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Zotefoams PLC
05 August 2026

The information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Article 7 of the UK version of the Market Abuse Regulation (EU) No 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('UK MAR'). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Zotefoams plc

Interim Report for the six months ended 30 June 2026

Diversification and disciplined execution drive strong first-half growth

5 August 2026 - Zotefoams plc ("Zotefoams", the "Company" or the "Group"), a world leader in high-performance foams, announces its interim results for the six months ended 30 June 2026.

Results highlights

- Revenue up 23% to £95.2m (HY 2025: £77.4m), representing constant currency growth of 24% and organic revenue growth, excluding acquisitions, of 4%, 6% at constant currency:
  - EMEA revenue up 20% to £73.6m (HY 2025: £61.4m) including a £14.8m contribution from Overseas Konstellation Company ("OKC")
  - North America revenue up 29% to £18.7m (HY 2025: £14.5m)
  - Asia revenue up 107% to £2.9m (HY 2025: £1.4m)
- Improved margins deliver strong H1 profit performance:
  - Gross margin up 100 bps to 35.6% (HY 2025: 34.6%)
  - Adjusted operating profit[1] up 34% to £16.3m (HY 2025: £12.2m); adjusted operating margin up 130 bps to 17.1% (HY 2025: 15.8%).
  - Adjusted profit before tax up 34% to £15.3m (HY 2025: £11.4m).
  - Statutory profit before tax up 23% to £14.0m (HY 2025: £11.4m), including adjusting items of £1.3m.
- Adjusted Basic earnings per share up 29% to 25.70p (HY 2025: 19.99p)
- Basic earnings per share of 23.60p (HY 2025: 19.99p)
- Strong balance sheet:
  - Net debt (covenant basis[2]) £39.1m (HY 2025: £21.1m; FY 2025: £31.5m); leverage[3] 0.98x (HY 2025: 0.68x).
  - New £90m multi-currency revolving credit facility (from £50m); liquidity headroom £50.2m.
- Interim dividend up 5.2% to 2.63p per share (HY 2025: 2.50p).

Strategic highlights

- Growth across a range of targeted regional and sector markets in particular, Transport & Smart Technologies, together with the acquired contribution from OKC, more than offset the anticipated normalisation in footwear following exceptional 2025 demand, with footwear revenue down around 23% year on year.
- OKC, the Group's first acquisition under its Expanding Beyond the Core strategy, is integrating well and ahead of plan, contributing £14.8m of acquired revenue in its first full half-year, with early cross-selling wins secured.
- Vietnam manufacturing facility on track for trial production from October 2026, with the first autoclaves on site and installation underway.
- Proposed restructuring of the Group's UK operations at Croydon, aimed at optimising the UK manufacturing footprint to ensure it is aligned with future customer demand and remains fit for purpose for the long term. If implemented, the site would be repositioned around materials innovation and non-footwear applications aligned to our other 6 key industries, reinforcing the Group's ongoing commitment to UK manufacturing. The proposals reflect the continued investment in automation and process improvement, the planned transfer of high-volume footwear production to Vietnam over 2026 and 2027 and increased utilisation of manufacturing capacity in Poland.
- South Korea Footwear Innovation Centre is open and already hosting customers, with equipment being installed.
- Global Approved Partners Programme rollout continued, with E&H Laminating & Slitting, ESI, FlexTech, J&T Group (including Kristofoam, Ramfoam and Worldwide Foam), Polyformes, Technifab and UFP Technologies announced during the period.
- Continued cost discipline, productivity enhancement and significantly improved profitability in North America driving overall margin gains, offsetting temporary margin moderation in footwear as new facilities are ramped up and optimised through 2026 and 2027.
- Modest investment in AI progressing, with the ZoteIQ customer engine and ZoteLabs materials-innovation platform embedded across customer, innovation and operational workflows. These tools are beginning to deliver productivity benefits.

Outlook

- The Group's full-year expectations[4] for 2026 remain unchanged.
- Our strategic priorities are progressing to plan including the commissioning and optimisation of Vietnam, restructuring in the UK and delivering our other major investments in innovation
- The Group remains confident in its ability to deliver its medium-term financial ambitions of revenue greater than £230m and operating profit greater than £40m by FY2029.

Financial summary

	June 2026	June 2025	Change
Revenue (£m)	95.2	77.4	+23%
Gross margin (%)	35.6	34.6	+100 bps
Adjusted operating profit[1] (£m)	16.3	12.2	+34%
Adjusted operating margin (%)	17.1	15.8	+130 bps

Adjusted profit before tax (£m)	15.3	11.4	+34%
Statutory profit before tax (£m)	14.0	11.4	+23%
Basic EPS (p)	23.60	19.99	-
Net debt - covenant basis[2] (£m)	39.1	21.1	+85%
Leverage[3] (x)	0.98	0.68	-
Interim dividend (p)	2.63	2.50	+5.2%

1. Adjusted operating profit excludes exceptional items, acquisition expenses, primarily amortisation of acquired intangible assets, and other significant one-off items.
2. Net debt (covenant basis) is cash less gross bank loans, excluding lease liabilities as defined under the bank facility.
3. Leverage is the ratio of net debt (covenant basis) to EBITDA as defined in the banking facility.
4. The Board notes that current market expectations for the year ended 31 December 2026, prior to release of this interim report, are revenue of £190.8m and adjusted profit before tax of £26.3m

Commenting on the results and outlook, Ronan Cox, Group CEO, said:

"We are pleased with the performance in the first half which provides clear evidence that Zotefoams' strategy is delivering a broader and more balanced business. Strong growth across our target non-footwear markets, a more than doubling of Asia revenue and the first full-half contribution from OKC drove strong revenue, profit and margin growth in the period, even as footwear normalised following exceptional demand in 2025. This is an important proof point of our Expanding Beyond the Core strategy.

"OKC's first full half year contribution has been encouraging and ahead of plan. As acquired growth it should be distinguished from our underlying like-for-like performance, but it is an important demonstration of our disciplined, value-accretive approach to acquisitions. Our investments in Vietnam and South Korea are progressing to plan and positioning us closer to the global footwear supply chain.

"Together with continued momentum in Transport & Smart Technologies including wins in aerospace and space this will drive the next phase of growth for Zotefoams. Commissioning and optimising the Vietnam facility will create some temporary inefficiency as production is shared between the UK and Vietnam during the transition, but this is a planned and necessary step which will deliver a more competitive, customer-proximate platform.

"We are cognisant of wider macroeconomic uncertainty however we remain confident in delivering full year results in line with market expectations, underpinned by strong first half trading. In footwear specifically, the shift to Asia and to 3D preforms, including the run-down of sheet ahead of preforms, will weigh on volumes and revenue through the second half and into 2027. Our strategic priorities are progressing to plan including the commissioning and optimisation of Vietnam and our other major investments.

"We are increasingly confident in the scale of the opportunity and in materially stronger value creation from 2028 onwards, supported by a strong balance sheet and continued demand across our key target markets and in line with our medium-term financial ambitions."

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About Zotefoams plc

Zotefoams plc (LSE - ZTF) is a world leader in high-performance foam technology delivering optimal material solutions for the benefit of society. Utilising a variety of unique manufacturing processes, including environmentally friendly nitrogen expansion for lightweight AZOTE® polyolefin and ZOTEK® high-performance foams, Zotefoams sells to diverse markets worldwide. Zotefoams uses its own cellular materials to manufacture T-FIT® advanced insulation for demanding industrial markets.

Zotefoams is headquartered in London, UK, with manufacturing sites in Croydon, UK, Kentucky, USA and Brzeg, Poland (foam manufacture), Oklahoma, USA (foam products manufacture and conversion), Anglesola and Burgos, Spain (foam manufacture), Vietnam and Jiangsu Province, China (T-FIT).

www.zotefoams.com

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Results overview

Group revenue in the period increased £17.8m, or 23%, to £95.2m (HY 2025: £77.4m), including a £14.8m first full half year contribution from Overseas Konstellation Company ("OKC"), which was acquired in November 2025. Excluding the OKC contribution, organic revenue grew 4%, as good growth across non-footwear markets and a more than doubling of Asia revenue more than offset the anticipated normalisation in footwear following exceptional 2025 demand.

Gross profit increased 26% to £33.9m (HY 2025: £26.8m) and gross margin improved 100 bps to 35.6% (HY 2025: 34.6%). Temporary surcharges were applied across EMEA and OKC to offset Middle East-linked raw-material, freight and utility cost inflation, with North America surcharges commencing in July.

Adjusted operating profit increased 34% to £16.3m (HY 2025: £12.2m) and adjusted operating margin improved 130 bps to 17.1% (HY 2025: 15.8%). Adjusted profit before tax increased 34% to £15.3m (HY 2025: £11.4m). After adjusting items of £1.3m, statutory profit before tax increased 23% to £14.0m (HY 2025: £11.4m). Adjusted basic earnings per share was 25.70p (HY 2025: 19.99p). Basic earnings per share was 23.60p (HY 2025: 19.99p).

2026 is a year of strategic investment in Asia and the Global Innovation Hub, alongside deferred consideration payments relating to the OKC acquisition. Cash generated from operations was £8.2m (HY 2025: £15.8m), reflecting strong operating performance offset by higher working capital of £14.0m. This includes initial absorption of OKC's normal seasonal requirements as well as targeted inventory build to support footprint transition in the second half. On an IFRS basis, net debt at 30 June 2026 was £49.5m (FY 2025: £43.0m; HY 2025: £29.1m). On a bank covenant basis, net debt was £39.1m (FY 2025: £31.5m; HY 2025: £21.1m), representing leverage of 0.98x (HY 2025: 0.68x). Following the January 2026 refinancing into a new £90m multi-currency revolving credit facility, liquidity headroom remains substantial at £50.2m (HY 2025: £28.8m). The Board has approved an interim dividend of 2.63p per share, an increase of 5.2% (HY 2025: 2.50p).

Business unit review

Performance is presented in line with the Group's regional management and reporting structure, comprising EMEA, North America and Asia, and reflects the integration of OKC within EMEA.

EMEA
In the period, the EMEA region delivered revenue of £73.6m (HY 2025: £61.4m), an increase of 20%, driven by the £14.8m first full half year contribution from OKC and strong growth in non-footwear lines, which more than offset the anticipated normalisation in footwear following exceptional 2025 demand.

Footwear, the largest component of the region's Consumer & Lifestyle activity, normalised as anticipated following exceptional demand in 2025. Footwear revenue was £28.5m in the period (HY 2025: £37.0m), down 23%. This reflects a return to more normalised levels of demand, together with anticipated customer inventory normalisation, where the footwear opportunity remains significant.

We expect footwear volumes to be lower through the second half of 2026 and into 2027 as the business transitions. Footwear is also moving from the supply of foam sheet to 3D preforms as manufacturing relocates to Vietnam, and during this changeover sheet volumes will run down ahead of the preform ramp, adding further pressure on footwear revenue. We expect footwear to begin recovering from 2028 as the Vietnam base scales and a stronger programme pipeline reaches production, and we continue to work closely with our customer on near-term requirements and future programmes, which will increasingly be supplied from Vietnam once it is fully operational.

Excluding footwear and OKC, the underlying EMEA business grew strongly, with continued momentum in Transport & Smart Technologies, including growing business in aerospace and space. The Group is developing UK and European aerospace opportunities from its Croydon facility, reinforcing the site's role in higher-value technical applications, alongside early cross-selling wins secured with OKC customers. Regional operating profit increased to £16.8m (HY 2025: £13.8m), with operating margin of 22.8% (HY 2025: 22.5%). The modest margin improvement reflected annual price increases, surcharges and ongoing cost discipline partly offset by mix, wage inflation and higher raw-material, energy and transport costs.

As footwear normalises, a proportion of EMEA volume is being replaced by growth in other markets. EMEA margins are therefore expected to reflect this changing volume and mix through the transition, partly mitigated by pricing, cost discipline and productivity improvements, including from AI-enabled ways of working.

North America
North America delivered revenue of £18.7m (HY 2025: £14.5m), up 29%, with growth across Transport & Smart Technologies and Construction & Other Industrial. Growth reflected the benefit of the second low-pressure vessel, commissioned last year, now fully operational, together with improved product mix and new business, reflected in record output months at both our Walton, KY and Tulsa facilities. Regional operating profit increased to £3.3m (HY 2025: £1.2m), with operating margin improving to 17.6% (HY 2025: 8.3%), driven by higher volumes, favourable mix and strong operational gearing.

Asia
Asia delivered revenue of £2.9m (HY 2025: £1.4m), an increase of over 107%, driven by Construction & Other Industrial demand, principally T-FIT and related sales into India and China. Regional operating profit increased to £0.5m (HY 2025: breakeven). Asia will become materially more important as the Vietnam footwear manufacturing facility begins operations. Commissioning, ramp-up and optimisation of the facility will take place progressively through 2026 and 2027, in line with our plan. Once fully operational, the facility will place the Group closer to its customer, shorten the supply chain and provide a more cost-efficient, customer-proximate platform, underpinning our confidence in the medium-term footwear opportunity.

Strategic investment

Asia - Vietnam and South Korea
Development of the Vietnam footwear manufacturing facility continued to plan and remains on track for first-stage trials from October 2026. The first batch of autoclaves (three high-pressure and four low-pressure vessels) is on site, with installation and commissioning underway. The first injection-moulding machine has been delivered on site, and the Environmental Impact Assessment and construction permit have been secured.

In July, the necessary Vietnam approval was received to transfer the Vietnam operating company to the UK joint-venture holding company, clearing the way to complete the internal restructure. In South Korea, the Footwear Innovation Centre is operational and already hosting customers, with the core infrastructure, including a leased injection moulding machine, laboratory facilities and office accommodation fully established, and the autoclave expected on site in mid-August.

Commissioning and optimisation of the Vietnam facility will take place progressively through 2026 and 2027, with production shared between the UK and Vietnam during the transition; the start-up costs, learning-curve effects and inefficiencies typical of a project of this scale are expected to temporarily moderate footwear profitability as expected before the facility delivers a more efficient, customer-proximate platform.

UK Global Innovation Hub
The Group's Global Innovation Hub in Croydon progressed at pace, strengthening R&D capability to support Group growth. Most long-lead equipment has been ordered, and office and facility renovation works are underway.

UK manufacturing footprint
The Group has today announced proposals to restructure its UK operations at Croydon. The Board has approved the commencement of collective consultation with affected employees and their representatives. The proposals, and any decision to implement them, remain subject to

representatives. The proposals, and any decision to implement them, remain subject to consultation; no decisions on individual roles will be made until it has concluded.

The proposals form part of the Group's plans to optimise its UK manufacturing footprint, ensuring it is aligned with future customer demand and remains fit for purpose for the long term, while reinforcing its commitment to UK manufacturing. They reflect continued investment in automation and process improvement, the planned transfer of high-volume footwear production to Vietnam over 2026 and 2027, and increased utilisation of the Group's manufacturing facilities in Poland. Together, these changes are expected to leave UK capacity and fixed costs above the requirements of the business at anticipated demand levels.

The proposals would therefore realign the UK operating model and cost base accordingly, while repositioning Croydon around materials innovation and the Group's growing non-footwear applications aligned to our other 6 key industries, including opportunities in industrial packaging, electric vehicles, defence and aerospace.

The consultation is expected to affect more than 100 colleagues. If implemented following consultation, the proposals are expected to give rise to material one-off costs, including redundancy and other related costs, which are expected to be presented as adjusting items, principally in the second half of 2026, together with annualised cost savings.

The full financial effects will be quantified following completion of the consultation process; however, potential annualised savings are currently expected to be approximately £4m, with a payback of period of less than one year, reflecting a combination of direct labour, manufacturing overhead and SG&A efficiencies, with direct labour accounting for around one-third of the total benefit.

No provision has been recognised at 30 June 2026 as no constructive obligation existed at the reporting date.

Artificial intelligence
The Group continued to advance a modest but high-impact investment in AI, now embedded across customer, innovation and operational workflows. This includes the ZoteIQ customer engine and the ZoteLabs materials-innovation platform, a private, enterprise-secured suite of specialist agents trained on Zotefoams' own knowledge and spanning market analysis, formulation, application engineering, competitor insight, and market research. These tools are beginning to deliver tangible productivity and efficiency benefits across commercial, innovation and operational activities, supporting margins as the manufacturing footprint transitions.

OKC integration
OKC, the Group's first acquisition under its Expanding Beyond the Core strategy, is integrating well and ahead of plan, extending products, capabilities and routes to market in Europe. OKC contributed £14.8m of revenue in its first full half, with trading seasonally weighted to the first half, as expected, and is earnings accretive. The commercial function has been aligned with the wider EMEA organisation, an initial brand refresh aligned to Zotefoams is underway, and early cross-selling wins have been secured.

In April, we made the first deferred consideration payment of £3.0m. A further £3.0m is expected in October 2026, with the final £1.3m expected in the first half of 2027, contingent on OKC delivering its 2026 targets. As acquired growth, OKC's contribution is reported within EMEA and is distinct from the Group's underlying like-for-like performance; it nonetheless provides an important proof point of the Group's disciplined approach to expanding beyond the core.

Environmental, Social and Governance ("ESG")
The Board understands that embedding ESG in the business creates sustainable long-term value for stakeholders. Zotefoams' purpose, to provide 'optimal material solutions for the benefit of society', reflects our belief that plastics, when used appropriately, are frequently the best solution for the sophisticated, long-term applications delivered by our customers. We continue to progress our ESG plans, including reducing energy and polymer usage, minimising waste and developing products using recycled materials.

Our major investments in Vietnam and the innovation facilities have also been designed with sustainability in mind, including reduced waste, shorter supply chains and improved energy efficiency. A full ESG report was published in the 2025 Zotefoams Annual Report, setting out the Group's ESG management framework, goals and performance to date.

Employees
Hiring, retaining and developing employees with the right skills remains critical as Zotefoams grows and evolves globally. During this period, the Group completed the transition to its simplified global operating model, with common leadership across EMEA and North America and a smaller, more focused, Group Executive Team. Employee engagement remained strong, supported by the formation of a Senior Leadership Team, established to turn strategy into action. The first Senior Leadership conference, 'Momentum', was held in June.

The Group's global workforce (full-time equivalent) was 815 at the period end, reflecting the addition of the OKC team and the build-out of Vietnam and South Korea operations. We are today announcing proposals to restructure our Croydon operations, as set out above. With the Board's approval, we have begun a consultation expected to affect more than 100 colleagues; no final decision has been taken. These proposals affect valued colleagues, and we are committed to consulting openly and fairly and to supporting those affected throughout.

Continued investment in AI is improving effectiveness through AI-enabled ways of working. On behalf of the Board, we thank all employees for their continued contribution and commitment to Zotefoams.

Financial review

Currency review
As a predominantly UK-based exporter, with most sales invoiced in currencies other than sterling, mainly US dollars and euros, exchange-rate movements can significantly affect the Group's results. The Group uses forward exchange contracts to hedge foreign-currency transaction risk and, where possible, hedges foreign-currency-denominated assets by offsetting them with same-currency liabilities. This policy is reviewed regularly and approved annually by the Board.

The exchange rates used to translate the key flows and balances were:

Exchange rates	6 months to 30-Jun-26	6 months to 30-Jun-25	12 months to 31-Dec-25
Euro to GBP - period average	1.150	1.192	1.173
Euro to GBP - period-end Spot	1.161	1.169	1.146
USD to GBP - period average	1.346	1.282	1.312
USD to GBP - period-end Spot	1.327	1.372	1.345

In the period, net foreign exchange movements had a negative impact on sales and profitability. Reported net sales were £1.1m below those adjusted at constant currency (HY 2025£1.1m below). The net profit effect of this on the Group, prior to any hedging activity, was unfavourable by approximately £0.7m (HY 2025 loss: £0.5m). Offsetting this was a gain of£0.3m (HY 2025 gain: £0.2m) from transactional hedging via forward exchange contracts, which mostly occurs on USD-denominated footwear receivables. The combined unfavourable impact of movements in foreign currency on profitability in the period was £0.4m (HY 2025: unfavourable impact £0.3m).

Gross profit
Gross profit increased 26% to£33.9m (HY 2025: £26.8m), with gross margin improving to 35.6% (HY 2025: 34.6%). Margin benefited from the OKC contribution, price increases and surcharges, partly offset by higher freight and utility costs and wage inflation. Contribution margin was 60.6% (HY 2025: 59.4%).

Distribution and administrative costs
Distribution costs were £4.5m (HY 2025: £4.0m), while administrative and technical costs, excluding FX and hedging, were £14.0m (HY 2025: £10.5m). The increases largely reflected the inclusion of OKC, the build-out of Asia and innovation teams, and wage inflation. Total SG&A was £18.5m (HY 2025: £14.6m), including a full six months of OKC and increased teams inVietnam and Korea.

Net finance costs
Net finance costs increased to £1.1m (HY 2025: £0.8m), reflecting higher average borrowings following the OKC acquisition and Vietnam investment. The Group's share of joint-venture profit was £0.1m.

Taxation and earnings per share
Adjusting items in the period were £1.3m. The income tax expense for the period increased 50% to £2.4m (HY 2025: £1.6m). The tax charge is recognised based on management's estimate of the tax charge in the various jurisdictions that the Group operates in applying applicable rates to profit before tax.

The effective tax rate for the period to30 June 2026 is 17% (HY 2025: 14%). This increase in rate arises from lower tax deductions from patent box initiatives and the addition of OKC to the Group which is taxed at 25% compared to other foreign entities with lower effective rates.

Adjusted basic earnings per share was 25.70p (HY 2025: 19.99p). Basic earnings per share was 23.60p (HY 2025: 19.99p).

Cash flow
Cash generated from operations was£8.2m (HY 2025: £15.8m), reflecting a working-capital outflow of £14.0m as inventory and receivables increased, partly to support the planned footwear transition to Vietnam and OKC's seasonality. Capital expenditure on property, plant and equipment was £7.2m, principally on the Vietnam facility and the innovation facilities in Korea and the UK. Free cash flow was an outflow of£0.4m (HY 2025: £6.2m).

Net debt and covenants
In January 2026, the Group refinanced into a new£90m multi-currency revolving credit facility, with a £30m accordion, provided by HSBC, NatWest andHandelsbanken, with an initial three-year term. Net debt on a bank covenant basis was £39.1m at 30 June 2026 (FY 2025: £31.5m; HY 2025: £21.1m), representing leverage of 0.98x (HY 2025: 0.68x), against a covenant maximum of 3.5x. The EBITDA-to-net-finance-charges ratio was 22.7x (HY 2025: 14.7x), against a covenant minimum of 4.0x, and liquidity headroom was £50.2m (HY 2025: £28.8m). The Group remained comfortably within its banking covenants throughout the half.

Net debt to EBITDA ratio (Leverage)

£m	12 months to 30 June 2026	12 months to 30 June 2025	£m	At 30 June 2026	At 30 June 2025
Profit after tax	**27.1**	13.9	Net debt per IFRS	**49.5**	29.1
Adjusted for:			IFRS 16 leases	**(10.4)**	(8.0)
Depreciation and amortisation	**10.2**	9.1			
Net finance costs	**2.0**	2.3	**Net debt per bank**	**39.1**	21.1
Share of result from joint venture	**(0.1)**	-			
Equity-settled share-based payments	**1.9**	1.2			
Taxation	**(1.5)**	4.6			
Exceptional items	**0.4**	-			
Roundings	**(0.2)**	(0.2)			
EBITDA	**39.8**	30.9	**Leverage per bank**	**0.98**	0.68

EBITDA to net finance charges ratio

£m	12 months to 30 June 2026	12 months to 30 June 2025	£m	12 months to 30 June 2026	12 months to 30 June 2025
EBITDA, as above	**39.8**	30.9	**Finance costs**	**2.0**	2.3
			Finance income	**(0.3)**	(0.2)
EBITDA to net finance charges	**22.7**	14.7	**Net finance charges**	**1.8**	2.1

Post-employment benefits
A surplus of £0.8m has been calculated for the scheme. In accordance with IAS 19 and IFRIC 14, the surplus is recognised only to the extent that the Group has an unconditional right to a refund or a reduction in future contributions. On this basis the asset recognised is £nil (31 December 2025: £nil)

Going Concern
The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report of the 2025 Annual Report on pages 1 to 75 and the section entitled risk management and principal risks on pages 38 to 48. This

Interim Report provides information on business and financial performance for the six months to 30 June 2026.

The Directors believe that the Group is well placed to manage its business risks and, after making enquiries including a review of forecasts and projections, taking account of reasonably possible changes in trading performance and considering the existing banking facilities, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months following the date of approval of this Interim Report. After due consideration of the range and likelihood of potential outcomes, the Directors continue to adopt the going concern basis of accounting in preparing these interim financial statements.

Dividend

The Board remains confident in the cash generation of the business and has approved an interim dividend of 2.63p per share (HY 2025: 2.50p), an increase of 5.2%. The interim dividend will be paid on 5 October 2026 to shareholders on the Company's register at the close of business on 4 September 2026.

Principal risks and uncertainties

Zotefoams' business and share price may be affected by a number of risks, not all of which are within its control. The Group's process for identifying, assessing and managing risks is set out in the risk management and principal risks section of the 2025 Annual Report, published in April 2026. In the Board's opinion, the specific principal risks and relevant mitigating factors have not changed significantly since publication of the last Annual Report. Broadly, these are operational disruption; sustainability and climate change; global capacity management; technology displacement; scaling-up of international operations; customer concentration; external factors; legal and regulatory; cyber, data and IT security; and human capital.

The Board continues to monitor instability in the Middle East and its impact on raw-material, freight and energy costs, which is being mitigated through surcharges, and the evolving US trade and tariff landscape, which the Group is well positioned to manage through its diversified manufacturing footprint across the UK, US, Poland and Vietnam. The Group is also progressing readiness for Provision 29 of the 2024 UK Corporate Governance Code.

The proposed UK restructuring announced today introduces execution and people-related risks during the transition period, which the Board is managing through an open and fair consultation process and structured programme governance.

Outlook

Strong performance in the first half provides clear evidence that the Group's strategy is delivering a broader and more balanced business. Growth across target non-footwear markets, together with the acquired contribution from OKC and doubling of Asia drove strong revenue, profit and margin growth in the period, even as footwear normalised following exceptional demand in 2025.

The Group enters the second half with continued strategic and trading momentum, led by Transport & Smart Technologies and including wins in aerospace and space. Footwear is entering a transition as manufacturing relocates to Vietnam and supply moves from foam sheet to 3D preforms. As sheet runs down ahead of the preform ramp, we expect footwear revenue to be lower through the second half of 2026 and into 2027, before beginning to recover from 2028; we remain confident in the long-term footwear opportunity from our enhanced footprint.

The Group continues to monitor instability in the Middle East and the wider macroeconomic backdrop, mitigating raw-material and other cost movements through surcharge pricing. Commissioning and optimisation of the major strategic investments in Vietnam, the South Korea Footwear Innovation Centre and the UK Global Innovation Hub will progress through 2026 and 2027; during this period, production shared between the UK and Vietnam will carry start-up costs and transition inefficiencies that temporarily moderate footwear profitability as we build a more competitive, customer-proximate manufacturing platform.

The proposed UK restructuring announced today, which is subject to collective consultation, is expected to give rise to material one-off costs in the second half. These are expected to be presented as adjusting items and do not change the Group's adjusted full-year expectations. Subject to consultation outcomes, the proposals are expected to generate annualised cost savings of approximately £4m, supporting the optimisation of the Group's manufacturing footprint and the repositioning of the Croydon site around innovation and higher-value applications.

While cognisant of wider macroeconomic uncertainty, the Group remains confident of delivering full year results in line with our expectations underpinned by strong first-half trading. The strategy is progressing to plan including the commissioning and optimisation of Vietnam and our other major investments. These will provide Zotefoams with a materially stronger platform for further growth and value creation from 2028 onwards, and the Board is increasingly confident in its medium-term ambition of revenue greater than £230m and operating profit greater than £40m by FY2029.

Zotefoams PLC

Independent Review Report
For the six months ended 30 June 2026

Conclusion

We have been engaged by the group to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 which comprise the Consolidated Interim Income Statement, the Consolidated Interim Statement of Comprehensive Income, the Consolidated Interim Statement of Financial Position, the Consolidated Interim Statement of Cash Flow, the Consolidated Interim Statement of Changes in Equity, and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted IASs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group'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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of financial information

In reviewing the half-yearly report, we are responsible for expressing to the group a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of our report

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 15 July 2026. Our review has been undertaken so that we might state to the company's directors those matters we have agreed to state to them in a reviewer'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 directors as a body, for our work, for this report, or for the conclusions we have formed.

PKF Littlejohn LLP
Statutory Auditor
30 Churchill Place
London E14 5RE
4 August 2026

Zotefoams PLC
Consolidated Interim Income Statement
For the six months ended 30 June 2026

	Notes	**Six months ended**		Year Ended
		30-Jun-26	30-Jun-25	31-Dec-25
		(Unaudited)	(Unaudited)	(Audited)
	Notes	**£'000**	£'000	£'000
Revenue	6	**95,234**	77,432	158,490
Cost of sales		**(61,382)**	(50,664)	(105,591)
Gross profit		**33,852**	26,768	52,899
Distribution costs		**(4,480)**	(4,051)	(8,175)
Administrative expenses		**(13,971)**	(10,491)	(22,153)
Exceptional items		**(371)**		(946)
Operating profit		**15,030**	12,226	21,625
Adjusted Operating profit *		**16,308**	12,226	22,821
Finance costs		**(1,210)**	(1,053)	(2,058)
Finance income		**87**	205	350
Share of profit from joint venture		**116**	19	46
Profit before income tax		**14,023**	11,397	19,963
Adjusted profit before income tax *		**15,301**	11,397	21,159
Income tax (expense) / credit	7	**(2,449)**	(1,647)	2,676
Profit for the period/year		**11,574**	9,750	22,639
Adjusted profit for the period/year		**12,604**	9,750	18,555
Profit attributable to:				
Equity holders of the Company		**11,574**	9,750	22,639
Earnings per share:				
Basic (p)	9	**23.60**	19.99	46.37
Diluted (p)	9	**22.83**	19.44	44.87
Adjusted earnings per share *				
Basic (p)	9	**25.70**	19.99	38.00

Diluted (p)	9	**24.86**	19.44	36.77

* This is not an IFRS measure. Adjusted operating profit, profit before tax and profit for the year have been calculated by excluding specific one off costs, and amortisation of intangible assets arising on acquisition of subsidiary.

The notes below form an integral part of these condensed consolidated interim financial statements.

Zotefoams PLC
Consolidated Interim Statement of Comprehensive Income
For the six months ended 30 June 2026

	Six months ended		Year ended
	30-Jun-26	30-Jun-25	31-Dec-25
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
Profit for the period/year	**11,574**	9,750	22,639
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial (loss) / gains on defined benefit pension schemes	**(382)**	570	755
Tax relating to items that will not be reclassified	**95**	(143)	(189)
Total items that will not be reclassified to profit or loss	**(287)**	427	566
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation gains / (losses) on translation of foreign operations	**248**	(1,777)	(1,099)
Change in fair value of hedging instruments	**(546)**	3,302	647
Hedging gains reclassified to profit or loss	**(335)**	(185)	743
Tax relating to items that may be reclassified	**299**	(1,005)	(509)
Total items that may be reclassified subsequently to profit or loss	**(334)**	335	(218)
Other comprehensive (expense) /income for the period/year, net of tax	**(621)**	762	348
Total comprehensive income for the period/year	**10,953**	10,512	22,987
Comprehensive income attributable to:			
Equity holders of the Company	**10,953**	10,512	22,987
Total comprehensive income for the period/year	**10,953**	10,512	22,987

The notes below form an integral part of these condensed consolidated interim financial statements.

Zotefoams PLC
Consolidated Interim Statement of Financial Position
For the six months ended 30 June 2026

		30-Jun-26	30-Jun-25	31-Dec-25
		(Unaudited)	(Unaudited)	(Audited)
	Notes	**£'000**	£'000	£'000
Non-current assets				
Property, plant and equipment	10	**109,064**	93,342	105,607
Right-of-use assets	11	**5,764**	1,910	6,266
Goodwill		**9,775**	-	9,903
Intangible assets		**12,738**	327	13,883
Intangible right-of-use assets		**6,070**	6,845	6,458
Investments in joint venture		**444**	301	327
Trade and other receivables	14	**280**	24	134
Deferred tax assets		**5,447**	483	5,571
Total non-current assets		**149,582**	103,232	148,149
Current assets				
Inventories		**34,971**	28,628	27,270
Trade and other receivables	14	**43,234**	35,716	36,484
Derivative financial instruments	14	**258**	2,899	980
Current tax asset		**355**	-	229
Cash and cash equivalents		**13,016**	8,257	13,982
Total current assets		**91,834**	75,500	78,945
Total assets		**241,416**	178,732	227,094
Current liabilities				
Trade and other payables		**(23,545)**	(15,888)	(21,580)
Provisions		**(573)**	(139)	(859)
Derivative financial instruments	14	**(541)**	-	(67)
Current tax liability		**(2,200)**	(568)	(925)
Lease liabilities	11	**(2,864)**	(2,116)	(2,774)
Deferred consideration		**(4,264)**	-	(6,022)

Deferred consideration		**[illegible]**		[illegible]
Interest-bearing loans and borrowings	12	**(52,161)**	(29,380)	(45,511)
Total current liabilities		**(86,148)**	(48,091)	(77,738)
Non-current liabilities				
Lease liabilities	11	**(7,451)**	(5,820)	(8,729)
Deferred tax liabilities		**(8,759)**	(6,227)	(9,239)
Deferred consideration		**-**	-	(1,309)
Post-employment benefits		**-**	(600)	-
Total non-current liabilities		**(16,210)**	(12,647)	(19,277)
Total liabilities		**(102,358)**	(60,738)	(97,015)
Total net assets		**139,058**	117,994	130,079
Equity				
Issued share capital		**2,482**	2,442	2,462
Share premium		**44,178**	44,178	44,178
Own shares held		**(16)**	(20)	(16)
Capital redemption reserve		**15**	15	15
Translation reserve		**2,802**	1,876	2,554
Hedging reserve		**(384)**	1,429	198
Retained earnings		**89,981**	68,074	80,688
Total equity		**139,058**	117,994	130,079

The notes below form an integral part of these condensed consolidated interim financial statements.

Zotefoams PLC
Consolidated Interim Statement of Cash flows
For the six months ended 30 June 2026

	Six months ended		Year ended
	30-Jun-26	30-Jun-25	31-Dec-25
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
Cash flows from operating activities			
Profit before tax	**14,023**	11,397	19,963
Adjustments for:			
Depreciation and amortisation	**6,139**	4,278	8,890
Disposal of assets	**12**	44	20
Finance costs	**1,123**	848	1,708
Share of profit from joint venture	**(116)**	(19)	(46)
Net exchange differences	**500**	(1,558)	22
Equity-settled share-based payments	**954**	761	1,674
Non-Cash cost of Closure of Business	**-**	-	946
Operating profit before changes in working capital & provisions	**22,635**	15,751	33,177
(Increase)/decrease in trade and other receivables	**(7,674)**	(3,551)	(1,586)
(Increase)/decrease in inventories	**(7,661)**	727	4,536
Increase in trade and other payables	**1,371**	3,289	4,466
Employee defined benefit contributions	**(430)**	(430)	(859)
Cash generated from operations	**8,241**	15,786	39,734
Interest paid	**(815)**	(734)	(1,561)
Income taxes paid	**(1,358)**	(1,734)	(3,024)
Net cash flows generated from operating activities	**6,068**	13,318	35,149
Cash flows from investing activities			
Interest received	**87**	205	350
Purchases of intangibles	**(18)**	(13)	(262)
Purchases of property, plant and equipment	**(7,245)**	(8,465)	(13,963)
Proceeds from disposal of property, plant and equipment	**2**	700	700
Acquisition of business, net of cash acquired	**(3,012)**	-	(23,406)
Net cash used in investing activities	**(10,186)**	(7,573)	(36,581)
Cash flows from financing activities			
Proceeds from options exercised and issue of share capital	**45**	-	25
Repayment of borrowings	**(7,734)**	(4,012)	(14,584)
Proceeds from borrowings	**15,163**	-	25,931
Lease payments	**(1,659)**	(1,357)	(2,736)
Dividends paid	**(2,627)**	(2,491)	(3,713)
Net cash flows from financing activities	**3,188**	(7,860)	4,923
Net (decrease)/increase in cash and cash equivalents	**(930)**	(2,115)	3,491
Cash and cash equivalents at start of period/year	**13,982**	10,534	10,534
Exchange losses	**(36)**	(162)	(43)
Cash and cash equivalents at end of period/year	**13,016**	8,257	13,982

Cash and cash equivalents comprise cash at bank and short-term highly liquid investments with a maturity date of less than three months.

The notes below form an integral part of these condensed consolidated interim financial statements.

The net exchange differences of £500k (June 2025: £1,558k, December 2025: £22k) within operating activities relate to the foreign exchange movement on borrowings and open forward contracts in the balance sheet.

Zotefoams PLC
Consolidated Interim Statement of Changes in Equity
For the six months ended 30 June 2026

	Share capital £`000	Share premium £`000	Own shares held £`000	Capital redemption reserve £`000	Translation reserve £`000	Hedging reserve £`000	Retained earnings £`000	Total equity £`000
Balance as at 1 January 2026	**2,462**	**44,178**	**(16)**	**15**	**2,554**	**198**	**80,688**	**130,079**
Profit for the year	-	-	-	-	-	-	**11,574**	**11,574**
Other Comprehensive income for the year:								-
Foreign exchange translation gains on investment in subsidiaries	-	-	-	-	**248**	-	-	**248**
Change in fair value of hedging instruments recognised in other comprehensive income	-	-	-	-	-	**(546)**	-	**(546)**
Reclassification to income statement - administrative expenses	-	-	-	-	-	**(335)**	-	**(335)**
Tax relating to effective portion of changes in fair value of cash flow hedges, net of recycling	-	-	-	-	-	**299**	-	**299**
Actuarial loss on defined benefit pension scheme	-	-	-	-	-	-	**(382)**	**(382)**
Tax relating to actuarial gain on defined benefit pension scheme	-	-	-	-	-	-	**95**	**95**
Total comprehensive income for the period	-	-	-	-	**248**	**(582)**	**11,287**	**10,953**
Transactions with owners of the Parent:								
Options exercised	-	-	-	-	-	-	**45**	**45**
Equity-settled share-based payments net of tax	**20**	-	-	-	-	-	**588**	**608**
Dividends paid	-	-	-	-	-	-	**(2,627)**	**(2,627)**
Total transactions with owners of the Parent	**20**	-	-	-	-	-	**(1,994)**	**(1,974)**
Balance as at 30 June 2026 (Unaudited)	**2,482**	**44,178**	**(16)**	**15**	**2,802**	**(384)**	**89,981**	**139,058**

	Share capital £`000	Share premium £`000	Own shares held £`000	Capital redemption reserve £`000	Translation reserve £`000	Hedging reserve £`000	Retained earnings £`000	Total equity £`000
Balance as at 1 January 2025	2,442	44,178	(7)	15	3,653	(683)	59,759	109,357
Profit for the period	-	-	-	-	-	-	9,750	9,750
Other Comprehensive income for the year:	-	-	-	-	-	-	-	-
Foreign exchange translation losses on investment in subsidiaries	-	-	-	-	(1,777)	-	-	(1,777)
Change in fair value of hedging instruments recognised in other comprehensive income	-	-	-	-	-	3,302	-	3,302
Reclassification to income statement - administrative expenses	-	-	-	-	-	(185)	-	(185)
Tax relating to effective portion of changes in fair value of cash flow hedges, net of recycling	-	-	-	-	-	(1,005)	-	(1,005)
Actuarial gain on defined benefit pension scheme	-	-	-	-	-	-	570	570
Tax relating to actuarial gain on defined benefit pension scheme	-	-	-	-	-	-	(143)	(143)
Total comprehensive income for the period	-	-	-	-	(1,777)	2,112	10,177	10,512
Transactions with owners of the Parent:								
Proceeds of shares issued, net of expenses	-	-	(13)	-	-	-	-	(13)
Equity-settled share-based payments net of tax	-	-	-	-	-	-	629	629
Dividends paid	-	-	-	-	-	-	(2,491)	(2,491)
Total transactions with owners of the Parent	-	-	(13)	-	-	-	(1,862)	(1,875)
Balance as at 30 June 2025 (Unaudited)	2,442	44,178	(20)	15	1,876	1,429	68,074	117,994

During the six months period ended 30 June 2026, 378,584 shares (June 2025: 142,925) were issued from the Zotefoams Employee Benefit Trust ('EBT') following the exercise of options.

During the six month period ended 30 June 2026, 906,000 Long Term Incentive Plan awards (June 2025: 656,217), 62,871 Deferred Bonus Share Plan awards (June 2025: 113,281) and 59,666 share options (June 2025: 33,991) were granted.

The notes below form an integral part of these condensed consolidated interim financial statements.

Zotefoams PLC
Notes to the condensed consolidated Interim financial statements
For the six months to 30 June 2026

1. General Information

Zotefoams plc (the 'Company') and its subsidiaries and joint venture (together, the 'Group') manufacture and sell high-performance foams and license related technology for specialist markets worldwide. The Group has manufacturing sites in the UK, USA, Poland, Spain, Vietnam and China. The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 were authorised for issue in accordance with a resolution of the directors on 4 August 2026.

The Company is a public limited company which is listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of the registered office is 602-3 Salisbury House, 29, Finsbury Circus,London, EC2M 5SQ, United Kingdom.

These condensed consolidated interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2025 were approved by the Board of Directors on 10 April 2026 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

These condensed consolidated interim financial statements have been reviewed, not audited. The review report is included at the end of this document.

These condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim financial reporting' as adopted by the United Kingdom. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with UK adopted international accounting standards (IAS).

Forward-looking statements
Certain statements in this condensed set of consolidated interim financial statements are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct. As these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

2. Basis of preparation

2.1 Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026 as disclosed in Note 17. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2026, but do not have an impact on the interim condensed consolidated financial statements of the Group. Taxes on income in the interim condensed consolidated financial statements are accrued using the tax rate that would be applicable to the expected full financial year results for the Group.

2.2 Going concern

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Directors believe that the Group is well placed to manage its business risks and, after making enquiries including a review of forecasts and projections, taking account of reasonably possible changes in trading performance and considering the existing banking facilities, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next twelve months following the date of approval of the financial statements. After due consideration of the range and likelihood of potential outcomes evaluated as part of stress tests on the viability statement, the Directors continue to adopt the going concern basis of accounting in preparing these interim financial statements.

3. Estimates and Judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year
ended 31 December 2025 with the exception of changes in estimates that are required in determining the provision for income taxes.

4. Financial Risk Management

There have been no changes in any risk management policies since the year-end.

5. Seasonality of operations

The seasonality of the Group's business, in our Transport & Smart Technologies and Construction & Other Industrial verticals, is generally balanced with performance more dependent on the underlying cyclical nature of our markets, over the longer macroeconomic business cycle, as the Group sells into a wide variety of business segments, many of which are themselves cyclical. Our Consumer & Lifestyle vertical, dominated by footwear sales, tends to be evenly split across the year, however this can be impacted by the timing of the launch or cessation of product lines. Regionally, business unit performance tends to follow the same pattern, except for Asia, which is typically weighted towards H2, based on ordering patterns of our T-FIT customers.

6. Segment reporting

The Group's operating segments are reported in a manner consistent with the internal reporting provided to and regularly reviewed by the Group Chief Executive Officer, Ronan Cox, who is considered to be the 'chief operating decision maker' for the purpose of evaluating segment performance and allocating resources. The Group Chief Executive Officer primarily uses a measure of profit for the year before tax and exceptional items to assess the performance of the operating segments.

The Group manufactures and sells high-performance foams for specialist markets worldwide. The Group's activities are reviewed regionally as follows:

- EMEA: Manufacturing facilities in Croydon, UK, Spain and Poland in addition to foams supplied via Croydon through our AAL joint venture with INOAC Corporation
- North America: Manufacturing facility in Walton, USA and foams fabrication business in Tulsa, USA

Asia: T-FIT manufacturing facility in Kunshan, China, a distribution operation of T-FIT products in Gurgaon, India and the expansion into Vietnam with a new, purpose-built manufacturing facility where capital investment is well underway.

	EMEA		North America		Asia		MuCell		Consolidated	
Six Months ended (Unaudited)	30-Jun-26 **£'000**	30-Jun-25 £'000	30-Jun-26 **£'000**	30-Jun-25 £'000	30-Jun-26 **£'000**	30-Jun-25 £'000	30-Jun-26 **£'000**	30-Jun-25 £'000	30-Jun-26 **£'000**	30-Jun-25 £'000
Revenue	**73,594**	61,362	**18,600**	14,472	**2,906**	1,440	**134**	158	**95,234**	77,432
Profit/(loss)	**16,776**	13,757	**3,311**	1,244	**480**	11	**(3)**	116	**20,564**	15,128
Exceptional cost	**(371)**	-	**-**	-	-	-	-	-	**(371)**	-
Central costs allocated to segments	**(907)**	-	**-**	-	-	-	-	-	**(907)**	-
Central costs unallocated to segments	**-**	-	**-**	-	-	-	-	-	**(4,256)**	(2,902)
Operating profit / (loss)	**15,498**	13,757	**3,311**	1,244	**480**	11	**(3)**	116	**15,030**	12,226
Financing costs	**-**	-	**-**	-	-	-	-	-	**(1,210)**	(1,053)
Financing Income	**-**	-	**-**	-	-	-	-	-	**87**	205
Share of profit from joint venture	**116**	19	**-**	-	-	-	-	-	**116**	19
Profit/ (loss) before taxation	**-**	-	**-**	-	-	-	-	-	**14,023**	11,397
Taxation	**-**	-	**-**	-	-	-	-	-	**(2,449)**	(1,647)
Profit for the period	**-**	-	**-**	-	-	-	-	-	**11,574**	9,750
Depreciation and Amortisation:										
Depreciation	**2,661**	2,304	**1,385**	1,172	31	**35**	-	-	**4,077**	3,511
Amortisation	**90**	197	**-**	84	-	**39**	-	-	**90**	320
Allocated depreciation of right-of-use assets	**451**	-	**80**	-	112	**-**	-	-	**643**	-
Unallocated depreciation of right-of-use assets	**-**	-		-	**-**	**-**	**-**	-	**423**	387
Capital expenditure:										
Property, plant and equipment (PPE)	**2,813**	514	**993**	5,509	3,594	**1,856**	-	8	**7,400**	7,887
Intangible assets	**18**	13	**-**	-	-	**-**	-	-	**18**	13

	EMEA		North America		Asia		MuCell		Consolidated	
As at	**30-Jun-26**	31-Dec-25	**30-Jun-26**	31-Dec-25	**30-Jun-26**	31-Dec-25	**30-Jun-26**	31-Dec-25	**30-Jun-26**	31-Dec-25
(Unaudited)	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Segment Assets	**165,020**	158,320	**53,856**	50,424	**16,007**	11,665	**381**	89	**235,264**	220,498
Unallocated Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,152**	6,596
Total Assets	**165,020**	158,320	**53,856**	50,424	**16,007**	11,665	**381**	89	**241,416**	227,094
Segment liabilities	**(57,968)**	(56,289)	**(26,953)**	(26,644)	**(11,774)**	(7,748)	**(1,163)**	(1,063)	**(97,858)**	(91,744)
Unallocated liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,500)**	(5,271)
Total liabilities	**(57,968)**	(56,289)	**(26,953)**	(26,644)	**(11,774)**	(7,748)	**(1,163)**	(1,063)	**(102,358)**	(97,015)

Unallocated assets and liabilities consist of the head office property and the Shincell licence.

Major customers
Revenues from one customer of the Group included in EMEA contributed £28,548k (HY

Revenues from one customer of the Group included in [illegible] contributed [illegible] ([illegible] 2025: £37,032k) to the Group's revenue.

Analysis of revenue by category
Breakdown of revenue by products and services for the Group:

	Six months ended	
	30-Jun-26	30-Jun-25
	(Unaudited)	(Unaudited)
	£'000	£'000
Consumer & Lifestyle	**31,219**	38,593
Construction & Other Industrial	**17,904**	12,661
Transport & Smart Technologies	**46,111**	26,178
Group Revenue	**95,234**	77,432

7. Income tax expense

	Six months ended	
	30-Jun-26	30-Jun-25
	(Unaudited)	(Unaudited)
	£'000	£'000
UK corporation tax	**1,496**	1,790
Overseas tax	**1,018**	(246)
Total current tax	**2,514**	1,544
Deferred tax	**(65)**	103
Income tax expense	**2,449**	1,647

The effective tax rate for the half year was 17% (HY 2025: 14%)

8. Dividend

A dividend of £2,627k (HY 2025: £2,491k) that relates to the period to 31 December 2025 was paid in June 2026.

An interim dividend of 2.63 pence per share was approved by the Board of Directors on 4 August 2026 (2025: 2.50 pence per share). It is payable on 5 October 2026 to shareholders who are on the register at 4 September 2026. This interim dividend, amounting to £1,303k (2025: £1,231k), has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the year to 31 December 2026.

9. Earnings per share

Earnings per ordinary share is calculated by dividing the consolidated profit after tax attributable to equity holders of the Parent Company of £11,574k (2025: £9,750k) by the weighted average number of shares in issue during the period, excluding own shares held by employee trusts which are administered by independent trustees. The number of shares held in the trust at 30 June 2026 was 343,646 (30 June 2025: 390,948). Distribution of shares from the trust is at the discretion of the trustees. Diluted earnings per ordinary share adjusts for the potential dilutive effect of share option schemes in accordance with IAS 33 Earnings per share.

	Six months ended	
	30-Jun-26	30-Jun-25
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue[1]	**49,046,189**	48,763,864
Deemed issued for no consideration	**1,659,234**	1,401,377
Diluted number of ordinary shares issued	**50,705,423**	50,165,241

[1] Own shares held by employee trusts have already been deducted.

10. Property, plant and equipment

	Land and buildings £'000 (Unaudited)	Plant and equipment £'000 (Unaudited)	Fixtures and fittings £'000 (Unaudited)	Under construction £'000 (Unaudited)	Total £'000 (Unaudited)
Cost					
At 1 January 2026	53,652	133,504	3,740	8,937	199,833
Additions	-	784	79	6,537	7,400
Disposals	-	(558)	(99)	(660)	(1,317)
Transfers	-	624	81	(705)	-
Effect of movement in foreign exchange	(77)	516	7	19	465
At 30 June 2026	**53,575**	**134,870**	**3,808**	**14,128**	**206,381**
Accumulated depreciation					
At 1 January 2026	19,771	70,249	3,123	1,083	94,226
Depreciation charge	871	3,056	150	-	4,077
Disposals	-	(335)	(100)	(868)	(1,303)
Effect of movement in foreign exchange	68	211	46	(8)	317
At 30 June 2026	**20,710**	**73,181**	**3,219**	**207**	**97,317**

Net book value					
At 31 December 2025	33,881	63,255	617	7,854	105,607
At 30 June 2026	**32,865**	**61,689**	**589**	**13,921**	**109,064**

11. Leases

(i) Amounts recognised in the statement of financial position relating to leases:
Right-of-use assets

	Group	
	30-Jun-26	31-Dec-25
	£'000	£'000
	(Unaudited)	(Audited)
Property	**4,161**	4,563
Equipment	**1,603**	1,703
Licences	**6,070**	6,458
	11,834	12,724

Lease Liabilities

	Group	
	30-Jun-26	31-Dec-25
	£'000	£'000
	(Unaudited)	(Audited)
Lease liability falls due within 1 year	**2,864**	2,774
Lease liability falls due within 3 years	**5,244**	5,462
Lease liability falls due in more than 3 years	**2,207**	3,267
	10,315	11,503

Additions to the right-of-use assets during the period were £194k (HY 2025: £143k) for the Group.

(ii) Amounts recognised in the income statement relating to leases:

	Group	
	30-Jun-26	30-Jun-25
	£'000	£'000
Depreciation	(Unaudited)	(Unaudited)
Property	**389**	136
Equipment	**290**	184
Licences	**387**	387
	1,066	707
Interest expenses (included in finance costs)	**469**	262
Expense relating to short-term leases (included in cost of sales and administrative expenses)	**-**	54
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	**26**	55
The total cash outflow	**1,659**	1,357

Within interest expenses £151k related to licences (£193k in 2025), and within total cash outflow £884k related to licences (£884k in 2025).

12. Interest bearing loans and borrowings

	30-Jun-26	31-Dec-25
	(Unaudited)	(Audited)
	£'000	£'000
Current bank borrowings	**52,161**	45,511
Total	**52,161**	45,511

On 23 January 2026 the Group renewed its finance facility. This facility is held with our partner banks Handelsbanken, NatWest and HSBC and comprises a £90m multi-currency revolving credit facility with a £30m accordion. The facility is valid for three years and can be extended to four years in 2026 and five years in 2027.

At 30 June 2026, the Group has utilised £52.8m (31 December 2025: £45.5m) of its multi-currency revolving credit facility of £90m, this amount is repayable on the last day of each loan interest period, which is either of a 3 or 6 month duration. The reported balance of £52.2m (31 December 2025: £45.5m) is net of £0.6m (31 December 2025: £0.0m) origination fees paid up front and being amortised over 4 years.

The interest rate on the debt facility ranged between 3.2% and 4.9% in H1 (FY 2025: between 3.1% and 5.7%).

13. Related party Transactions

There were no material related party transactions requiring disclosure for the periods ended 30 June 2026 and 30 June 2025.

14. Financial Instruments and Financial risk management

Fair value estimation

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2026 and 31 December 2025:

30 June 2026	**Level 1 (Unaudited) £'000**	**Level 2 (Unaudited) £'000**	**Level 3 (Unaudited) £'000**	**Total (Unaudited) £'000**
Assets				
Forward exchange contracts	**-**	**258**	**-**	**258**
Total assets	**-**	**258**	**-**	**258**
Liabilities				
Forward exchange contracts	-	(541)	-	(541)
Total liabilities	-	(541)	-	(541)

31 December 2025	Level 1 (Audited) £'000	Level 2 (Audited) £'000	Level 3 (Audited) £'000	Total (Audited) £'000
Assets				
Forward exchange contracts	**-**	**980**	**-**	**980**
Total assets	**-**	**980**	**-**	**980**
Liabilities				
Forward exchange contracts	-	(67)	-	(67)
Total liabilities	-	(67)	-	(67)

The forward exchange contracts have been measured at fair value using forward exchange rates that are quoted in an active market.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure an instrument at fair value are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Group's valuation process
Derivative financial instruments are valued using Handelsbanken and NatWest mid-market rates (HY 2025: Handelsbanken and NatWest mid-market rates) at the Statement of Financial Position date.

The Group also has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. The fair value of the following financial assets and liabilities approximate to their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Financial assets and liabilities measured at amortised cost
The fair value of borrowings is as follows:

	30-Jun-26 (Unaudited)	31-Dec-25 (Audited)

	£'000	£'000
Current	52,161	45,511
Total	52,161	45,511

The fair value of financial assets excluding cash and cash equivalents is as follows:

	30-Jun-26 (Unaudited) £'000	31-Dec-25 (Audited) £'000
Non-current trade receivables	**280**	134
Trade receivables	**37,780**	32,384
Total	**38,060**	32,518

15. Capital Commitments

Capital expenditure commitments of £12,490k (31 December 2025: £5,546k) have been contracted for at the end of the reporting period but not yet incurred in respect of Property, Plant and Equipment.

16. Events occurring after the reporting period

Following approval by the Board on 4 August, the Group will announce on 5 August proposals to restructure its UK operations at Croydon and the commencement of collective consultation with affected employees and their representatives, expected to affect more than 100 colleagues.

The proposals, and any decision to implement them, remain subject to that consultation. As no constructive obligation existed at 30 June 2026, this is a non-adjusting event after the reporting period and no provision has been recognised in these interim financial statements.

If implemented following consultation, the proposals are expected to give rise to material one-off costs, including redundancy and other costs, expected to be presented as adjusting items in the second half of 2026. The proposals are expected to deliver potential annualised cost savings of approximately £4m, with a payback period of less than one year.

17. Standards issued

i) New standards and amendments - applicable 1 January 2026

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2026:

	Effective for accounting periods beginning on or after	Expected Impact
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, Classification and Measurement of Financial Instruments	1 January 2026	None
Annual improvements to IFRS Standards - Volume 11	1 January 2026	None
Amendments to IFRS 9 and IFRS 7: Contracts referencing nature dependent electricity	1 January 2026	None

ii) Forthcoming requirements

As at 30 June 2026, the Group has not early adopted any standard, the following interpretations and amendments that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
IFRS 18 Presentation and disclosure in financial statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability Disclosures	1 January 2027
IFRS 20 Regulatory assets and regulatory liabilities	1 January 2029
Amendments to IFRS 10 Consolidated Financial statements and IAS28 Investments in associates and joint ventures	Indefinitely postponed
Amendments to IAS21 The effects of foreign exchange rates	1 January 2027
Amendments to IAS28 Investments in associates and joint ventures.	1 January 2027

18. Responsibility statement

The Directors confirm that these Condensed Interim Financial Statements have been prepared in accordance with UK adopted International Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report

By order of the board:

Ronan Cox

Chief Executive Officer

Nick Wright

Chief Financial Officer

4 August 2026