Potter & Moore PLC
Unaudited Interim results for the six months ended 30 September 2026

Potter & Moore PLC ("PAM", the "Company" or the "Group"), the British-based beauty and well-being brand owner and manufacturer, announces its unaudited interim results for the six months ended 30 September 2026 ("H1 2026").

Financial highlights

	H1 2026	H1 2025 (restated)**	Change
	£000	£000	
Revenue	25,574	27,403	(6.7) %
Gross profit margin	44.5%	45.1%	(60 bps)
Operating profit	735	1,454	(49.4) %
EBITDA	1,467	2,222	(34.0) %
Profit before tax	781	1,494	(47.7) %
Diluted earnings per share	0.83p	1.49p	(44.3) %
Net cash*	4,009	2,859	40.2%

** Defined as cash and cash equivalents less current lease liabilities and current borrowings.*

*** Comparatives have been restated to reclassify pay-per-click (PPC) advertising expenditure from deductions from revenue to administrative expenses. Revenue, gross profit margin and related percentages and ratios have been revised, with no effect on operating profit, EBITDA, profit before tax, earnings per share or net cash. See the notes to the unaudited interim financial report for details.*

- **Revenue** – decreased by £1.8m (6.7%) to £25.6m.
    - Private Label sales decreased by £1.4m (7.7%), reflecting the timing of special-buy programmes and reduced demand from a key Middle East customer arising from the ongoing regional conflict. Special-buy activity is weighted towards H2 this year, compared with higher H1 activity in the prior year.
    - Branded sales decreased £0.4m (4.6%), reflecting reduced Middle East demand and a slower than anticipated recovery in Emma Hardie following operational disruption experienced by a core customer in the prior year.

- **Gross profit margin** – decreased to 44.5% (H1 2025: 45.1%), reflecting changes in sales mix and higher raw material costs, particularly driven by the Middle East conflict and higher prices for oil-derived materials. Clearance sales of slow-moving and obsolete stock also affected margin but positively reduced excess inventory.

- **EBITDA** – decreased £0.8m reflecting lower revenue and gross margin contribution, positively offset by disciplined overhead cost control which were more than £0.2m lower.

- **Net cash** – increased £1.1m to £4.0m (H1 2025: £2.9m), supported by disciplined working capital management and cash generated from operating activities.

Strategic and operational highlights

- **Amazon growth** – revenue increased £0.8m to £2.0m (H1 2025: £1.2m), providing a source of growth against the wider decline in Branded sales. Growth was supported by an increase in listings for the Group's own-brand products, alongside PPC (pay-per-click) advertising investment.

- **Fast follow growth -** Fast-follow sales continued momentum from the previous period, increasing to £0.4m. The initiative established new trading relationships with two customers in the US market as well as re-igniting positive trading relationships with a leading UK discounter and a key European customer. In addition to building on the Group's existing formulations to bring products to market more quickly and respond to emerging customer requirements.

- **Project FutureFit** – implementation of a new enterprise resource planning (ERP) system has commenced as part of the Group's digital transformation programme, incorporating automation and artificial intelligence across business processes. The programme is intended to streamline workflows and improve access to consistent, timely information, supporting more informed operational and financial decision making.

- **Production investment** – The investment in a new bottle-filler with automated capping will add 1.1m units of capacity and is expected to be operational by the end of January 2027. Additionally, a new labeller will replace unsupported legacy equipment, adding 200k units of annual capacity, and is expected to be operational by the end of February 2027.

- **Devon site lease renewal** – The Group renewed the lease on its Devon premises for a further ten years commencing August 2026, securing continued use of the site and supporting long-term operational planning. The lease includes a break clause after five years. Total Group lease liabilities increased by £1.3m to £2.2m (H1 2025: £0.9m), with the Devon lease renewal being the principal contributor to this net movement.

Summary and outlook

The Group expects revenue to strengthen in the second half, supported by H2 weighting of special-buy programmes described above, new retail listings, product launches and fast-follow activity. The approaching Christmas trading period is also anticipated to support both retail and online sales. Delivery remains dependent on the timing and conversion of these customer opportunities into revenue, against a backdrop of continued uncertainty in customer demand and input costs.

Operational agility and digital transformation remain strategic priorities. Alongside the ERP upgrade, the Group's new bottle-filler with automated capping will add 1.1m units of capacity and is expected to be operational by the end of January 2027. The new labeller will replace unsupported legacy equipment, adding 200k units of annual capacity, and is expected to be operational by the end of February 2027. These investments are expected to improve manufacturing efficiency and productivity.

Despite a challenging market environment in the first half, the Group expects to close the gap in performance in the second half, supported by current trading and the initiatives being implemented. The Board continues to expect full-year results to be broadly in line with current market expectations.

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Chief Executive Officer's review

Summary

Group revenue for the six months to 30 September 2026 decreased by £1.8m to £25.6m (H1 2025: £27.4m). The decline reflected variability in the timing and conversion of special-buy sales and reduced Middle East demand arising from the ongoing regional conflict. Revenue is expected to be more heavily weighted towards H2 in the current trading year. Continued cost-of-living pressures and wider economic uncertainty added to the challenging trading backdrop.

Operating profit decreased to £0.7m (H1 2025: £1.5m), primarily reflecting lower revenue and inflationary pressures on key raw materials and plastics. The Middle East conflict contributed to sharp cost increases and reduced availability of certain petrochemical-derived base materials. Disciplined cost and overhead management, alongside continued work to improve operational efficiency, helped the business remain profitable despite these pressures.

Both revenue streams declined in H1. Private Label sales decreased by £1.4m (7.7%), reflecting the timing and movement of special-buy programmes and reduced demand from a key Middle East customer. Branded sales decreased by £0.4m (4.6%), principally due to reduced Middle East demand and lower than expected sales to another key international customer. Both streams are expected to be more heavily weighted towards H2, reflecting the timing of customer opportunities and the anticipated contribution from the Group's developing strategic growth areas.

Improving the time from product concept to revenue is central to our growth ambitions. Across the Beauty and Personal Care sector, rapidly evolving demand for innovation and newness in our core categories is increasing the importance of speed to market. Although H1 revenue declined, the Group continues to make strategic and operational progress towards this priority.

To support this, we continue to invest in the capabilities required to drive future growth, including more agile team resource and skills, increased sales-focused resource and further digitisation of the business. These investments are focused on improving speed, responsiveness and execution, strengthening our ability to convert customer opportunities into sustainable revenue growth.

Revenue Performance

Private Label

Private Label revenues decreased by £1.4m (7.7%) in H1 2026. The reduction compared with the same period last year was principally attributable to two factors: the timing of special-buy programmes and reduced orders of £0.9m from a key Middle East customer as a result of the ongoing conflict in the region.

Trend-led, speed-to-market special-buy programmes have supported sales growth with key retailers but create variability in revenue between periods. This timing variability contributes to the expected H2 weighting this trading year. New business wins scheduled to launch in Q4 also support that profile, including a mass fragrance programme with a major UK customer that advances our growth strategy in this category.

Potter & Moore PLC continues to hold a strong position in UK Private Label, and the strategy to build on this is generating further opportunities with both existing and new customers. Fragrance, premium bodycare and SPF skincare remain key areas for future growth, alongside an initial 'test and learn' entry into electrical beauty in Q3, which we see as a potential white-space opportunity for retailers with strong private label propositions.

Central to our growth strategy is responding to consumer demand for newness with greater speed to market. Improvement programmes are therefore focused on strengthening the capabilities needed to deliver this through investment in our teams, deeper customer partnerships, more agile manufacturing and sourcing capabilities, and the development of market-ready R&D innovation.

Brands

Brand revenues decreased by £0.4m to £8.5m (H1 2025: £8.9m), following the stabilisation achieved in the prior year. H1 performance was principally affected by reduced order demand from a key Middle East customer and a slower than anticipated recovery in Emma Hardie following operational disruption experienced by one of the brand's core customers in the prior year.

Competition across the UK and many international beauty markets continues to intensify. Barriers to entry have reduced considerably, resulting in an increasing number of new brands competing for both consumer

attention and retail space. At the same time, retailers are responding to accelerating consumer demand for newness and rapidly evolving trends. These dynamics, combined with lower brand loyalty amongst younger consumers, continue to create a challenging environment for established brands and reinforce the importance of innovation, relevance and speed to market.

Brands: Strategic Progress

In response to these changing market dynamics, the strategies implemented over the past year to evolve our branded proposition and strengthen our routes to market are showing encouraging momentum. Key areas of focus include:

Increasing Amazon investment for Core Brands

The challenging performance of our Core Brands in mainstream retail has been partially offset by continued growth in the Amazon platform. Increased investment in pay-per-click (PPC) advertising, supported by additional team resource, is delivering improved revenue performance. Q3 is an important trading period, with Black Friday and Christmas representing significant sales opportunities, and we will continue to increase investment as performance supports further growth.

Feather & Down remains the largest brand in this channel, while increased investment this year is now driving growth across The Curl Company, T-Zone and Balance Active Formula brands, which are making an increasing contribution to performance. Following its recent rebrand, Janina will initially relaunch as an Amazon-only proposition in H2, providing a further opportunity to build momentum in this channel.

Fast Follow product initiatives

This initiative during H1 is generating incremental sales opportunities, strengthening existing customer partnerships and has underpinned new trading relationships with two customers in the US market. The dedicated Fast Follow team established last year is focused on bringing trend-led newness to market at pace, enabling us to respond more effectively to retailers operating with increasingly rapid product cycles.

Alongside new trend-led concepts, the established Balance Active Formula and T-Zone brands are also providing effective platforms through which to deliver Fast Follow opportunities. We expect continued development of this model to support sales momentum through H2 and beyond.

International market development

The international brand strategy continues to evolve, with the focus over the past year shifting from underperforming distributor relationships towards investment in stronger, direct-to-retail partnerships. This approach, combined with our Fast Follow capabilities, is creating a more targeted platform for international growth with key customers. We are investing in additional sales team resource during H2 to strengthen existing relationships and accelerate the development of new opportunities.

Extending product formats and sourcing capabilities

We are continuing the investment in third-party sourcing resource to expand the breadth of product formats available across our Core Brands and Fast Follow initiatives, complementing our established in-house manufacturing capabilities. This allows us to respond more swiftly to emerging consumer trends and customer opportunities without investing in manufacturing equipment solely to meet short-term trends.

Brand Development

An elevated Feather & Down range has been developed in-house, from initial ideation through to market-ready concepts. Initial market feedback has been positive, with a number of potential opportunities currently under discussion for potential launch during 2027.

Janina, the premium-positioned whitening oral care brand, has undergone a comprehensive strategic review ahead of its planned relaunch on Amazon during H2. The relaunch will introduce refreshed brand positioning, design, packaging and marketing, aimed at increasing its relevance and strengthening its proposition within the growing value-added oral care category.

Channel Development

The cruise market remains an attractive channel development opportunity for both Feather & Down and Emma Hardie. We continue to pursue opportunities on a ‘test and learn’ basis, with a recent trial involving a major US

cruise operator across four ships underway during Q3. The opportunities in Private Label in this channel are also being explored with a number of meaningful discussions in progress.

Research and Development

We are aligning R&D more closely with commercial teams to strengthen the connection between consumer and customer insight, product innovation and revenue generation. R&D is central to our growth ambitions, and this closer alignment is increasingly important as speed to market accelerates. Progress is positive, but further work is needed to realise the full benefits.

A key element of this is increasing the use of our existing database of framework formulations to accelerate both concept and development timelines. Investment in processes and systems in relation to Project FutureFit (see below), is central to this objective. At the same time, retailer expectations are evolving. Increasing consumer demand for newness means Private Label customers are increasingly looking for suppliers to bring market-ready innovation proactively, rather than just conceptual presentations.

Retailers increasingly expect fully tested, market-ready products that can be tailored to their requirements, rather than formulations they develop and customise from an existing framework. Meeting this expectation requires further changes to how we develop and present innovation, including greater upfront investment in formulations, testing and market-ready concepts. Our framework formulation capability provides an important foundation, although the shift in requirements has contributed to longer development timelines in areas such as Sun Protection (SPF) bodycare.

Development across our core categories of skincare, bodycare, bath and shower, and haircare remains a priority, with a continued focus on ingredient innovation, product efficacy, performance and texture.

The R&D team is also increasingly supporting the third-party sourcing activities, ensuring externally manufactured formulations meet the same technical, efficacy and quality standards we expect from products manufactured internally. This supports our ability to broaden our product offer and respond more rapidly to emerging trends, while keeping product quality and consumer satisfaction central to our proposition.

Manufacturing and Operations

Manufacturing teams continue to drive improvements in operational efficiency, capacity and flexibility. These improvements have helped mitigate some of the inflationary pressures affecting product margins, while strengthening the manufacturing capabilities required to support future growth.

Targeted investment in plant and machinery, together with the full-year benefits from the Warehouse Management System and Live Shop Floor Data System implemented last year, contributed positively during the period, delivering both capacity and efficiency improvements. As UK labour costs continue to increase, the focus remains on improving productivity while retaining the agility and flexibility needed to respond to changing customer demand and shorter product cycles.

Priorities include:

- targeted investment in plant and machinery to increase capacity and improve labour efficiency;
- increasing production-line flexibility and interchangeability where technically and commercially achievable;
- continuing to reduce changeover times and production downtime; and
- building on investment in fragrance capabilities at our Devon site, which is already improving our ability to compete and grow in this strategically important category.

Alongside these initiatives, we continue to extend planning horizons to ensure that future capital investment, manufacturing capacity and skills are better aligned with the Group's commercial pipeline and growth priorities.

Both manufacturing sites continue to operate a single-shift model, with capacity to meet current requirements. As demand develops, additional shifts and targeted investment in production lines and digital systems offer routes to increase capacity and support future growth.

Project FutureFit: Systems and Process Investment

During H1, we commenced Project FutureFit, a significant investment in the systems and processes supporting the Group's next stage of development. The programme has two main elements: implementing a new ERP platform alongside process improvements and developing broader AI capabilities across the business.

Epicor, the new enterprise resource planning (ERP) platform, is the cornerstone of Project FutureFit and will provide a more integrated digital foundation with AI capabilities across the business. Implementation is accompanied by comprehensive process mapping and a review of ways of working across the Group. We are simplifying, standardising and redesigning processes where appropriate to maximise the benefits of the platform, enhanced data capabilities, automation and emerging AI technologies.

Alongside strengthening operational infrastructure, a broader AI programme has commenced. Initial activity is focused on improving individual productivity, with the project progressively extending into areas including new product development, speed of response to commercial opportunities and customer interaction. The objective is to apply technology not only to improve efficiency, but also to strengthen the revenue-generating capabilities of the business and improve our speed and responsiveness to customers.

Full Epicor implementation is targeted for Q3 2027. Development of AI applications, capabilities and training will continue alongside the programme, with further milestones established as the technology and potential applications evolve.

Summary and Outlook

H1 performance reflected variability in the timing of special-buy sales, reduced Middle East demand arising from the regional conflict, associated inflationary pressures on key input costs and wider economic uncertainty. Revenue is expected to be more heavily weighted towards H2, with the timing and conversion of customer opportunities remaining important to delivery.

H1 revenue was lower, but the strategic initiatives introduced over the past year are showing encouraging progress. Mass fragrance, Fast Follow, stronger customer partnerships, third-party sourcing and momentum in Core Brands, particularly on Amazon, are broadening the Group's opportunities. These initiatives are also strengthening our ability to respond to rapidly changing retailer and consumer demand.

We are also continuing to develop and test new category and channel opportunities. These include electrical beauty within Private Label, further development of the SPF proposition and opportunities across travel retail, specifically the cruise channel. We will continue to take a disciplined 'test and learn' approach to these opportunities, investing further where we see the potential to create sustainable and profitable growth.

Improving the speed with which we convert consumer and customer opportunities into revenue remains a central priority. This requires continued progress across the entire product development cycle, from market insight and R&D through to sourcing, manufacturing and customer execution. Operational agility is therefore fundamental to our proposition, and continued investment in people, capabilities, digital systems and processes is focused on the central objectives of improving speed to market, efficiency and responsiveness.

Potter & Moore PLC combines Private Label expertise, owned brands, manufacturing and sourcing capabilities, providing multiple routes to serve a rapidly evolving global Beauty and Personal Care market. Consumer demand for newness, value, innovation and trend-led products continues to shape these opportunities. Our focus on Quality, Service and Innovation, supported by investment across the Group, is intended to build a more agile, responsive business and deliver sustainable long-term value.

Despite a challenging market environment in the first half, the Group expects to close the gap in performance in the second half, supported by current trading and the initiatives being implemented. The Board continues to expect full-year results to be broadly in line with current market expectations.

I would like to extend my sincere thanks to our employees, customers, suppliers and all stakeholders for their continued commitment and support.

Philippa Clark

CEO

Financial review

Group revenue for the period decreased by £1.8m to £25.6m (H1 2025: £27.4m), reflecting weaker consumer demand, the timing of customer activity and disruption in international markets. The Group continues to operate in a competitive and evolving market, with customers focused on value and innovation. Challenging UK macroeconomic conditions, continued cost-of-living pressures and broader economic uncertainty constrained consumer confidence and discretionary spending. The prior year benefited from more special-buy opportunities and product launches earlier in the year; a higher proportion of these opportunities in the current year is expected in the second half. International revenue also declined, particularly in the Middle East, where regional conflict disrupted logistics and containers held at ports delayed the despatch and delivery of goods.

The results reflect these challenges, and our strategy remains centred on delivering sustainable revenue growth while protecting profitability through disciplined margin and cost management, operational efficiency and effective management of inventory and working capital.

We continue to monitor key economic and commercial risks, including changes in consumer demand, input and employment costs, interest rates and broader market uncertainty, while maintaining close relationships with customers and suppliers to support the resilience and long-term performance of the Group.

Revenue

Contract sales are included within Private label sales, with comparatives updated accordingly. Please refer to the Chief Executive Officer's review on Revenue for additional information.

	Six months ended 30 September 2026 (Unaudited)	**Six months ended 30 September 2025 (restated) (Unaudited)**	**Movement**	**% Movement**
	£000	**£000**	**£000**	
Branded	8,492	8,898	(406)	(4.6%)
Private label	17,082	18,505	(1,423)	(7.7%)
Revenue	**£25,574**	**27,403**	(1,829)	(6.7%)

Gross margin

Gross margin decreased to 44.5% (H1 2025: 45.1%), reflecting adverse product mix and higher raw material and component costs, particularly plastic packaging, amid geopolitical and supply-chain uncertainty.

Selling price increases provided no material benefit in H1 due to the lag in recovering higher input costs. Increases subsequently agreed with customers are expected to support H2 margins.

Operating expenses

Distribution costs remained broadly unchanged year on year at £1.4m but increased as a proportion of revenue to 5.3% (H1 2025: 4.9%). The increase in the cost-to-revenue ratio reflected the Group's lower revenue base and continued inflationary pressure on logistics costs. Although overall distribution expenditure remained broadly stable, it did not fall in line with revenue, resulting in a higher distribution cost for each pound of revenue.

The Group continued to manage its administrative cost base, with expenditure of £9.3m (H1 2025: £9.6m), £0.3m lower than the prior year. This reflected lower depreciation, product support and development charges, alongside savings across general overheads.

Promotional investment remained targeted at brands delivering an acceptable return. Lower retailer support expenditure, together with reduced promotional spending following the Group's exit from the Chinese market, reduced total product support costs by £0.1m compared with the prior-year period. Alongside these savings, the Group increased investment in Amazon pay-per-click (PPC) advertising by £0.2m year on year to improve product visibility, encourage customer engagement and support online sales. This investment supported Amazon revenue growth of £0.8m, with revenue increasing to £2.0m (H1 2025: £1.2m). This approach combined cost discipline in product support with targeted investment in the growing Amazon channel.

Lower special-buy activity in the first half also resulted in a £0.1m reduction in product development charges, consistent with the timing of customer activity described in the revenue review, as development costs are recognised over the period in which the related sales occur.

Depreciation charges were £0.1m lower following changes to property depreciation rates, while further savings arose across insurance, consumables and other general overheads. Lower consumables expenditure partly reflected reduced activity levels.

Tax

The tax charge provided in the accounts is £0.2m (H1 2025: £0.4m). The Group's effective tax rate for the period was 27.4% (H1 2025: 27.4%).

Earnings per share

Diluted earnings per share decreased to 0.83p (H1 2025: 1.49p), reflecting lower profit after tax. All share options were out of the money for the period ended 30 September 2026 and were therefore excluded from the diluted weighted average number of shares as non-dilutive. For the year ended 31 March 2026, the calculation included the dilutive effect of options that remained in the money, while out-of-the-money options were excluded as non-dilutive.

Cash on hand

Net cash on hand, defined as cash and cash equivalents less current lease liabilities and current borrowings, was £4.0m (H1 2025: £2.9m). The £1.1m year-on-year improvement mainly reflected operating cash generated in the previous year. Working capital, including cash, increased by £1.0m to £16.7m (H1 2025: £15.7m), primarily driven by higher cash balances.

Trade and other receivables decreased by £0.1m to £13.8m (H1 2025: £13.9m), down £0.2m since 31 March 2026. Trade and other payables decreased by £0.2m to £9.8m (H1 2025: £10.0m), up £0.4m since year end, reflecting supplier payment schedules and efforts to extend credit terms. These half-year movements supported liquidity despite lower profitability.

Inventory

Inventory remained broadly unchanged at £8.7m (H1 2025: £8.7m), as stock-building for early H2 sales meant holdings did not decrease in line with manufacturing activity and sales. The provision for slow-moving and obsolete stock was £1.0m (H1 2025: £1.2m).

Net gearing

After deducting all borrowings and lease liabilities, the Group had net cash of £0.5m (H1 2025: £0.4m). This differs from the headline net cash measure, which deducts only current lease liabilities and current borrowings from cash and cash equivalents. Net gearing, including all lease obligations, was negative at (2.0%) (H1 2025: (1.6%)). The year-on-year improvement comprised a £1.2m increase in cash balances and a £0.2m reduction in borrowings, partly offset by a £1.3m increase in total lease liabilities, mainly arising from renewal of the lease at the Group's Devon premises. This position supports the Group's financial flexibility, while continued cash generation, disciplined working capital management and prudent capital allocation remain central to meeting its operating and lease commitments.

Net gearing is calculated by taking the total net borrowings over the total equity as detailed below.

	Six months ended 30 September 2026 (Unaudited)	**Six months ended 30 September 2025 (Unaudited)**
	£000	**£000**
Total lease liabilities	2,236	940
Total borrowings	1,810	2,005
Less cash on hand	4,561	3,355
Total net borrowings	(515)	(410)
Net equity attributable to the equity shareholders of the parent Company	26,143	24,948
Net gearing %	(2.0%)	(1.6%)

Dividend payments

The Board does not propose an interim dividend (H1 2025: Nil).

The final dividend for the year ended 31 March 2026 of 0.55p per ordinary share (2025: 0.50p) was paid on 4 September 2026, totalling £0.4m (2025: £0.3m).

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

		Six months ended 30 September 2026	Six months ended 30 September 2025 (restated)*	Year ended 31 March 2026 (restated)**
	Note	**£000**	**£000**	**£000**
Revenue		25,574	27,403	54,392
Cost of sales		(14,181)	(15,053)	(29,667)
Gross profit		**11,393**	**12,350**	**24,725**
Distribution costs		(1,350)	(1,342)	(2,870)
Administrative expenses		(9,308)	(9,554)	(19,163)
Operating profit		**735**	**1,454**	**2,692**
Other income – Research Development Expenditure Credit (RDEC)		94	104	215
Finance costs	6	(72)	(64)	(117)
Finance Income		24	-	32
Profit before tax		**781**	**1,494**	**2,822**
Taxation	4	(214)	(410)	(730)
Profit for the period from operations attributable to the equity shareholders of the parent Company		**567**	**1,084**	**2,092**

** Comparative amounts for the period ended 30 September 2025 and year ended 31 March 2026 have been restated to reclassify pay-per-click (PPC) advertising expenditure from deductions from revenue to administrative expenses. Revenue, gross profit and administrative expenses increase equally; operating profit and subsequent income statement line items are unchanged. See the notes to the unaudited interim financial report for details.*

*** Figures for the year ended 31 March 2026 are derived from the audited financial statements; the restatement has not been audited.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

		Six months ended 30 September 2026	Six months ended 30 September 2025	Year ended 31 March 2026 (Audited)
		£000	**£000**	**£000**
Profit for the period		567	1,084	2,092
Items that may be subsequently reclassified to profit and loss:				
Exchange differences on translating foreign operations		24	(37)	(66)
Other comprehensive income for the period		**24**	**(37)**	**(66)**
Total comprehensive income for the period attributable to the equity shareholders of the parent		**591**	**1,047**	**2,026**

Dividends

		Six months ended 30 September 2026 (Unaudited)	Six months ended 30 September 2025 (Unaudited)	Year ended 31 March 2026 (Audited)
Paid in period (£000)		376	341	341
Paid in period (pence per share)		0.55	0.50	0.50
Proposed (£000)		-	-	376
Proposed (pence per share)		-	-	0.55

Earnings per share

		Six months ended 30 September 2026 (Unaudited)	Six months ended 30 September 2025 (Unaudited)	Year ended 31 March 2026 (Audited)
	Note			
Basic	3	0.83p	1.58p	3.05p
Diluted *	3	0.83p	1.49p	3.04p

** Share options that were out of the money have been excluded from the diluted weighted average number of shares calculation for the period ended 30 September 2026 and year ended 31 March 2026 as they were non-dilutive. All share options were out of the money for the period ended 30 September 2026, whereas the dilutive effect of those that remained in the money was included for the year ended 31 March 2026.*

CONSOLIDATED BALANCE SHEET (UNAUDITED)

		Six months ended 30 September 2026	Six months ended 30 September 2025	Year ended 31 March 2026 (Audited)
		£000	£000	£000
Non-current assets				
Goodwill		1,575	1,575	1,575
Other intangible assets		6,584	6,431	6,481
Property, plant and equipment		4,479	4,522	4,488
Right-of-use assets		2,200	1,011	658
		14,838	**13,539**	**13,202**
Current assets				
Inventories		8,681	8,721	8,803
Trade and other receivables		13,781	13,871	13,993
Corporation tax receivable		1	187	82
Cash and cash equivalents		4,561	3,355	3,630
		27,024	**26,134**	**26,508**
Total assets		**41,862**	**39,673**	**39,710**
Current liabilities				
Trade and other payables		9,784	9,961	9,352
Corporation tax payable		-	-	-
Lease liabilities		335	302	256
Borrowings		217	194	197
		10,336	**10,457**	**9,805**
Net current assets		**16,688**	**15,677**	**16,703**
Non-current liabilities				
Deferred tax liability		1,889	1,819	1,847
Lease liabilities		1,901	638	419
Borrowings		1,593	1,811	1,711
		5,383	**4,268**	**3,977**
Total liabilities		**15,719**	**14,725**	**13,782**
Net assets		**26,143**	**24,948**	**25,928**
Equity				
Share capital		701	701	701
Share premium account		2,036	2,036	2,036
Merger reserve		2,476	2,476	2,476
Treasury shares		(576)	(576)	(576)
Other reserves		(211)	(211)	(211)
Translation reserve		(8)	(3)	(32)
Retained earnings		21,725	20,525	21,534
Total equity attributable to the equity shareholders of the parent Company		**26,143**	**24,948**	**25,928**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	Share capital	Share premium account	Merger reserve	Treasury shares	Other reserves	Translation reserve	Retained Earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2025	**700**	**2,024**	**2,476**	**(576)**	**(211)**	**34**	**19,776**	**24,223**
Comprehensive income for the period								
Profit for the six-month period	-	-	-	-	-	-	1,084	1,084
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**-**	(37)	-	(37)
Total comprehensive income for the six months ended 30 September 2025	**-**	**-**	**-**	**-**	**-**	**(37)**	**1,084**	**1,047**
Contributions by and distributions to owners								
Exercise of options	1	12	-	-	-	-	-	13
Share-based payment charge	-	-	-	-	-	-	6	6
Dividends	-	-	-	-	-	-	(341)	(341)
Total contributions by and distributions to owners	**1**	**12**	**-**	**-**	**-**	**-**	**(335)**	**(322)**
At 30 September 2025	**701**	**2,036**	**2,476**	**(576)**	**(211)**	**(3)**	**20,525**	**24,948**
Comprehensive income for the period								
Profit for the six-month period	-	-	-	-	-	-	1,008	1,008
Exchange differences on translation of foreign operations	-	-	-	-	-	(29)	-	(29)
Total comprehensive income for the six months ended 31 March 2026	-	-	-	-	-	**(29)**	**1,008**	**979**
Contributions by and distributions to owners								
Share-based payment charge	-	-	-	-	-	-	1	1
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
At 31 March 2026	**701**	**2,036**	**2,476**	**(576)**	**(211)**	**(32)**	**21,534**	**25,928**

	Share capital	Share premium account	Merger reserve	Treasury shares	Other reserves	Translation reserve	Retained Earnings	Total equity
At 31 March 2026	**701**	**2,036**	**2,476**	**(576)**	**(211)**	**(32)**	**21,534**	**25,928**
Comprehensive income for the period								
Profit for the six-month period	-	-	-	-	-	-	567	567
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**-**	24	-	24
Total comprehensive income for the six months ended 30 September 2026	**-**	**-**	**-**	**-**	**-**	**24**	**567**	**591**
Contributions by and distributions to owners								
Dividends	-	-	-	-	-	-	(376)	(376)
Total contributions by and distributions to owners	-	**-**	**-**	**-**	**-**	**-**	**(376)**	**(376)**
At 30 September 2026	**701**	**2,036**	**2,476**	**(576)**	**(211)**	**(8)**	**21,725**	**26,143**

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	Note	Six months ended 30 September 2026	Six months ended 30 September 2025	Year ended 31 March 2026 (Audited)
		£000	**£000**	**£000**
Profit from operations		**735**	**1,454**	**2,692**
Adjustments for:				
Depreciation on property, plant and equipment		323	362	767
Depreciation on right of use assets		209	240	436
Amortisation of intangible assets		200	166	350
Loss on disposal of property, plant and equipment		-	7	6
(Profit) on right of use assets		(9)	-	-
Share based payment charge		-	6	7
		1,458	**2,235**	**4,258**
Decrease in inventories		122	151	69
Decrease/(increase) in trade and other receivables		212	(2,174)	(2,296)
Increase in trade and other payables		432	1,107	498
Cash generated from operations		**2,224**	**1,319**	**2,529**
Taxation received/(paid)		3	(483)	(559)
Net cash from operating activities		**2,227**	**836**	**1,970**
Investing activities				
Purchase of property, plant and equipment		(281)	(231)	(480)
Purchase of intangible assets		(303)	(162)	(397)
Bank interest received		24	-	15
Interest received on Corporation tax		-		17
Net cash used in investing activities		**(560)**	**(393)**	**(845)**
Financing activities				
Proceeds on issue of shares		-	13	13
Principal paid on lease liabilities		(258)	(256)	(507)
Repayment on mortgage loan facility	5	(98)	(95)	(192)
Interest paid on mortgage loan facility	5	(28)	(31)	(61)
Dividends paid		(376)	(341)	(341)
Net cash used in financing activities		**(760)**	**(710)**	**(1,088)**
Net movement in cash and cash equivalents		**907**	**(267)**	**37**
Cash and cash equivalents at start of period		3,630	3,659	3,659
Effect of foreign exchange rate changes		24	(37)	**(66)**
Cash and cash equivalents at end of period		**4,561**	**3,355**	**3,630**

Notes to the unaudited interim financial report

1. Basis of preparation

The interim financial statements for the six months ended 30 September 2026 do not constitute statutory accounts for the purposes of Section 434 of the Companies Act 2006. The Annual Report and Financial Statements for the year ended 31 March 2026 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for the year ended 31 March 2026 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006. The 30 September 2026 statements were approved by the Board of Directors on 17 November 2026. This unaudited interim report has not been audited or reviewed by auditors pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information.

The condensed financial statements in this Interim Report have been prepared in accordance with the requirements of IAS 34 'Interim Financial Reporting' as adopted for use in the UK.

As required by the Disclosure and Transparency Rules of the UK's Financial Conduct Authority, the condensed set of financial statements has been prepared by applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 March 2026, which were prepared in accordance with the UK-adopted international accounting standards, except for the reclassification of PPC advertising expenditure described below.

The condensed interim financial statements for the six months ended 30 September 2026 and the comparative figures for the six months ended 30 September 2025 are unaudited. The figures for the year ended 31 March 2026 have been extracted from the Annual Report on which the Auditors issued an unqualified audit report and which have been filed with the Registrar of Companies, restated for the reclassification of PPC advertising expenditure described below.

Pay-per-click (PPC) advertising expenditure and reclassification of comparative information

Payments to customers are recognised as a reduction in revenue unless they are made in exchange for a distinct good or service received from the customer, in accordance with IFRS 15 Revenue from Contracts with Customers, paragraphs 70–71. Amazon pay-per-click ("PPC") expenditure that represents the purchase of a distinct advertising service is recognised within administrative expenses, to the extent that the payment does not exceed the fair value of the service received. Any excess over fair value is deducted from revenue. Where fair value cannot reasonably be estimated, the full payment is recognised as a reduction in revenue.

During the six months ended 30 September 2026, the Group reclassified PPC advertising expenditure from deductions from revenue to administrative expenses to reflect its nature as expenditure on advertising services. Revenue is measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Where an advertising service provider is also a customer of the Group, consideration payable is assessed under paragraphs 70–72 of IFRS 15. Payments for distinct advertising services are accounted for as purchases of services; any amount exceeding the fair value of those services reduces revenue. Where that fair value cannot be reasonably estimated, the entire payment reduces revenue.

Comparative information for the six months ended 30 September 2025 and the year ended 31 March 2026 has been reclassified on a consistent basis. In accordance with IAS 1 *Presentation of Financial Statements*, paragraphs 41–42, the nature, amount and reason for the reclassification are disclosed below. This explanation also supports the interim disclosure requirements of IAS 34 *Interim Financial Reporting*, paragraphs 15–15C and 16A(a), as applicable.

2. Significant accounting policies

The table below sets out the previously reported and restated amounts for the affected comparative periods, highlighting the income statement lines impacted by the reclassification of PPC advertising expenditure. Unchanged cost and profit lines are also presented to demonstrate that the adjustment is purely presentational and has no impact on the Group's underlying profitability.

	Six months ended 30 September 2026	**Six months ended 30 September 2025 (restated)**	**Six months ended 30 September 2025 (previously reported)**	**Year ended 31 March 2026 (restated)**	**Year ended 31 March 2026 (Audited) (previously reported)**
	£000	**£000**	**£000**	**£000**	**£000**
Revenue	25,574	27,403	27,221	54,392	53,849
Cost of sales	(14,181)	(15,053)	(15,053)	(29,667)	(29,667)
Gross profit	**11,393**	**12,350**	**12,168**	**24,725**	**24,182**
Distribution costs	(1,350)	(1,342)	(1,342)	(2,870)	(2,870)
Administrative expenses	(9,308)	(9,554)	(9,372)	(19,163)	(18,620)
Operating profit	**735**	**1,454**	**1,454**	**2,692**	**2,692**

The reclassification increased revenue, gross profit and administrative expenses by £0.2m for the six months ended 30 September 2025 and £0.5m for the year ended 31 March 2026. Cost of sales was unchanged. The reclassification had no effect on operating profit, profit before tax, taxation, profit after tax, earnings per share, net assets or cash flows. PPC expenditure for the six months ended 30 September 2026 was £0.4m.

Adoption of new and revised accounting standards

No new standards impacting on the Group have been adopted in its financial statements for the year ended 31 March 2026 or the interims ended 30 September 2026.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The Group does not expect any of the standards issued by the IASB, but not yet effective, to have a material impact on the Group.

The Group is currently assessing the impact of IFRS 18 'Presentation and Disclosure in Financial Statements', which is effective for accounting periods beginning on or after 1 January 2027. IFRS 18 is expected to result in changes to the presentation and disclosure of information within the Group's financial statements, including the presentation of the statement of profit or loss and related disclosures.

3. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

		Six months ended 30 September 2026 £000	Six months ended 30 September 2025 £000	Year ended 31 March 2026 (Audited) £000
Earnings				
Net profit attributable to the equity holders of the parent company		567	1,084	2,092

		Six months ended 30 September 2026 Number	Six months ended 30 September 2025 Number	Year ended 31 March 2026 (Audited) Number
Number of shares				
Weighted average number of ordinary shares for the purposes of basic earnings per share		68,527,323	68,447,441	68,493,160
Effect of dilutive potential ordinary shares relating to share options		-	4,310,316	330,768
Weighted average number of ordinary shares for the purposes of diluted earnings per share		68,527,323	72,757,757	68,823,928

Basic		0.83p	1.58p	3.05p
Diluted*		0.83p	1.49p	3.04p

** Share options that were out of the money have been excluded from the diluted weighted average number of shares calculation for the period ended 30 September 2026 and year ended 31 March 2026 as they were non-dilutive. All share options were out of the money for the period ended 30 September 2026, whereas the dilutive effect of those that remained in the money was included for the year ended 31 March 2026.*

4. Taxation

		Six months ended 30 September 2026	Six months ended 30 September 2025	Year ended 31 March 2026 (Audited)
		£000	**£000**	**£000**
Current tax		173	394	682
Deferred tax liability		41	16	48
Total		**214**	**410**	**730**

5. Notes to cash flow statement

Analysis of changes in net debt

6 months ended 30 September 2026	**Mortgage**	**Total**
	£000	**£000**
At 1 April 2026	1,908	1,908
Cash flows	(98)	(98)
Cash outflow - interest	(28)	(28)
Interest accruing	28	28
At 30 September 2026	**1,810**	**1,810**

6 months ended 30 September 2025	**Mortgage**	**Total**
	£000	**£000**
At 1 April 2025	2,100	2,100
Cash flows	(95)	(95)
Cash outflow - interest	(31)	(31)
Interest accruing	31	31
At 30 September 2025	**2,005**	**2,005**

12 months ended 31 March 2026 (Audited)	**Mortgage**	**Total**
	£000	**£000**
At 1 April 2025	2,100	2,100
Cash flows	(192)	(192)
Cash outflow - interest	(61)	(61)
Interest accruing	61	61
At 31 March 2026	**1,908**	**1,908**

6. Finance income and Finance costs

		Six months ended 30 September 2026 £000	Six months ended 30 September 2025 £000	Year ended 31 March 2026 (Audited) £000
Finance income				
Interest income on bank deposits		24	-	15
Corporation tax interest received		-	-	17
Total finance income		**24**	**-**	**32**

		Six months ended 30 September 2026 £000	Six months ended 30 September 2025 £000	Year ended 31 March 2026 (Audited) £000
Finance costs				
Interest on mortgage		28	31	61
Interest on lease liabilities		44	33	56
Total finance costs		**72**	**64**	**117**

7. Related party transactions

The related party transactions that occurred in the six months ended 30 September 2026 are not materially different in size or nature to those reported in the Company's Annual Report for the year ended 31 March 2026.

8. Availability of Interim Report

The Interim Report is being made available to shareholders on the Company website www.potterandmooreplc.com. Further copies can be obtained from the Company's Registered Office, 1210 Lincoln Road, Peterborough, PE4 6ND.