RNS Number : 0926U
Inspecs Group PLC
10 September 2026

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INSPECS Group plc

("INSPECS", "the Company" or "the Group")

Interim Results

INSPECS Group plc, a leading designer, manufacturer and distributor of eyewear (sunglasses, optical frames and low vision products) presents its unaudited interim results for the six months ended 30 June 2026.

Financial review:

- Revenue increased by 1.6% to £99.1m in H1 2026 from £97.6m in H1 2025
- On a constant exchange rate basis[1], revenue increased by 2.0% to £99.6m
- Gross profit margin increased by 90 basis points to 52.7%, compared with 51.8% in H1 2025
- Operating expenses decreased by £1.5m to £46.4m (H1 2025: £47.8m)
- Underlying EBITDA[2] increased by 13.1% to £10.2m from £9.0m in H1 2025, with the Underlying EBITDA margin increasing to 10.3% from 9.3%
- Diluted Underlying EPS[3] increased 46% to 3.03p from 2.08p in H1 2025
- Operating profit before non-underlying items increased to £5.9m from £2.7m in H1 2025
- Net working capital decreased by £3.5m during the period to £40.7m at 30 June 2026
- Cash generated from operations remained strong at £10.8m, compared with £11.2m in H1 2025
- Net debt excluding leases[4] decreased by £13.6m to £18.7m at 30 June 2026 from £32.3m at 31 December 2025, including £7.4m net proceeds from the issue of new shares
- The Group remained comfortably within its banking covenants at 30 June 2026, with leverage of 1.21x against a maximum covenant of 2.25x, debt service cover of 2.3x against a minimum of 1.1x and interest cover of 6.7x against a minimum of 3.0x.

Operational review:

- Strategic investment of £7.4m by Qualcomm completed during the period, with the Group continuing to work closely with Qualcomm to progress strategic projects and identify opportunities to support future growth
- The Group continued to implement operational efficiencies and cost-reduction initiatives across its businesses, including further integration within the European operations
- The offer by Bidco 1125 Limited became unconditional on 12 March 2026
- The wind-down of Norville progressed substantially during the period, with all remaining employees leaving the business and its inventory and property, plant and equipment sold

Current trading and outlook:

- The Group entered the second half with a strengthened balance sheet, net debt excluding leases of £18.7m and good headroom against all banking covenants. While market conditions remain challenging, particularly within the US optical frames market and the German low vision market, the Group continues to benefit from growth within Eschenbach eyewear and the cost savings delivered through the integration of its UK operations.
- We remain committed to delivering on our medium-term targets:
    - CAGR organic revenue growth 40% above the market rate, which is currently forecast to grow at 3% CAGR
    - Double-digit Underlying EBITDA margin - achieved in H1 2026
    - Net debt to be 40% - 75% of Underlying EBITDA - on track to deliver in 2027

1 Constant currency exchange rates: figures at constant currency exchange rates have been calculated using the average exchange rates in effect for the relevant comparative period (H1 2025).

2 Refer to table 'Underlying EBITDA and Underlying PAT'.

3 Refer to note 5.

4 Refer to note 9.

Richard Peck, CEO of INSPECS, said:

"The Group delivered revenue growth in the first half of 2026, together with an improvement in gross margin and a 13.1% increase in Underlying EBITDA to £10.2m. This performance was achieved despite continued challenging conditions in a number of our markets and reflects the benefit of disciplined cost management, improved manufacturing performance and the operational efficiencies delivered across the Group.

"The Qualcomm investment during the period, combined with strong cash generation and continued focus on working capital and cost control, put the Group in a strong position heading into the second half of 2026. We remain focused on further operational efficiencies, cost discipline and the development of new business opportunities as we progress through the remainder of the year."

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About INSPECS Group plc
INSPECS is a leading provider of eyewear solutions to the global eyewear market. The Group produces a broad range of eyewear frames and low vision aids, covering optical, sunglasses and safety, which are either "Branded" (under licence or under the Group's own proprietary brands), or "OEM" (unbranded or private label on behalf of retail customers).

INSPECS is building a global eyewear business through its vertically integrated business model. Its continued growth is underpinned by increasing the penetration of its own-brand portfolio, worldwide distribution, growing retail presence, maximising group synergies and its global network, expanding its manufacturing capacity and scaling the research and development department as it develops new and innovative eyewear products.

The Group has operations across the globe: with offices and subsidiaries in the UK, Europe, the US and China (including Hong Kong, Macau and Shenzhen), and manufacturing facilities in Vietnam, China and Italy.

INSPECS customers are global optical and non-optical retailers, global distributors and independent opticians. Its distribution network covers over 80 countries and reaches approximately 75,000 points of sale.

More information is available at: www.INSPECS.com

CHIEF EXECUTIVE REVIEW
The Group delivered improved revenue and Underlying EBITDA during the first half of 2026 despite continued challenging market conditions, including subdued demand in certain European and US markets and ongoing uncertainty surrounding US tariffs.

Revenue increased by 1.6% to £99.1m in H1 2026 from £97.6m in H1 2025. On a constant exchange rate basis, revenue increased by 2.0% to £99.6m. Underlying EBITDA increased by 13.1% to £10.2m from £9.0m, with the Underlying EBITDA margin improving to 10.3% from 9.3%.

We remain focused on delivering sustainable revenue growth, improving operational performance and maintaining appropriate leverage. Our priorities include strengthening performance in our core markets, developing new customer and product opportunities, maintaining disciplined cost control and completing the remaining rationalisation and integration initiatives across the Group.

Frames and Optics

Revenue from the Frames and Optics segment remained broadly consistent with the prior period at £91.3m. Underlying EBITDA was £10.4m compared with £10.5m in H1 2025.

Our European eyewear operations delivered continued growth, particularly through key accounts, although this was partly offset by weaker performance in the European low vision and optics market. Overall market conditions in Germany remained subdued, with continued volume pressure in core markets. Despite this backdrop, the German eyewear business delivered a strong performance, supported by the successful execution of strategic initiatives, the benefits of recent leadership changes and the continued strength of key proprietary brands. The European operations maintained a strong focus on product development, design, quality and service, alongside disciplined cost management.

The US optical frames market remained challenging during the period, with industry-wide volume pressure affecting demand across a number of channels. Key-account activity was stronger in certain areas, while opportunities within safety eyewear and sunglasses continued to progress.

Manufacturing

Revenue from the Manufacturing segment increased by 33.3% to £10.5m in H1 2026 from £7.9m in H1 2025. Underlying EBITDA increased to £1.2m from £0.4m, reflecting higher revenue and improved factory performance, partly offset by a modest reduction in gross margin and additional investment in manufacturing personnel.

Our Asian manufacturing operations delivered strong revenue growth compared with H1 2025, supported in part by delayed orders from 2025 being shipped during January and February 2026. Customer demand and order flow improved in certain areas, although gross margins continued to be affected by product mix and lower volumes of internally manufactured concepts, titanium and regular metal products.

Our manufacturing facility in Vietnam continued to operate effectively and increase production activity during the period. Management remains focused on increasing utilisation, broadening the customer base and securing further orders to support future revenue and margin growth.

Operational efficiencies

The Group continued to implement operational efficiencies and cost-reduction initiatives across its businesses including further integration within the European and UK operations. The wind-down of Norville also progressed substantially during the period. All remaining employees left the business and the sale of its inventory and property, plant and equipment was completed. The residual activities principally comprise the collection and settlement of outstanding balances and completion of the wind-down process.

ESG

During the period, the Group continued to progress initiatives intended to reduce emissions and improve energy efficiency across its global operations. These included continued investment in renewable energy and energy resilience within the Group's Asian manufacturing operations.

The Group has also continued its work on sustainable packaging and the measurement and management of Scope 3 emissions. We remain committed to delivering measurable progress against our ESG objectives and supporting our people, communities and the environment.

Corporate update

The offer by Bidco 1125 Limited became unconditional on 12 March 2026. The Group incurred £2.2m of professional fees and other transaction-related costs in connection with the proposed acquisition and subsequent offer during H1 2026.

During June 2026, the Group received net proceeds of £7.4m from the issue of new shares to Qualcomm. A portion of the proceeds was used to reduce drawings under the Group's revolving credit facility, strengthening liquidity and the proceeds was used to reduce drawings under the Group's revolving credit facility, strengthening liquidity and increasing available borrowing capacity. The Group continues to work closely with Qualcomm to progress strategic projects and identify opportunities to support future growth.

Outlook

Despite ongoing macroeconomic headwinds, the optical market remains resilient. Management remains focused on progressing new customer and product opportunities, as well as improving working capital, delivering further operational efficiencies and maintaining disciplined cost control.

I would like to take this opportunity to thank all our teams worldwide for their continued efforts and commitment to developing the Group as a leading global eyewear business.

Richard Peck

10 September 2026

FINANCIAL REVIEW

Revenue
Revenue was £99.1m for H1 2026, up from £97.6m in H1 2025, an increase of 1.6%. On a constant exchange rate basis, revenue increased 2.0% to £99.6m.

Gross Profit Margin
The Group's gross profit margin increased to 52.7% in H1 2026 versus 51.8% in H1 2025.

Operating Profit
The Group's operating profit before non-underlying items increased to £5.9m (H1 2025: £2.7m).

Administrative expenses
Administrative costs decreased by £1.5m to £43.7m in H1 2026 from £45.2m in H1 2025, a result of the Group's continuing focus on operational efficiency and cost discipline, together with lower amortisation charges as certain purchase price allocation intangible assets became fully amortised.

Underlying EBITDA
The Group's Underlying EBITDA increased to £10.2m in H1 2026 from £9.0m in H1 2025. Underlying EBITDA margin increased to 10.3% in H1 2026 from 9.3% in H1 2025.

Non-underlying costs
Non-underlying costs in H1 2026 of £2.5m predominantly relate to one-off transaction and advisory costs associated with the proposed acquisition and subsequent offer by Bidco 1125 Limited, which became unconditional on 12 March 2026.

Depreciation and amortisation

	Period ended 30 June 2026 £m	Period ended 30 June 2025 £m
Depreciation	**2.8**	2.8
Amortisation	**1.7**	3.3
Total	**4.5**	6.1

The decline in amortisation is due to certain purchase price allocation intangible assets associated with the Eschenbach acquisition becoming fully amortised as of December 2025.

Profit Before Tax
Profit before tax for the period was £1.8m (H1 2025: £2.4m), including £2.5m of non-underlying costs incurred during H1 2026 (H1 2025: £0.2m) and after a nil gain on exchange adjustments on borrowings in H1 2026, compared to a gain of £1.4m in H1 2025.

Tax charge
The tax charge for the period of £1.9m (H1 2025: £2.1m) comprises a current tax charge of £2.7m (H1 2025: £2.6m) and a deferred tax credit of £0.8m (H1 2025: £0.5m credit). The deferred tax credit is as a result of the unwinding of deferred tax balances arising on acquisitions.

Cash Generation
The Group continued to have strong cash generation from operations of £10.8m (H1 2025: £11.2m).

Net Debt
Net debt excluding leases decreased by £13.6m to £18.7m at 30 June 2026 from £32.3m at 31 December 2025, reflecting strong cash generation from trading and £7.4m net proceeds from the issue of new shares.

Financing
The Group finances its operations through the following borrowings and facilities.

	Expires	Balance at 30 June 2026 £m	Balance at 31 December 2025 £m
Group revolving credit facility	December 2027	**28.4**	31.4
Term loans	December 2027	**6.1**	8.5
Revolving credit facility USA	1-year rolling	**6.9**	[illegible]

	Expires	Balance at 30 June 2026 £m	Balance at 31 December 2025 £m
Revolving credit facility USA	1-year rolling	[illegible]	6.8
Invoice discounting	1-year rolling	**3.2**	1.6
Total		**44.6**	48.3

Leverage covenant
The Group's leverage position is shown below:

	30 June 2026	31 December 2025
Actual ratio	**1.21**	2.22
Covenant ratio	**2.25**	2.25

The Group remains within its banking covenants and forecasts that it will continue to remain within banking covenants for the length of the arrangement.

Inventory
The revenue-to-inventory ratio declined marginally compared with 30 June 2025, when inventory levels were temporarily lower following reduced purchasing by the Group's US operations between April and June 2025 in response to tariff uncertainty.

	Period ended 30 June 2026 £m	Period ended 30 June 2025 £m
Revenue	**99.1**	97.6
Inventory	**46.1**	42.0
Revenue to inventory ratio	**2.1**	2.3

Current asset ratio
The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations, or those due within one year.

	As at 30 June 2026 £m	As at 30 June 2025 £m
Current Assets	**106.1**	98.0
Current Liabilities	**76.1**	76.1
Ratio	**1.4**	1.3

Quick ratio
The quick ratio is an indicator of a company's short-term liquidity position and measures a company's ability to meet its short-term obligations with its most liquid assets.

	As at 30 June 2026 £m	As at 30 June 2025 £m
Current Assets	**106.1**	98.0
Less Inventory	**(46.1)**	(42.0)
	60.0	56.0
Current Liabilities	**76.1**	76.1
Ratio	**0.8**	0.7

Net working capital

	As at 30 June 2026 £m	As at 30 June 2025 £m	As at 31 December 2025 £m
Trade and other receivables	**33.4**	33.2	37.5
Inventory	**46.1**	42.0	47.2
Trade and other payables	**(38.8)**	(36.9)	(40.5)
Net working capital	**40.7**	38.3	44.2
Working capital as a percentage of 12-month rolling revenue	**21.1%**	20.1%	23.1%

Earnings per Share
The Group's Diluted Underlying EPS for the 6 months to 30 June 2026 was 3.03p compared to 2.08p for the 6 months to 30 June 2025. The Group's Diluted EPS was a loss of 0.48p for the 6 months to 30 June 2026 (H1 2025: loss 4.54p).

Dividend
The Group does not currently intend to pay a dividend in relation to the first half of 2026. The Board continues to review its dividend policy on a regular basis.

Underlying EBITDA and Underlying PAT

The below table shows how Underlying EBITDA and Underlying PAT are calculated:

	6 months ended 30 June 2026	6 months ended 30 June 2025	12 months ended 31 December 2025

	£'000	£'000	£'000
Revenue	99,149	97,623	191,701
Gross Profit	52,275	50,570	99,176
Operating expenses	(46,374)	(47,834)	(93,491)
Operating profit before non-underlying items	**5,901**	**2,736**	**5,685**
Add back: Amortisation	1,710	3,270	6,197
Add back: Depreciation	2,762	2,758	5,608
EBITDA	**10,373**	**8,764**	**17,490**
(Deduct)/add back: Share-based payment credit/expense	(151)	277	185
Underlying EBITDA	**10,222**	**9,041**	**17,675**
Less: Depreciation	(2,762)	(2,758)	(5,608)
Less: Net interest (excluding amortisation of loan arrangement fees)	(1,519)	(1,433)	(2,789)
Underlying Profit Before Tax (PBT)	**5,941**	**4,850**	**9,278**
Current tax charge	(2,677)	(2,627)	(1,878)
Underlying Profit After Tax (PAT)	**3,264**	**2,223**	**7,400**
Underlying EPS	**Pence**	**Pence**	**Pence**
Basic Underlying EPS for the period attributable to the equity holders of the parent	3.19	2.19	7.28
Diluted Underlying EPS for the period attributable to the equity holders of the parent	3.03	2.08	6.87

Underlying EBITDA segmental information

Underlying EBITDA by reportable segment for the six months ended 30 June 2026 is as follows:

	Frames & Optics	Manufacturing	Total before adjustments & eliminations	Adjustments & eliminations	Total
	£'000	£'000	£'000	£'000	£'000
Revenue	91,305	10,478	101,783	(2,634)	99,149
Operating profit/(loss)	6,767	466	7,233	(1,332)	5,901
Add back:					
Amortisation	1,397	313	1,710	-	1,710
Depreciation	2,314	417	2,731	31	2,762
Share-based payments	(75)	(23)	(98)	(53)	(151)
Underlying EBITDA	**10,403**	**1,173**	**11,576**	**(1,354)**	**10,222**

Underlying EBITDA by reportable segment for the six months ended 30 June 2025 is as follows:

	Frames & Optics	Manufacturing	Total before adjustments & eliminations	Adjustments & eliminations	Total
	£'000	£'000	£'000	£'000	£'000
Revenue	91,398	7,869	99,267	(1,644)	97,623
Operating profit/(loss)	5,117	(410)	4,707	(1,971)	2,736
Add back:					
Amortisation	2,957	313	3,270	-	3,270
Depreciation	2,297	413	2,710	48	2,758
Share-based payments	96	57	153	124	277
Underlying EBITDA	**10,467**	**373**	**10,840**	**(1,799)**	**9,041**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2026

	Notes	*Unaudited* 6 months ended 30 June 2026	*Unaudited* 6 months ended 30 June 2025
		£'000	**£'000**

REVENUE	4	99,149	97,623
Cost of sales		(46,874)	(47,053)
GROSS PROFIT		52,275	50,570
Distribution costs		(2,712)	(2,656)
Administrative expenses		(43,662)	(45,178)
OPERATING PROFIT BEFORE NON-UNDERLYING ITEMS		5,901	2,736
Non-underlying costs	10	(2,471)	(247)
Exchange adjustments on borrowings		(43)	1,399
Share of profit of associates		-	6
Finance costs		(1,668)	(1,612)
Finance income		37	72
PROFIT BEFORE INCOME TAX		1,756	2,354
Income tax		(1,885)	(2,087)
(LOSS)/PROFIT FOR THE PERIOD - CONTINUING OPERATIONS		(129)	267
LOSS FOR THE PERIOD - DISCONTINUED OPERATION	12	(359)	(4,879)
LOSS FOR THE PERIOD		(488)	(4,612)
OTHER COMPREHENSIVE PROFIT/(LOSS):			
Exchange adjustment on consolidation		974	(6,560)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		486	(11,172)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
For the period ended 30 June 2026

	Notes	***Unaudited*** **6 months ended 30 June 2026**	***Unaudited*** **6 months ended 30 June 2025**
(Loss)/profit per share from continuing operations		**Pence**	**Pence**
Basic EPS for the period attributable to the equity holders of the parent	5	(0.13)	0.26
Diluted EPS for the period attributable to the equity holders of the parent	5	(0.13)	0.25
Loss per share			
Basic EPS for the period attributable to the equity holders of the parent	5	(0.48)	(4.54)
Diluted EPS for the period attributable to the equity holders of the parent	5	(0.48)	(4.54)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	***Unaudited*** ***As at*** **30 June 2026** **£'000**	***Unaudited*** ***As at*** **30 June 2025 (restated)** **£'000**	***As at*** **31 December 2025** **£'000**

ASSETS				
NON-CURRENT ASSETS				
Goodwill		56,987	55,772	56,832
Intangible assets		15,431	20,504	16,848
Property, plant and equipment		22,950	25,310	24,253
Investment in associate and joint venture		54	70	54
Deferred tax		1,935	3,574	1,736
		97,357	105,230	99,723
CURRENT ASSETS				
Inventories		46,124	41,968	47,225
Trade and other receivables	6	33,448	33,167	37,465
Tax receivable		518	184	887
Cash and cash equivalents	7	25,961	22,667	15,986
		106,051	97,986	101,563
Assets held for sale	12	-	2,392	944
TOTAL ASSETS		**203,408**	**205,608**	**202,230**
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital		1,092	1,017	1,017
Share premium		96,871	89,508	89,508
Foreign currency translation reserve		20	(3,555)	(954)
Share option reserve		3,329	3,847	3,755
Merger reserve		5,340	5,340	5,340
Accumulated losses		(19,163)	(14,004)	(18,950)
TOTAL EQUITY		87,489	82,153	79,716
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities - borrowings				
Interest bearing loans and borrowings		38,973	43,902	44,414
Deferred tax		803	1,673	1,425
		39,776	45,575	45,839
CURRENT LIABILITIES				
Trade and other payables	8	38,782	36,923	40,522
Right of return liability		15,622	16,027	15,655
Warranty provision		2,569	3,222	2,868
Financial liabilities - borrowings				
Interest bearing loans and borrowings		12,719	12,725	13,782
Invoice discounting		3,185	2,012	1,580
Deferred and contingent consideration		-	991	-
Tax payable		3,266	4,237	2,268
		76,143	76,137	76,675
Liabilities held for sale	12	-	1,743	-
TOTAL LIABILITIES		115,919	123,455	122,514
TOTAL EQUITY AND LIABILITIES		**203,408**	**205,608**	**202,230**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2026

	Called up share capital	Share premium	Foreign currency translation reserve	Share option reserve	Accumulated losses	Merger reserve	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SIX MONTHS ENDED 30 JUNE 2026							
Balance at 1 January 2026	**1,017**	**89,508**	**(954)**	**3,755**	**(18,950)**	**5,340**	**79,716**
Loss for the period	-	-	-	-	(488)	-	(488)
Other comprehensive profit	-	-	974	-	-	-	974
Total comprehensive profit/(loss)	**-**	**-**	**974**	**-**	**(488)**	**-**	**486**
Issue of new shares	75	7,363	-	-	-	-	7,438
Transfer on lapse of vested share options[1]	-	-	-	(275)	275	-	-
Reversal of share-based payment charge[1]	-	-	-	(151)	-	-	(151)
Balance at 30 June 2026 (unaudited)	**1,092**	**96,871**	**20**	**3,329**	**(19,163)**	**5,340**	**87,489**
SIX MONTHS ENDED 30 JUNE 2025							
Balance at 1 January 2025 (restated)	**1,017**	**89,508**	**3,005**	**3,570**	**(9,392)**	**5,340**	**93,048**
Loss for the period	-	-	-	-	(4,612)	-	(4,612)
Other comprehensive loss	-	-	(6,560)	-	-	-	(6,560)
Total comprehensive loss	**-**	**-**	**(6,560)**	**-**	**(4,612)**	**-**	**(11,172)**
Share-based payment charge	-	-	-	277	-	-	277
Balance at 30 June 2025 (unaudited) (restated)	**1,017**	**89,508**	**(3,555)**	**3,847**	**(14,004)**	**5,340**	**82,153**

1. The current period movements comprise the reversal of cumulative charges relating to awards that did not vest and a transfer to retained earnings in respect of vested options that subsequently lapsed. The comparative balance at 30 June 2025 reflected awards that remained outstanding at that date.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
For the period ended 30 June 2026

	Notes	Unaudited 6 months ended 30 June 2026	Unaudited 6 months ended 30 June 2025
		£'000	£'000
Cash flows from operating activities			
Profit before income tax		1,756	2,354
Adjustments for:			
Depreciation charges		2,762	2,758
Amortisation charges		1,710	3,270
Share-based payment (credit)/expense		(151)	277
Exchange adjustments on borrowings		43	(1,399)
Share of (profit)/loss from associate		-	(6)
Finance costs		1,668	1,612
Finance income		(37)	(72)
		7,751	**8,794**

Decrease in inventories[1]		1,183	529
Decrease in trade and other receivables[1]		4,046	4,332
Decrease in trade and other payables[1]		(2,174)	(2,424)
Cash generated from operations		**10,806**	**11,231**
Interest paid		(1,876)	(1,576)
Tax paid		(1,341)	(1,852)
Cash outflows from discontinued operations		(359)	(1,586)
Net cash flow from operating activities		**7,230**	**6,217**
Cash flows used in investing activities			
Purchase of intangible fixed assets		(257)	(504)
Purchase of property, plant and equipment		(664)	(563)
Cash paid in relation to deferred consideration		-	(700)
Interest received		37	72
Cash inflows from discontinued operations		907	265
Net cash flows from/(used in) investing activities		**23**	**(1,430)**
Cash flow from financing activities			
Proceeds from issue of share capital, net of transaction costs		7,438	-
Bank loan principal repayments in period		(4,561)	(1,474)
Movement in invoice discounting facility		1,605	235
Loan transaction costs		-	(568)
Principal payments on leases		(1,917)	(1,755)
Net cash flows from/(used in) financing activities		**2,565**	**(3,562)**
Net increase in cash and cash equivalents		**9,818**	**1,225**
Cash and cash equivalents at beginning of the period		**15,986**	**23,960**
Net foreign currency movements		157	(2,361)
Cash and cash equivalents at end of period	7	**25,961**	**22,824**

1. The movement in working capital excludes the classification of the discontinued operations working capital as held for sale.

NOTES TO THE INTERIM CONSOLIDATED STATEMENTS
For the period ended 30 June 2026

1. GENERAL INFORMATION

INSPECS Group plc is a public company limited by shares and is incorporated in England and Wales. The address of the Company's principal place of business is Kelso Place, Upper Bristol Road, Bath BA1 3AU.

The principal activity of the Group in the period was that of design, production, sale, marketing and distribution of high-fashion eyewear and OEM products worldwide.

2. ACCOUNTING POLICIES

Going concern

Based on the Group's forecasts, the interim financial statements have been prepared on the going concern basis as the Directors have assessed that there is a reasonable expectation that the Group will be able to continue in operation and meet its commitments as they fall due over the going concern period to 30 September 2027.

The assessment has considered the Group's current financial position as follows:

- The Group further improved its cash position during the period with net debt including leases decreasing to £28.9m at 30 June 2026 from £43.8m at 31 December 2025.
- Cash generated from operations in the period amounted to £10.8m (H1 2025: £11.2m).
- The Group balance sheet has net assets of £87.5m and net current assets of £29.9m.

The assessment has considered the current measures being put in place by the Group to preserve cash and ensure continuity of operations through:

- Ensuring continuation of its supply chain, building on the benefit of having its own manufacturing sites and by securing alternative third-party supply lines.
- Maintaining geographical sales diversification, focusing sales to online customers and seeking new revenue streams around the globe.
- Ability to service both the major global retail chains and significant distribution to the independent eyewear market.
- Rationalisation of the Group's operations and organisational structure to enhance operational efficiency and improve cost leverage

Basis of preparation

The interim consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting and with accounting policies that are consistent with the Group's Annual Report and Financial Statements for the period ended 31 December 2025. Accounting policies are included in detail within the latest Annual Report.

The financial information for the period ended 30 June 2026 and the comparative financial information for the period ended 30 June 2025 in this interim report do not constitute statutory accounts for either period under section 434 of the Companies Act 2006 and are unaudited.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's historical information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities in the future.

Estimation uncertainty

In addition to the going concern section of note 2, the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below.

Right of return liability

Management applies assumptions in determining the right of return liability and the associated right of return asset. These assumptions are based on analysis of historical data trends but require estimation of appropriate time periods and expected return rates. The right of return liability at the period end is £15,622,000 (31 December 2025: £15,655,000) and is calculated in line with the methodology used as at 31 December 2025.

4. SEGMENT INFORMATION

The Group now operates in two operating segments, which results in the following two reporting segments:

• Frames and Optics product distribution.

• Manufacturing - being OEM and manufacturing distribution.

The criteria applied to identify the operating segments are consistent with the way the Group is managed. In particular, the disclosures are consistent with the information regularly reviewed by the Executive team in their role as Chief Operating Decision Makers, to make decisions about resources to be allocated to the segments and to assess their performance. Segment asset and liability information is not provided to the Chief Operating Decision Makers.

The reportable segments subject to disclosure are consistent with the organisation model adopted by the Group during the six months ended 30 June 2026 are set out as below:

	Frames and Optics	Manufacturing	Total before adjustments & eliminations	Adjustments & eliminations	Total
	£'000	£'000	£'000	£'000	£'000
Revenue					
External	90,462	8,687	99,149	-	99,149
Internal	843	1,791	2,634	(2,634)	-
	91,305	10,478	101,783	(2,634)	99,149
Cost of sales	(43,399)	(6,541)	(49,940)	3,066	(46,874)
Gross profit	47,906	3,937	51,843	432	52,275
Expenses	(41,139)	(3,471)	(44,610)	(1,764)	(46,374)
Operating profit/(loss)	6,767	466	7,233	(1,332)	5,901
Non-underlying costs					(2,471)
Exchange adjustment on borrowings					(43)
Share of profit of associates					-
Finance costs					(1,668)
Finance income					37
Taxation					(1,885)
Loss for the period - continuing operations					(129)

4. **SEGMENT INFORMATION (continued)**

The reportable segments subject to disclosure are consistent with the organisation model adopted by the Group during the six months ended 30 June 2025 are set out as below:

	Frames and Optics	Manufacturing	Total before adjustments & eliminations	Adjustments & eliminations	Total
	£'000	£'000	£'000	£'000	£'000
Revenue					
External	90,404	7,177	97,581	42	97,623
Internal	994	692	1,686	(1,686)	-
	91,398	7,869	99,267	(1,644)	97,623
Cost of sales	(44,145)	(4,727)	(48,872)	1,819	(47,053)
Gross profit	47,253	3,142	50,395	175	50,570
Expenses	(42,136)	(3,552)	(45,688)	(2,146)	(47,834)
Operating profit/(loss)	5,117	(410)	4,707	(1,971)	2,736
Non-underlying costs					(247)
Exchange adjustment on borrowings					1,399
Share of profit of associates					6
Finance costs					(1,612)
Finance income					72
Taxation					(2,087)
Profit for the period - continuing operations					267

Non-underlying costs, finance costs and income, and taxation are not allocated to individual segments as the underlying instruments are managed on a Group basis. Adjusted items relate to elimination of all intra-Group items including any profit adjustments on intra-Group revenues that are eliminated on consolidation, along with the profit and loss items of the parent company.

Geographical analysis

The revenue of the Group is attributable to the one principal activity of the Group. The Group's revenue by destination is split in the following geographic areas:

	Unaudited 6 months ended 30 June 2026	Unaudited 6 months ended 30 June 2025
	£'000	£'000
United Kingdom	8,514	10,001
Europe (excluding UK)	48,991	46,120
North America	36,619	35,780
South America	1,025	1,113
Asia	2,973	2,045
Australia	834	2,403
Other	193	161
	99,149	**97,623**

NOTES TO THE INTERIM CONSOLIDATED STATEMENTS (continued)
For the period ended 30 June 2026

5. **EARNINGS PER SHARE**

Basic Earnings per Share ("EPS") is calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, to the extent that the inclusion of such shares is not anti-dilutive. Refer to note 11 in relation to the share options outstanding as at 30 June 2026.

6 months ended 30 June 2026	**Basic weighted average number of Ordinary Shares ('000)**	**Total Earnings (£'000)**	**Earnings per share (pence)**
Basic EPS	102,210	(488)	(0.48)
Diluted EPS	102,210	(488)	(0.48)
Basic EPS from continuing operations	102,210	(129)	(0.13)

Diluted EPS from continuing operations	102,210	(129)	(0.13)
Basic Underlying EPS	102,210	3,264	3.19
Diluted Underlying EPS	107,891	3,264	3.03

5. **EARNINGS PER SHARE (continued)**

6 months ended 30 June 2025	**Basic weighted average number of Ordinary Shares ('000)**	**Total Earnings (£'000)**	**Earnings per share (pence)**
Basic EPS	101,672	(4,612)	(4.54)
Diluted EPS	101,672	(4,612)	(4.54)
Basic EPS from continuing operations	101,672	267	0.26
Diluted EPS from continuing operations	107,058	267	0.25
Basic Underlying EPS	101,672	2,223	2.19
Diluted Underlying EPS	107,058	2,223	2.08

12 months ended 31 December 2025	**Basic weighted average number of Ordinary Shares ('000)**	**Total earnings (£'000)**	**Earnings per share (pence)**
Basic EPS	101,672	(9,558)	(9.40)
Diluted EPS	101,672	(9,558)	(9.40)
Basic EPS from continuing operations	101,672	(3,290)	(3.24)
Diluted EPS from continuing operations	101,672	(3,290)	(3.24)
Basic Underlying EPS	101,672	7,400	7.28
Diluted Underlying EPS	107,749	7,400	6.87

Within INSPECS Group plc, each Ordinary share carries the right to participate in distributions, as respects dividends and as respects capital on winding up.

6. **TRADE AND OTHER RECEIVABLES**

	Unaudited As at 30 June 2026 £'000	Unaudited As at 30 June 2025 £'000	As at 31 December 2025 £'000
Trade receivables	24,671	24,056	27,179
Prepayments	2,902	3,347	2,877
Other receivables	5,875	5,764	7,409
	33,448	**33,167**	**37,465**

7. **CASH AND CASH EQUIVALENTS**

	Unaudited As at 30 June 2026 £'000	Unaudited As at 30 June 2025 £'000	As at 31 December 2025 £'000
As presented in the consolidated statement of financial position	25,961	22,667	15,986
Cash and cash equivalents of entity presented as held for sale	-	157	-
As presented in the consolidated statement of cash flows	**25,961**	**22,824**	**15,986**

8. **TRADE AND OTHER PAYABLES**

	Unaudited As at 30 June 2026 £'000	Unaudited As at 30 June 2025 £'000	As at 31 December 2025 £'000
Trade payables	22,984	21,087	23,432
Social security and other taxes	3,274	3,092	3,081
Royalties	2,236	2,127	1,793
Accruals	10,288	10,617	12,216
	38,782	**36,923**	**40,522**

9. **NET DEBT**

	Unaudited As at 30 June 2026 £'000	Unaudited As at 30 June 2025 £'000	As at 31 December 2025 £'000
Cash and cash equivalents	25,961	22,667	15,986
Interest bearing borrowings excl. leases	(41,459)	(44,213)	(46,739)
Invoice discounting	(3,185)	(2,012)	(1,580)
Net debt excluding leases	**(18,683)**	**(23,558)**	**(32,333)**
Lease liability	(10,233)	(12,414)	(11,457)
Net debt including leases	**(28,916)**	**(35,972)**	**(43,790)**

10. **NON-UNDERLYING COSTS**

Non-underlying costs during the six months ended 30 June 2026 comprised £2,160,000 of professional fees and other transaction-related costs incurred in connection with the proposed acquisition and subsequent offer by Bidco 1125 Limited, which became unconditional on 12 March 2026. A further £310,000 was incurred in relation to restructuring completed across European-based subsidiaries.

Non-underlying costs during the six months ended 30 June 2025 relate to legal costs incurred in relation to the defence of a requisition for a general meeting (£137,000) and the amalgamation of European subsidiaries (£110,000).

11. **SHARE-BASED PAYMENTS**

Certain employees of the Group are granted options over the shares in INSPECS Group. The options are granted with a fixed exercise price. Despite the Bidco 1125 Limited offer becoming unconditional on 12 March 2026, vested market-value options remained outstanding at 30 June 2026 as they continued to be exercisable until 12 September 2026, except where they had already lapsed following the relevant option holder's departure.

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

Grant date	Vesting date	Expiry date	Exercise price per option (£)	Number of share options
10 December 2019	1 July 2022	12 September 2026	1.01	412,102
27 February 2020	27 February 2023	12 September 2026	1.95	1,923,110
22 December 2020	22 December 2023	12 September 2026	2.10	740,000
26 February 2021	26 February 2024	12 September 2026	3.25	641,036
21 June 2021	21 June 2024	12 September 2026	3.51	60,000
31 August 2021	31 August 2024	12 September 2026	3.70	155,000
23 December 2021	23 December 2024	12 September 2026	3.70	229,999
28 February 2022	26 February 2025	12 September 2026	3.75	641,036

12. **DISCONTINUED OPERATIONS**

As at 30 June 2025, Norville (20/20) Limited was classified as a disposal group held for sale and a discontinued operation. The Group subsequently engaged Deloitte to support efforts to sell the business or assist with implementing alternative outcomes should a sale not be possible. As at 31 December 2025, it had been determined that the business could not be sold as a going concern and Norville had ceased all revenue-generating activities. During the six months ended 30 June 2026, all remaining employees left the business and the sale of its inventory, property, plant and equipment was completed, with the residual activities principally comprising the collection and settlement of outstanding balances and completion of the wind-down process. Accordingly, Norville continued to be presented as a discontinued operation for the period. However, as the assets previously included within the disposal group have been sold, realised or otherwise written down, the Group no longer presents assets held for sale as at 30 June 2026.

The operating profit of the discontinued operation, along with the profit or loss arising from remeasurement of assets and liabilities classified as held for sale, is shown below:

	Unaudited 6 months ended 30 June 2026	*Unaudited* 6 months ended 30 June 2025
	£'000	£'000
REVENUE	-	2,405
Cost of sales	(92)	(1,622)
GROSS PROFIT	(92)	783
Distribution costs	-	(159)
Administrative expenses	(151)	(1,563)
OPERATING LOSS	(243)	(939)
Non-underlying costs	(115)	(56)
Finance costs	(1)	(119)
LOSS FOR THE PERIOD	(359)	(1,114)
Loss on the remeasurement of disposal group	-	(3,765)
LOSS FOR THE PERIOD - DISCONTINUED OPERATION	(359)	(4,879)
Loss per share for discontinued operations	**Pence**	**Pence**
Basic EPS for the period attributable to the equity holders of the parent	(0.35)	(4.80)
Diluted EPS for the period attributable to the equity holders of the parent	(0.35)	(4.80)

13. **PRIOR PERIOD ADJUSTMENTS**

In accordance with IAS8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the following items have been identified as prior period errors and corrected by restating comparative information. The restatements are consistent with those reported in the audited financial statements for the year ended 31 December 2025.

Prior period adjustment A - Right of return

Under IFRS15, a right of return arises from a constructive obligation where Tura expects to accept returns after the reporting date in respect of sales recognised prior to that date. As at 30 June2025 and preceding periods, the right of return provision was not measured using all relevant information that was available, or could reasonably have been obtained, at the time the financial statements were authorised for issue. In prior periods, the right of return provision recognised by Eschenbach was discounted in accordance with IAS37, reflecting the time value of money where the effect was considered material. However, under IFRS15, right of return provisions are accounted for as refund liabilities arising from variable consideration and should be measured at the amount of consideration expected to be refunded to customers, without discounting. As a result, the discounting applied by Eschenbach was not consistent with the measurement requirements of IFRS 15.

In accordance with IAS8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the above has been identified as a prior period error and the right of return provision and associated asset recognised have therefore been restated as a prior period adjustment. In addition, the right of return provision recognised at the acquisition date of Tura has been recalculated, with a corresponding adjustment made to goodwill. Comparative information has been restated to reflect these adjustments. The impact of this error on the income statement was assessed and is not considered material and therefore the income statement to 30 June 2025 has not been restated.

Prior period adjustment B - Warranty provisions

In prior periods, amounts relating to warranty obligations were included within the right of return provision. However, warranty provisions represent separate obligations to repair or replace faulty products and should be presented separately from right of return provisions, which reflect refund liabilities arising from variable consideration under IFRS15. Accordingly, the warranty provision has been reclassified and presented separately on the face of the balance sheet.

Prior period adjustment C - Goodwill foreign exchange

Under IAS 21, goodwill arising on the acquisition of a foreign operation should be treated as an asset of that foreign operation and translated into the Group's presentational currency at the closing rate at each reporting period. As at 30 June 2025 and preceding periods, the goodwill arising on acquisition of foreign operations had not been translated from the functional currency of the relevant foreign operations at the closing rate but instead has been translated at the exchange rate at the date of acquisition. This has been identified as a prior period error and the comparative information has been restated accordingly.

Prior period adjustment D - Killine revenue cut-off

Under IFRS15, revenue should be recognised when control of goods transfers to the customer, rather than when goods are invoiced or dispatched. As at 30 June 2025 and preceding periods, revenue recognised within the Killine business included amounts recognised prior to the transfer of control to customers, primarily due to cut off errors where sales were recorded before delivery had occurred in accordance with contractual terms. This has been identified as a prior period error and the comparative information has been restated accordingly. The impact of this error on the income statement was assessed and is not considered material and therefore the income statement to 30 June 2025 has not been restated.

Prior period adjustment E - Killine work in progress

In prior periods, a consolidation adjustment to increase the value of inventory, which was first recorded in 2018, has been recorded each year in order to reconcile the accumulated losses position. Following a review of the consolidation entries, it was identified that this consolidation adjustment should have been reversed in an earlier period and therefore the value of inventory was overstated and the value of accumulated losses understated in previous periods. This has been identified as a prior period error and the comparative information has been restated accordingly. The impact of this error on the income statement was assessed and is not considered material and therefore the income statement to 30 June 2025 has not been restated.

A reconciliation of the restated Statement of Financial Position as at 30 June 2025 is shown below:

	30 June 2025 £'000	Adjustment A	Adjustment B	Adjustment C	Adjustment D	Adjustment E
Assets						
Non-current assets						
Goodwill	55,741	3,473	-	(3,442)	-	-
Intangible assets	20,504	-	-	-	-	-
Property, plant and equipment	25,310	-	-	-	-	-
Investments in associate and joint venture	70	-	-	-	-	-
Deferred tax assets	1,993	1,581	-	-	-	-
	103,618	5,054	-	(3,442)		
Current assets						
Inventories	40,576	1,292	-	-	806	(706)

Inventories	40,576	1,292			806	(706)
Trade and other receivables	34,397	-	-	-	(1,230)	-
Tax receivables	184	-	-	-	-	-
Cash and cash equivalents	22,667	-	-	-	-	-
	97,824	1,292	-	-	(424)	(706)
Assets held for sale	2,392	-	-	-	-	-
Total assets	203,834	6,346	-	(3,442)	(424)	(706)
Equity						
Shareholders' equity						
Called up share capital	1,017	-	-	-	-	-
Share premium	89,508	-	-	-	-	-
Foreign currency translation reserve	(409)	161	-	(3,442)	129	6
Share option reserve	3,847	-	-	-	-	-
Merger reserve	5,340	-	-	-	-	-
Accumulated losses	(10,202)	(2,537)	-	-	(553)	(712)
Total equity	89,101	(2,376)	-	(3,442)	(424)	(706)
Liabilities						
Non-current liabilities						
Financial liabilities - borrowings						
Interest-bearing loans and borrowings	43,902	-	-	-	-	-
Deferred tax liabilities	1,673	-	-	-	-	-
	45,575	-	-	-	-	-
Current liabilities						
Trade and other payables	36,923	-	-	-	-	-
Right of return liabilities	10,527	8,722	(3,222)	-	-	-
Warranty provision	-	-	3,222	-	-	-
Financial liabilities - borrowings						
Interest-bearing loans and borrowings	12,725	-	-	-	-	-
Invoice discounting	2,012	-	-	-	-	-
Deferred and contingent consideration	991	-	-	-	-	-
Tax payable	4,237	-	-	-	-	-
	67,415	8,722	-	-	-	-
Liabilities held for sale	1,743	-	-	-	-	-
Total liabilities	114,733	8,722	-	-	-	-
Total equity and liabilities	203,834	6,346	-	(3,442)	(424)	(706)

The impact of the above prior year adjustments on the Consolidated Statement of Cash Flows is considered not material, and these statements have therefore not been restated.

14. POST BALANCE SHEET EVENTS

Since the end of the interim period on 30 June 2026, there have been no events that the directors consider material to the users of these interim statements.

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