
EUR:GBP	**1.17**	1.15

The average USD rate has weakened to $1.34 for HY27 (HY26: $1.32). 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 Euro flows for the current financial period (year ending February 2027) and approximately 50% of the Euro flows for the following financial year (year ending February 2028).

Corporation tax

The effective tax rate for the period has decreased to 21.3% (HY26: 24.0%). This is largely due to the benefit attributable to Patent Box claims in the UK on several key Group products which benefit from the Group's patented technology. The headline effective tax rate is expected to remain slightly below 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')

Basic EPS increased by 106.5% to 12.8 pence (HY26: 6.2 pence), reflecting the increase in reported profit after tax, driven by improved gross margins and the benefit of US tariff refunds.

The weighted average number of shares used in the diluted EPS calculation increased marginally to 60,368,000 (HY26: 59,910,000). Adjusted diluted EPS, which excludes adjusting items and takes account of the dilutive effect of share options, provides a more comparable measure of underlying performance. This increased by 25.5% to 12.8 pence (HY26: 10.2 pence).

	Six months to 31 August 2026 Pence	Restated[1] Six months to 31 August 2025 Pence
Basic	**12.8**	6.2
Diluted	**12.5**	6.1
Adjusted basic	**13.2**	10.5
Adjusted diluted	**12.8**	10.2

[1] *Restated due to adjustments in the prior year – see note 1.10 to the Interim Financial Statements*

Balance sheet

	As at 31 August 2026 £m	Restated[2] As at 31 August 2025 £m	As at 28 February 2026 £m
Non-current assets	**86.6**	94.5	87.8
Current assets			
Inventories	**39.4**	40.8	44.1
Trade and other receivables	**38.0**	42.8	31.9
Cash	**23.0**	19.5	20.6
Current liabilities			
Trade, other payables and provisions	**(31.5)**	(33.5)	(27.4)
Non-current liabilities			
Bank loan	**(24.5)**	(30.3)	(29.2)
Deferred tax	**(9.1)**	(9.7)	(9.1)
Other non-current liabilities	**(5.7)**	(5.7)	(7.7)
Net assets	**116.0**	118.4	111.0
Working capital[1]	**45.9**	50.1	48.6

[1] Working capital is defined as inventories plus trade and other receivables less trade and other payables and provisions
[2] Restated due to adjustments in the prior year – see note 1.10 to the Interim Financial Statements

Non-current assets

The non-current assets comprise goodwill, other intangible assets (the majority of which relate to brands, patents and capitalised development costs), and tangible assets consisting of property, plant and equipment.

The goodwill totals £14.3 million (31 August 2025: £14.3 million; 28 February 2026: £14.4 million).

Acquired intangible assets comprise brands and other intangible assets acquired through acquisitions. As at 31 August 2026, their combined net book value was £23.0 million (31 August 2025: £33.6 million), a reduction of £10.6 million, principally reflecting amortisation of £5.1 million and the £5.6 million impairment of Sequential assets recognised in the period ended 28 February 2026, together with foreign exchange movements.

The internally generated technology and patent costs 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 for the ADAM Audio monitors, Martin Audio live speakers and Sequential synthesisers. The capitalised technology and patent costs as at 31 August 2026 had a carrying value, net of amortisation, of £9.5 million (HY26: £12.5 million; 28 February 2026: £10.2 million).

Capitalised technology and patent costs still under development comprise acquired and internally generated technology and patent costs for products currently still in development. The cost of these items has increased to £18.3 million as at 31 August 2026 from £15.4 million at 28 February 2026 (31 August 2025: £13.7 million) as a result of our £5.0 million ongoing investment in new products, net of the transfer of £1.7 million of costs to products now in use during the period.

Overall, amortisation of the intangible assets totals £5.5 million (HY26: £5.8 million). This is split between amortisation of intangible assets acquired as part of the acquisitions of £2.4 million (HY26: £2.7 million), and other amortisation of £3.1 million (HY26: £3.1 million). The amortisation of acquired intangible assets has been treated as an adjusting item.

Based on current trading and management forecasts, impairment reviews have been conducted for those subsidiaries affected by challenging market conditions. Intangible assets of £0.2 million relating to prior acquisitions were written off

(HY26: £nil) following the decision to discontinue the associated projects and have been disclosed as an adjusting item. No further impairments were considered necessary. This assessment will be revisited at the next reporting period.

The remaining £7.4 million net book value of intangible assets (HY26: £7.4 million) is in respect of purchased licences, software and trademarks.

Tangible non-current assets consist mainly of right of use assets relating to the Group's leased offices and warehouses, and tooling equipment for the manufacture of products. This has remained stable over the period at £10.8 million (HY26: £10.5 million).

Working Capital Analysis

As at 31 August 2026, working capital represented 27.5% of the last 12 months' revenue, down from 30.3% in the comparable period of the previous year (HY26), and moving closer to the Group's historic average of around 25%.

Working capital has decreased consistently over the last 12 months, primarily reflecting a reduction in Scarlett inventory, particularly third-generation products, and improved inventory management in the Audio Reproduction division. This was partially offset by investment in US inventory to support sales.

Trade receivables and payables both increased compared with 28 February 2026, reflecting higher trading activity ahead of the winter holiday season.

Cash Flow Analysis

	Six months to 31 August 2026 £m	Six months to 31 August 2025 £m
Cash and cash equivalents at the beginning of the period	**20.6**	15.6
Foreign exchange movements	**(0.2)**	(0.2)
Cash and cash equivalents at the end of the period	**23.0**	19.5
Net increase in cash and cash equivalents (per Cash Flow Statement)	**2.6**	4.1
Decrease in bank loan	**4.8**	1.8
Decrease in net debt	**7.4**	5.9
Add back equity dividend paid	**2.7**	1.2
Add back acquisition of subsidiary (net of cash acquired)	**0.6**	1.0
Free cash inflow	**10.7**	8.0
(Deduct)/add back non underlying items	**(2.8)**	0.4
Underlying free cash inflow [1]	**7.9**	8.4

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

The underlying free cash inflow in HY27 was £7.9 million, compared to a cash inflow of £8.4 million in HY26. This reflects ongoing working capital improvements in both periods as discussed above in the section on working capital. We expect underlying free cash flow for the six month period to 28 February 2027 to be a small seasonal outflow, due to the impacts of holiday season trading on working capital.

The net debt balance at the period end was £1.5 million (31 August 2025: net debt of £10.8 million and 28 February 2026: net debt of £8.6 million). The net debt includes the arrangement fee for the revolving credit facility (RCF) of £0.4 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 is due to expire in September 2028, together with an uncommitted facility for a further £50 million. As at the balance sheet date £24.9 million was drawn down from the facility (31 August 2025: £30.8 million, 28 February 2026: £29.7 million).

Dividend

The Board has approved an interim dividend of 2.16p per share (HY26: 2.1p), a 3% increase compared to the first and second interim dividends paid in respect of the 18 months period to February 2026.

Summary and Outlook

We have delivered a strong first-half performance, with revenue growth, improved margins and double-digit growth in adjusted operating profit, alongside a significant strengthening of our balance sheet. Overall, these results reflect the progress we have made in recent years through investment in product innovation, improved routes to market and greater operational efficiency, with the business moving out of a period of adjustment to one of delivery, providing a solid foundation for future growth.

Our Content Creation division continues to perform well with strong sales and profit growth, supported by new product launches and the strength of our established brands. In Audio Reproduction, double digit growth in the key US market was offset by a reduction in China, but the division has delivered strong growth in orders with a positive book to bill ratio for this half year. We have also made significant progress with our proprietary audio silicon chip technology, with the first product incorporating the technology expected to ship in early 2027, supporting future innovation and margin enhancement.

Trading since the period end has been encouraging, with healthy underlying demand across both divisions. As previously indicated revenue and profitability are expected to be more heavily weighted towards the first half, whilst noting this impact our performance to date gives us confidence in meeting market expectations for the full year.

Tim Carroll
Chief Executive Officer

Sally McKone
Chief Financial Officer

2 November 2026

Risks and Uncertainties

The principal risks affecting the Group are described on pages 36 to 45 of the Group's Annual Report for the period ended 28 February 2026 (a copy of which is available on the Group's website at https://focusriteplc.com/investors/reports-and-presentations/). The Board has considered the principal risks and uncertainties as presented in that Annual Report and has determined that they broadly remain relevant to the rest of this financial year.

Forward looking statements

The risks and uncertainties facing the Group were reported in detail in the Annual Report for the 18 months ended 28 February 2026 and are monitored closely by the Group. The forward-looking statements in this Interim Report cannot be relied upon as a guarantee or prediction of future performance. We, like all businesses, continue to face known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may mean our actual results differ from those expressed in this first half year report.

Condensed Consolidated Income Statement

For the six months ended 31 August 2026

	Note	Six months to 31 August 2026 Adjusted	Adjusting items	Six months to 31 August 2026 Reported	Restated[1] Six months to 31 August 2025 Adjusted	Adjusting items	Restated[1] Six months to 31 August 2025 Reported
		£000	£000	£000	£000	£000	£000
Revenue	2	**90,343**		**90,343**	88,006		88,006
Cost of sales		**(48,263)**	**2,384**	**(45,879)**	(48,458)		(48,458)
Gross profit		**42,080**	**2,384**	**44,464**	39,548		39,548
Administrative expenses		**(30,936)**	**(2,629)**	**(33,565)**	(29,828)	(3,217)	(33,045)
Adjusted EBITDA (non-GAAP measure)		**15,811**	**2,149**	**17,960**	14,253	(482)	13,771
Depreciation and amortisation		**(4,667)**	**(2,394)**	**(7,061)**	(4,533)	(2,735)	(7,268)
Operating profit		**11,144**	**(245)**	**10,899**	9,720	(3,217)	6,503
Finance income		**63**		**63**	52		52
Finance costs		**(1,379)**		**(1,379)**	(1,769)		(1,769)
Profit before tax		**9,828**	**(245)**	**9,583**	8,003	(3,217)	4,786
Income tax (expense)/income	5	**(2,088)**	**48**	**(2,040)**	(1,866)	717	(1,149)
Profit for the period from continuing operations		**7,740**	**(197)**	**7,543**	6,137	(2,500)	3,637
Earnings per share							
From continuing operations							
Basic (pence per share)	7	**13.2**	**(0.4)**	**12.8**	10.5	(4.3)	6.2
Diluted (pence per share)	7	**12.8**	**(0.3)**	**12.5**	10.2	(4.1)	6.1

[1] Restated due to adjustments to the prior year – see note 1.10 to the Financial Statements

Condensed Consolidated Statement of Other Comprehensive Income

	Six months to 31 August 2026 £000	Restated[1] Six months to 31 August 2025 £000
Profit for the period	**7,543**	3,637
Items that may be reclassified subsequently to the income statement		
Exchange differences on translation of foreign operations	**(655)**	940
Gain/(loss) on forward foreign exchange contracts designated and effective as a hedging instrument	**467**	(791)
Tax on hedging instrument	**(117)**	202
Total comprehensive income for the period	**7,238**	3,988
Total comprehensive income attributable to:		
Equity holders of the Company	**7,238**	3,988

[1] Restated due to adjustments to the prior year – see note 1.10 to the Financial Statements

Condensed Consolidated Statement of Financial Position

	Note	31 August 2026 £000	Restated[1] 31 August 2025 £000	28 February 2026 £000
Assets				
Non-current assets				
Goodwill		**14,284**	14,335	14,403
Other intangible assets	8	**57,096**	67,147	57,157
Property, plant and equipment		**10,797**	10,519	11,580
Deferred tax assets		**4,409**	2,485	4,612
Total non-current assets	3	**86,586**	94,486	87,752
Current assets				
Inventories		**39,404**	40,772	44,105
Trade and other receivables	9	**37,152**	42,797	30,657
Current tax assets		**546**	-	1,282
Derivative financial instruments	9	**255**	-	-
Cash and cash equivalents	9	**23,024**	19,484	20,623
Total current assets		**100,381**	103,053	96,667
Current liabilities				
Trade and other payables		**(28,291)**	(28,891)	(23,716)
Other liabilities		**(1,469)**	(1,575)	(1,336)
Current tax liabilities		**(1,510)**	(1,592)	(1,440)
Provisions		**(244)**	(578)	(259)
Derivative financial instruments	9	**-**	(814)	(601)
Total current liabilities		**(31,514)**	(33,450)	(27,352)
Net current assets		**68,867**	69,603	69,315
Total assets less current liabilities		**155,453**	164,089	157,067
Non-current liabilities				
Bank loans and arrangement fee[1]	9	**(24,529)**	(30,329)	(29,218)
Deferred tax		**(9,122)**	(9,723)	(9,059)
Provisions		**(1,397)**	-	(1,389)
Other liabilities		**(4,435)**	(5,683)	(6,368)
Total non-current liabilities		**(39,483)**	(45,735)	(46,034)
Total liabilities		**(70,997)**	(79,185)	(73,386)
Net assets		**115,970**	118,354	111,033
Capital and reserves				
Share capital		**59**	59	59
Share premium		**115**	115	115
Merger reserve		**14,595**	14,595	14,595
Merger difference reserve		**(13,147)**	(13,147)	(13,147)
Translation reserve		**(2,805)**	(3,198)	(2,150)
Hedging reserve		**7**	(807)	(343)
EBT reserve		**(1)**	(1)	(1)
Retained earnings		**117,147**	120,738	111,905
Equity attributable to owners of the Company		**115,970**	118,354	111,033
Total equity		**115,970**	118,354	111,033

[1] Restated due to adjustments to the prior year – see note 1.10 to the Financial Statements

Condensed Consolidated Statements of Changes in Equity

For the six months ended 31 August 2026	Share capital	Share premium	Merger reserve	Merger difference reserve	Translation reserve	Hedging reserve	EBT reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 28 February 2026	**59**	**115**	**14,595**	**(13,147)**	**(2,150)**	**(343)**	**(1)**	**111,905**	**111,033**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,543**	**7,543**
Other comprehensive income/(expense) for the period	**-**	**-**	**-**	**-**	**(655)**	**350**	**-**	**-**	**(305)**
Total comprehensive income/(expense) for the period	**-**	**-**	**-**	**-**	**(655)**	**350**	**-**	**7,543**	**7,238**
Transactions with owners of the Company:									
Share-based payment deferred tax deduction in excess of remuneration expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**102**	**102**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**250**	**250**
Shares withheld to settle employees' tax obligations associated with share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(67)**	**(67)**
Share-based payments in lieu of bonuses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**143**	**143**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,729)**	**(2,729)**
Balance at 31 August 2026	**59**	**115**	**14,595**	**(13,147)**	**(2,805)**	**7**	**(1)**	**117,147**	**115,970**

Condensed Consolidated Statements of Changes in Equity (Continued)

For the six months ended 31 August 2025	Share capital	Share premium	Merger reserve	Merger difference reserve	Translation reserve	Hedging reserve	EBT reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 28 February 2025	59	115	14,595	(13,147)	(4,138)	(16)	(1)	117,500	114,967
Adjustments in relation to prior period errors	-	-	-	-	-	-	-	325	325
Balance at 28 February 2025 (restated)[1]	59	115	14,595	(13,147)	(4,138)	(16)	(1)	117,825	115,292
Profit for the period								3,637	3,637
Other comprehensive income/(expense) for the period					940	(791)		202	351
Total comprehensive income/(expense) for the period	-	-	-	-	940	(791)	-	3,839	3,988
Transactions with owners of the Company:									
Share-based payments	-	-	-	-	-	-	-	313	313
Shares withheld to settle employees' tax obligations associated with share-based payments	-	-	-	-	-	-	-	(11)	(11)
Dividends paid	-	-	-	-	-	-	-	(1,228)	(1,228)
Balance at 31 August 2025	59	115	14,595	(13,147)	(3,198)	(807)	(1)	120,738	118,354

1 Restated due to adjustments to the prior year – see note 1.10 for more details

Consolidated Statement of Cash Flow

For the six months ended 31 August 2026

	Note	**Six months to 31 August 2026 £000**	Restated[1] Six months to 31 August 2025 £000
Cash flows from operating activities			
Profit for the period		**7,543**	3,637
Adjustments for:			
Income tax expense		**2,040**	1,149
Net interest charge		**1,316**	1,717
Loss on disposal of property, plant and equipment		**118**	12
Loss on disposal of intangible assets		**241**	21
Amortisation of intangibles	8	**5,511**	5,821
Depreciation of property, plant and equipment		**1,550**	1,447
Other non-cash items		**(151)**	(186)
Share-based payments charge		**250**	313
Operating cash flow before movements in working capital		**18,418**	13,931
Increase in trade and other receivables		**(7,212)**	(4,031)
Decrease in inventories		**4,701**	6,705
Increase in trade and other payables		**4,664**	2,301
Operating cash flow before interest and tax		**20,571**	18,906
Net interest paid		**(1,091)**	(1,685)
Income tax paid		**(236)**	(747)
Cash flow generated by operations		**19,244**	16,474
Net foreign exchange movements		**(526)**	635
Net cash inflow from operating activities		**18,718**	17,109
Cash flows from investing activities			
Purchases of property, plant and equipment		**(876)**	(1,107)
Purchases of intangible assets	8	**(831)**	(299)
Capitalised R&D costs		**(5,637)**	(6,400)
Acquisition of subsidiary, net of cash acquired[1]		**(559)**	(974)
Net cash used in investing activities		**(7,903)**	(8,780)
Cash flows from financing activities			
Repayments of loans and borrowings		**(4,754)**	(1,756)
Payment of right of use liabilities		**(700)**	(1,282)
Equity dividends paid		**(2,729)**	(1,228)
Net cash utilised in financing activities		**(8,183)**	(4,266)
Net increase in cash and cash equivalents		**2,632**	4,063
Cash and cash equivalents at beginning of the period		**20,623**	15,637
Net foreign exchange movement		**(231)**	(216)
Cash and cash equivalents at end of the period		**23,024**	19,484

[1] Restated due to adjustments to the prior year – see note 1.10 to the Financial Statements

Notes to the Condensed Consolidated Interim Financial Statements

1. Basis of preparation and significant accounting policies

Focusrite plc (the 'Company') is a company incorporated in the UK. The condensed consolidated interim financial statements ('interim financial') as at and for the six months ended 31 August 2026 comprised 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.

Statement of compliance

The condensed set of financial statements are for the six months ended 31 August 2026 are presented in Pounds ('GBP' thousands; £000). This is the functional currency of the Group.

The condensed set of financial statements has been prepared in accordance with the recognition and measurement requirements of UK-adopted international accounting standards and the AIM rules.

The financial statements of the Group for the 12 month period ending 28 February 2027 will be prepared in accordance with UK-adopted international accounting standards. The condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the 18 month period ended 28 February 2026 which were prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006**.**

AIM listed companies are not required to comply with IAS 34 'Interim Financial Reporting' and accordingly the Company has taken advantage of this exemption. The condensed financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for 18 month period ended 28 February 2026.

These interim financial statements were authorised for issue by the Company's Board of Directors on 2 November 2026.

The Group's previous financial statements covered the 18-month period ended 28 February 2026. Accordingly, the comparative condensed consolidated income statement presented for HY26 represents the six-month period ended 31 August 2025, derived from the underlying financial information used in the preparation of those financial statements. This comparative period has not previously been presented as a standalone reporting period.

Where presented, the comparative figures for the financial period ended 28 February 2026 are the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Material accounting policies

1.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and subsidiaries controlled by the Company drawn up to 31 August 2026.

1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

1.3 Going concern

The Board of Directors have 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 at least 12 months from the date of approval of these interim financial statements ("the going concern period"). Accordingly, the interim 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 £50.0 million which was renewed in September 2023. In September 2024 the revolving credit facility was extended for a further year to 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 period ending 12 months from the date of their approval of these financial statements. These forecasts include a severe but plausible downside scenarios, including the impact of a recession, a reduction in gross margins, loss of a major distributor and an inability to ship from China for a period of time. This last scenario effectively outlines a similar risk and impact to a scenario where goods cannot be shipped from China to the US across several brands due to either tariffs or other trading issues.

The base case covers the period to November 2027 and includes demanding but achievable forecast growth. The forecast has been extracted from the Group's forecast for the next 12 months. Key assumptions include:

- Future growth assumptions in line with market growth assumptions and new product introductions
- Continued investments in research and development in all areas of the Group.
- No further acquisitions

Throughout the period the forecast cash flow information indicates that the Group will have sufficient liquidity and comply with the leverage and interest cover covenants contained within the facility.

The Directors have modelled severe but plausible downside scenarios of the risks identified above. This model assumes that purchases of stock would, in time, reduce to reflect reduced sales, if they occurred. The Group would also respond to a revenue shortfall by taking reasonable steps to reduce overheads within its control. In these scenarios, 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.

Separately, as a reverse stress test, the Directors estimate that if the Group were to experience a shortfall in revenue of greater than 30% than the current expectations permanently from the start of the forecast period, leverage could rise to the upper limits allowed by the banking covenants by November 2027. This scenario includes consequential reductions in the purchases of stock and dividends. 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's revenue levels are higher than the prior period and should be further bolstered by plans for more product introductions in the next six months.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the 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.

1.5 Accounting estimates and judgements

In application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by the Directors in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the Group's financial statements for the 18 month period ended 28 February 2026 .

1.6 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 this as a contract 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 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:

1) The entity has a present right to payment for the asset.
2) The customer has legal title to the asset.
3) The entity has transferred physical possession of the asset.
4) The customer has the significant risks and rewards of ownership of the asset.
5) 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.

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, monthly subscriptions on a recurring basis when the subscription is due.

1.7 Foreign currencies

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which it operates (its functional currency). Sterling is the predominant functional currency of the Group 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 at 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 in profit or loss in the period in which they arise. Exchange differences on revenue are recognised within revenue. The exception to this is exchange differences on transactions entered into to hedge certain foreign currency risks (see below under cash flow hedges/financial instruments).

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 the income statement.

1.8 Hedge accounting

The Group has adopted hedge accounting for qualifying transactions. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities of firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

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 during which the hedged expected future cash flows affects 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.

1.9 Alternative Performance Measures (APMs) and Adjusting items

The Group has disclosed certain alternative performance measures ('APMs') within these interim results. 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, provides a helpful view of the ongoing trading performance of the Group.

Adjusted results will therefore exclude certain significant costs such as amortisation on acquired intangibles, together with some non-recurring costs and benefits and so should not be regarded as a complete picture of the Group's financial performance.

Adjusting items are items of income or expense which, because of their size, nature or incidence, are presented separately to enable a better understanding of the Group's underlying trading performance and to improve comparability between reporting periods. Adjusted measures are presented in addition to, and not as a substitute for, IFRS measures.

Adjusting items may include, but are not limited to; acquisition-related costs and integration expenses, amortisation and impairment of acquired intangible assets, gains or losses arising on the disposal or write-off of acquired intangible assets, restructuring and reorganisation costs, tariff refunds and costs relating to prior periods, material non-recurring gains, recoveries or losses arising from specific events or circumstances that are not considered part of the Group's normal trading activities and, other items which, in the judgement of the Directors, should be separately disclosed to assist users in understanding the underlying performance of the business.

The following APMs have been used in these financial results:

- Organic constant currency growth – this is calculated by comparing current period revenue to prior period revenue adjusted for current period exchange rates and the impact of acquisitions, shown within the Financial Review.
- Adjusted EBITDA – *operating profit adjusted for depreciation and 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 in acquisitions, movements on the bank loan and dividends paid. See reconciliation below
- Adjusted free cash flow – as free cash flow but adding back adjusting items. See reconciliation following
- Net debt – comprised of cash and cash equivalents, overdrafts and amounts drawn against the RCF including the costs of arranging the RCF. See reconciliation below

Reconciliation of Alternative Performance Measures to Statutory Reported Measures

	Six months ended 31 August 2026			Six months ended 31 August 2025		
	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	10,899	10,899		6,503	6,503	
Reported Profit after tax			7,543			3,637
Add back/(deduct):						
Underlying depreciation and amortisation	4,667			4,533		
Amortisation on acquired intangibles	2,394	2,394	2,394	2,735	2,735	2,735
US tariff refunds	(2,384)	(2,384)	(2,384)			
Other adjusting items	235	235	235	482	482	482
Tax on adjusting items			(48)			(717)
Adjusted	**15,811**	**11,144**	**7,740**	14,253	9,720	6,137
Weighted average number of total ordinary shares including dilutive impact			60,368			59,910
Adjusted diluted EPS (p)			12.8			10.2

	Six months ended 31 August 2026		Six months ended 31 August 2025	
	Free cash flow £000	**Adjusted free cash flow £000**	Free cash flow £000	Adjusted free cash flow £000
Net increase in cash and cash equivalents during the period	2,632	2,632	4,063	4,063
Add back: dividends paid	2,729	2,729	1,228	1,228
Add back: cash outflow in relation to acquisition of business	559	559	974	974
Change in bank loan	4,754	4,754	1,756	1,756
(Deduct)/add back: adjusting items	-	(2,763)	-	426
Free cash flow/Adjusted Free cash flow	**10,674**	**7,911**	8,021	8,447

Definition of net debt	**31 August 2026 Net debt £000**	31 August 2025 Net debt £000	28 February 2026 Net debt £000
Cash and cash equivalents	**23,024**	19,484	20,623
Bank loan	**(24,936)**	(30,808)	(29,745)
RCF arrangement fee	**407**	479	527
Net debt	**(1,505)**	(10,845)	(8,595)

1.10 Prior year restatements

During the preparation of the financial statements for the 18 month period to 28 February 2026, three errors were identified which resulted in a restatement of the results for the year ended 31 August 2024. As these matters existed at 31 August 2024, the comparative balance sheet presented at 31 August 2025 has been amended to reflect the corrected opening position. In addition, the comparative condensed consolidated income statement for the six months ended 31 August 2025 has been amended to reflect the impact of the trademark amortisation error identified below.

- 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 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 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 an associated current tax impact. The correction of this error also results in a reduction in amortisation expense of £148,000, a corresponding increase in profit before tax of £148,000, an increase in profit after tax of £111,000 and an increase in basic and diluted earnings per share of 0.2 pence for the six months ended 31 August 2025.

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 2025**	**Impact of PURP error correction**	**Impact of GRNI error correction**	**Impact of amortisation correction**	**Balance as restated at 31 August 2025**
Balance Sheet	£000	£000	£000	£000	£000
Other intangible assets	65,889	-	-	1,258	**67,147**
Inventory	41,929	(1,157)	-	-	**40,772**
Trade and other payables	(29,255)	-	364	-	**(28,891)**
Current tax liability	(1,274)	-	(91)	(227)	**(1,592)**
Deferred tax liability	(10,012)	289	-	-	**(9,723)**
Opening Net Assets	114,967	(868)	273	920	**115,292**
Closing Net Assets	117,919	(868)	273	1,030	**118,354**

The only impact on the comparative condensed consolidated income statement for the six months ended 31 August 2025 relates to the trademark amortisation error described above. Amortisation expense decreased by £148,000, the related tax charge increased by £37,000 and profit after tax increased by £111,000. Basic and diluted earnings per share each increased by 0.2 pence.

The impact of these restatements resulted in a £325,000 increase in opening reserves as shown in the Statement of Changes in Equity.

When these errors were first identified, the Directors 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.

Cashflow restatement

During the preparation of the Group's financial statements for the 18 months ended 28 February 2026, it was determined that certain deferred acquisition consideration payments had previously been presented as movements in liabilities within financing activities. Following a review of the substance of these arrangements, such payments are now presented as cash outflows relating to acquisitions. Comparative amounts have been updated accordingly, resulting in a corresponding reduction in financing cash flows and increase in acquisition-related cash outflows. This change affects presentation only and has no impact on net cash flows, profit after tax or net assets.

2. Revenue

An analysis of the Group's revenue is as follows:

	6 months ended 31 August 2026			
	Americas	**EMEA**	**APAC**	**Total**
	£000	**£000**	**£000**	**£000**
Revenue from external customers				
Content Creation	27,785	30,344	8,750	66,879
Audio Reproduction	8,613	9,706	5,145	23,464
Total revenue from external customers	36,398	40,050	13,895	90,343

	6 months ended 31 August 2025			
	Americas	**EMEA**	**APAC**	**Total**
	£000	**£000**	**£000**	**£000**
Revenue from external customers				
Content Creation	29,172	26,884	7,533	63,589
Audio Reproduction	7,590	10,061	6,766	24,417
Total revenue from external customers	36,762	36,945	14,299	88,006

3. Operating segments

Products and services from which reportable segments derive their revenue

Information reported to the Group's Chief Executive Officer, who has been identified as the Chief Operating Decision Maker ("CODM"), for the purposes of resource allocation and assessment of performance is focused on the Group's two strategic business segments.

The Group's reportable segments under IFRS 8 are therefore as follows:

Content Creation – The design, manufacture and distribution of hardware and software solutions used by musicians, producers, recording studios, broadcasters and content creators. The segment comprises the Group's Focusrite, Novation, ADAM Audio, Sequential, Oberheim and Sonnox brands.

Audio Reproduction – The design, manufacture and distribution of professional loudspeaker systems, amplification, audio processing and immersive audio solutions used in live sound, touring, installation and commercial venue applications. The segment comprises the Group's Martin Audio, Optimal Audio, Linea Research, TiMax and OutBoard brands.

Revenue is derived primarily from the sale of audio hardware products and related software solutions. Segment performance is assessed by management based on segment revenue and segment profit, with central distribution costs, administrative expenses, financing activities, taxation and adjusting items managed and reviewed at a Group level.

The revenue and profit generated by each of the Group's operating segments are summarised as follows:

	6 months ended 31 August 2026 £000	Restated[1] 6 months ended 31 August 2025 £000
Revenue from external customers		
Content Creation	66,879	63,589
Audio Reproduction	23,464	24,417
Total revenue from external customers	90,343	88,006
Segment profit		
Content Creation	32,277	29,226
Audio Reproduction	9,803	10,322
Total	42,080	39,548
Central distribution costs and administrative expenses	(30,936)	(29,828)
Adjusting items	(245)	(3,217)
Operating profit	10,899	6,503
Finance income	63	52
Finance costs	(1,379)	(1,769)
Profit before tax	9,583	4,786
Tax charge	(2,040)	(1,149)
Profit after tax	7,543	3,637

[1] Restated due to adjustments to the prior year – see note 1.10 to the Financial Statements

Segment profit represents the profit earned by each segment without allocation of the share of central administration costs, other income, finance income and finance costs, and income tax expense. This is the measure reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance.

Central administration costs comprise principally the employment-related costs and other overheads incurred by the Group. Also included within central administration costs is a charge relating to the share option scheme of £250,000 for the six-month period to 31 August 2026 (six months to 31 August 2025: charge of £313,000).

Segment net assets and other segment information

Management does not make use of segmental data relating to net assets and other balance sheet information for the purposes of monitoring segment performance and allocating resources between segments. Accordingly, other than the analysis of the Group's non-current assets by region shown below, this information is not available for disclosure in the condensed consolidated financial information.

The Group's non-current assets, analysed by region, were as follows:

	31 August 2026	**Restated[1] 31 August 2025**	28 February 2026
	£000	**£000**	£000
Non-current assets			
North America	**10,993**	17,998	10,610
Europe, Middle East and Africa	**75,526**	76,390	77,068
Rest of World	**67**	98	74
Total non-current assets	**86,586**	94,486	87,752
UK	**61,439**	62,818	62,123

[1] Restated due to adjustments to the prior year – see note 1.10 to the Financial Statements

4. Adjusting items

The following adjusting items have been credited/(charged) to the income statement in the period

	Six months to 31 August 2026	Six months to 31 August 2025
	£000	£000
Adjusting income		
US tariff refunds	**2,384**	-
Adjusting costs		
Loss on disposal of acquired intangible assets	**(235)**	-
Restructuring	**-**	(482)
Total adjusting items for adjusted EBITDA	**2,149**	(482)
Amortisation of acquired intangible assets	**(2,394)**	(2,735)
Total adjusting items for adjusted operating profit	**(245)**	(3,217)
Tax on adjusting items	**48**	717
Total adjusting items for adjusted profit after tax	**(197)**	(2,500)

The loss on disposal of acquired assets relates to acquired technology that is no longer expected to generate future economic benefits.

5. Taxation

The tax charge for the six months to 31 August 2026 is based on the estimated tax rate for the full year in each jurisdiction. In the current period ongoing patent box claims have continued to offset higher overseas taxes.

6. Dividends

The following equity dividends have been declared:

	Six months to 31 August 2026	Six months to 31 August 2025
Dividend per qualifying ordinary share	**2.16p**	**2.10p**

During the period, the Company paid a final dividend in respect of the 18 month period ended 28 February 2026 of 4.64 pence per share. The Board has approved an interim dividend of 2.16 pence per ordinary share (6 months ended August 2025: 2.10 pence) on 29 October 2026. This will be payable on 6 January 2027 to ordinary shareholders on the register on 27 November 2026. The ex-dividend date will be 26 November 2026.

7. Earnings per share

The calculation of the basic and diluted EPS is based on the following data:

	Six months to 31 August 2026 £000	Six months to 31 August 2025 £000
Earnings for the purposes of basic and diluted EPS being net profit for the period	7,543	3,637
Adjusting items (see note 4)	245	3,217
Tax on adjusting items	(48)	(717)
Total adjusted profit for adjusted EPS calculation	7,740	6,137

Number of shares	Six months to 31 August 2026	Six months to 31 August 2025
Weighted average number of ordinary shares for the purposes of basic EPS calculation	58,776	58,645
Effect of dilutive potential ordinary shares:		
Employee and Director share option plans	1,592	1,265
Weighted average number of ordinary shares for the purposes of diluted EPS calculation	60,368	59,910

EPS	Pence	Pence
Basic EPS	12.8	6.2
Diluted EPS	12.5	6.1
Adjusted basic EPS	13.2	10.5
Adjusted diluted EPS	12.8	10.2

At 31 August 2026, the total number of ordinary shares issued and fully paid was 59,211,639. This included shares held by the Employee Benefit Trust ('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 less the weighted average number of shares held by the EBT. 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.

8. Other intangible assets

	Brands	Acquired technology and patents costs	Internally generated technology and patents costs	Technology and patents under Development	Intellectual property, Licences and Trademarks	Computer software	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
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**
Additions – acquired separately	**-**	**-**	**-**	**-**	**831**	**-**	**831**
Additions - products developed during the period	**-**	**-**	**152**	**4,946**	**-**	**-**	**5,098**
Disposals	**-**	**-**	**-**	**(235)**	**(6)**	**-**	**(241)**
Transfer	**-**	**-**	**1,749**	**(1,743)**	**(6)**	**-**	**-**
Foreign exchange	**(240)**	**(139)**	**(128)**	**(105)**	**(15)**	**-**	**(627)**
At 31 August 2026	**25,014**	**37,498**	**43,465**	**18,272**	**10,136**	**875**	**135,260**
Amortisation							
At 31 August 2024	**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**
Charge for the period	**673**	**1,721**	**2,525**	**-**	**563**	**29**	**5,511**
Transfer	**-**	**-**	**6**	**-**	**(6)**	**-**	**-**
Foreign Exchange	**(206)**	**(113)**	**(60)**	**-**	**(10)**	**-**	**(389)**
At 31 August 2026	**15,542**	**24,017**	**33,945**	**1,100**	**2,763**	**797**	**78,164**
Carrying amount							
At 31 August 2026	**9,472**	**13,481**	**9,520**	**17,172**	**7,373**	**78**	**57,096**
At 28 February 2026	10,179	15,228	10,218	14,309	7,116	107	57,157

9. Financial instruments

The fair value of the Group's derivative financial instruments is calculated using the 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 an option pricing model for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contract.

IFRS 13 'Fair Value Measurements' requires the Group's derivative financial instruments to be disclosed at fair value and categorised in three levels according to the inputs used in the calculation of their fair value.

Financial instruments carried at fair value should be measured with reference to the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial instruments held by the Group that are measured at fair value all related to financial assets/(liabilities) measured using a Level 2 valuation method.

The fair value of financial assets and liabilities held by the Group are:

	31 August 2026 £000	31 August 2025 £000	28 February 2026 £000
Financial assets			
Amortised cost			
Cash and cash equivalents	**23,024**	19,484	20,623
Trade and other receivables	**32,863**	39,446	26,943
	55,887	58,930	47,566
Financial liabilities			
Amortised cost			
Trade and other payables	**14,302**	17,720	12,515
Bank loan and arrangement fee	**24,529**	30,329	29,218
Amounts payable in relation to staged acquisition payments	**1,076**	1,600	1,625
Lease liabilities	**4,828**	5,658	6,079
	44,735	55,307	49,437
Financial assets at fair value through other comprehensive income			
Derivative financial assets designated and effective as cash flow hedging instruments	**255**	-	-
Financial liabilities at fair value through other comprehensive income			
Derivative financial liabilities designated and effective as cash flow hedging instruments	**-**	814	601