4 August 2026

XP Power Limited 2026
Interim Results

H1 in line with expectations
Strong order intake supports robust growth in H2
FY expectations unchanged

XP Power Limited ("XP Power", "the Group" or "the Company"), one of the world's leading developers and manufacturers of critical power control solutions for the Semiconductor Manufacturing Equipment, Healthcare and Industrial Technology sectors, today announces its interim results for the six months ended 30 June 2026 ("H1 2026" or "the period").

Six months ended 30 June (£m unless otherwise stated)	**2026**	**2025**	**Change: At actual exchange rates**	**Change: In constant currency**
Order intake	**167.2**	112.7	48%	55%
Revenue	**109.1**	110.9	(2)%	2%
Book-to-bill	**1.53x**	1.02x	0.51x	
Order book	**173.9**	121.8		
Adjusted results[1]:				
Gross margin	**45.9%**	41.4%	450bps	
Operating profit	**8.6**	4.8	79%	23%
Profit before tax	**5.1**	0.8	538%	
Diluted earnings per share (pence)	**14.2p**	0.4p	3450%	
Operating cash flow	**8.4**	13.9	(40)%	
Statutory results:				
Gross margin	**45.8%**	41.6%	420bps	
Operating profit	**5.3**	2.6	104%	
Profit/(loss) before tax	**2.0**	(1.4)	243%	
Diluted earnings/(loss) per share (pence)	**3.6p**	(7.2)p	150%	
Net Debt[1]	**47.7**	57.9	(18)%	
Net Debt : Adjusted EBITDA[1]	**1.3x**	1.8x		

[1] *Details of the adjustments made and reconciliations to the statutory results can be found in Note 5 to the condensed consolidated financial statements*

Financial Highlights

- Order intake of £167.2m:
  - Up 55% on the prior period and 48% sequentially in constant currency, with all sectors improving
  - Sequential growth from Q1 (£79.1m) to Q2 (£88.1m)
  - Book to Bill of 1.53x, the highest since H1 2022

- Revenue of £109.1m:
  - Up 2% in constant currency, in line with expectations
  - Improving from Q1 (£51.8m) to Q2 (£57.3m)
  - Order book supports a stronger second half

- Adjusted Operating Profit of £8.6m:
  - Significantly improved profitability, with Adjusted Operating Margin of 7.9% (H1 2025: 4.3%)
  - Adjusted Gross Margin of 45.9%, 450bps higher than the prior period, exceeding initial mid-40s target
  - Continued discipline on operating expenses

- Net Debt of £47.7m:
  - Net Debt : LTM Adjusted EBITDA of 1.3x, in line with expectations and expected to reduce by year-end
  - Investment in capacity expansion in H1 to support growth in H2

Operational Highlights

- H1 demonstrates the strength of our market positioning:
  - Balanced portfolio drives broad order growth across all regions and sectors
  - Attractive end markets demonstrate their clear long-term growth potential
  - Strongest growth achieved within strategically important areas such as technology solutions
  - Significant growth in new business wins and expansion of the sales pipeline

- Well positioned to maximise the market recovery:
  - Optimised manufacturing footprint, with China factory now closed and Malaysia factory nearing pilot production
  - Vietnam factory output being rapidly expanded to support future growth
  - Investment in raw material inventory to support operations in tighter global supply chain conditions

Outlook

- Strong order intake in H1 supports robust revenue growth with £135m of firm orders scheduled for H2

- Full year expectations unchanged

- Confident of long-term progress given healthy end-market growth and attractive market positions, aligned with our Financial Framework

Gavin Griggs, Chief Executive Officer, commented:

"The first half of 2026 saw a significant, broad-based improvement in market conditions across all our sectors and regions, with order intake up 55% in constant currency. I am encouraged that this reflects not only recovering end markets but also our strategy of consistent investment in our product offering, with the strongest demand in the technically complex categories and technology solutions central to our long-term growth. The structural actions taken in 2025 are also clear in our results.

We enter this growth phase well positioned, with a focused portfolio, a well-invested manufacturing footprint and the balance sheet strength to invest behind future revenue. With our markets returning to healthy growth and an expanded order book, our focus is firmly on converting this demand into revenue as we deliver our unchanged long-term strategy."

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An analyst meeting will be held at 09:00 BST today, 4 August 2026 at the offices of Investec, 30 Gresham St London EC2V 7QP. To register to attend please email jonah.boon@cdrconsultancy.com. A live audio stream of the meeting can be accessed via https://brrmedia.news/XPP_HY26.

XP Power designs and manufactures power controllers, the essential hardware component in every piece of electrical equipment that converts power from the electricity grid into the right form for equipment to function. Power controllers are critical for optimal delivery in challenging environments but are a small part of the overall customer product cost.

XP Power designs power control solutions into the end products of major blue-chip OEMs, with a focus on the Semiconductor Manufacturing Equipment (c.40% of sales in H1 2026), Industrial Technology (c.41% of sales in H1 2026) and Healthcare (c.19% sales in H1 2026) sectors. Once designed into a programme, XP Power has a revenue annuity over the life cycle of the customer's product which is typically five to seven years depending on the industry sector. XP Power has invested in research and development and its own manufacturing facilities in Vietnam, Malaysia, North America and Germany, to develop a range of tailored products based on its own intellectual property that provide its customers with significantly improved functionality and efficiency.

Headquartered in Singapore and listed on the Main Market of the London Stock Exchange since 2000, XP Power is a constituent of the FTSE 250 Index. XP Power serves a global blue-chip customer base from over 30 locations in Europe, North America, and Asia.

For further information, please visit ***www.xppowerplc.com***

Forward-looking statements

This announcement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in this announcement will be realised.

The forward-looking statements reflect the knowledge and information available to management at the date of preparation of this announcement. XP Power and its Directors accept no responsibility to third parties and undertake no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

Chief Executive Officer's Review

The first half of 2026 brought a significant and broad improvement in market conditions across all market sectors and all geographic regions. Demand increased as the half progressed, with Q2 order intake stronger than Q1. Strong order intake in the first half underpins our expectation of robust revenue growth in the second half.

The improvement in market conditions was strongest in the Semiconductor Manufacturing Equipment sector, reflecting increased capex spending to expand wafer fabrication capacity, but was also driven by the end of destocking by customers within the Industrial Technology and Healthcare sectors. This creates a broad and resilient base of growth that we expect to be maintained into subsequent periods.

This improvement does not simply reflect a market recovery. It is also being driven by our strategy to continually invest in our product offering to maintain our competitive advantage. For example, we were pleased to see particularly strong demand within our more technically complex product categories and for technology solutions projects, both of which generate attractive margins - a key focus of our strategy in recent years.

Furthermore, we believe we enter this growth phase having taken the steps necessary to maximise the benefit of the market recovery. Our portfolio is focused, with clear resource allocation priorities. Our gross margins are significantly improved and our overheads deployed efficiently. Our manufacturing infrastructure is well invested and now well located. We have the balance sheet strength necessary to invest to support future revenue growth and can invest with confidence given the annuity nature of our sales arrangements.

With our markets now returning to healthy growth, our focus is on operational execution to convert this demand into revenue while also continuing to deliver our unchanged long-term strategy.

Review of H1

Order intake of £167.2m (H1 2025: £112.7m) was 55% higher than the comparative period in constant currency and 48% higher than the preceding half (H2 2025: £113.2m). The growth was led by the Semiconductor Manufacturing Equipment sector in the US driven by the upcycle in the Wafer Fabrication Equipment market which is widely predicted to be a prolonged multi-year expansion. The improved demand in the Industrial Technology and Healthcare sectors confirms the end of the industry wide destocking cycle that started in late 2023.

Strong order intake in Q1 (£79.1m) was exceeded in Q2 (£88.1m), with some indications of earlier ordering by customers in the Semiconductor Manufacturing Equipment sector to better position themselves to service increased demand moving forward. The strong order intake did not benefit H1 revenue but is expected to drive robust revenue growth in H2, although earlier ordering means some of the orders received will be delivered in future periods.

Revenue of £109.1m was 2% higher than the comparative period in constant currency. The expiry at the end of 2025 of US export licences governing sales of RF products to China reduced revenue in the first half, as expected, and revenue from tariff recovery naturally reduced following the US Supreme Court ruling IEEPA tariffs invalid in February. The latter impact is expected to increase in H2 but has no effect on profit given the equal reduction in tariff costs. Absent these factors beyond our control, underlying revenue growth in H1 was in the mid-single digit range. Revenue grew sequentially from Q1 (£51.8m) to Q2 (£57.3m) and this trend is expected to accelerate into the second half as manufacturing output is increased to meet demand.

Our order book grew by £58.1m in the period to £173.9m, providing improved visibility of full year revenue. The order book at 30 June 2026 includes £135m of firm orders scheduled for delivery in H2 2026, with further orders likely to be received, supporting our expectation of robust revenue growth in the second half.

Adjusted Gross Margin was 450bps higher than the comparative period at 45.9% (H1 2025: 41.4%), exceeding our initial objective of returning margins to the mid-40s range, reflecting our extensive efforts to improve cost efficiency. Our manufacturing facility in China closed at the end of 2025, saving factory overheads in the period. We also improved margins by transferring some production from the US to Vietnam. The outlook for margin in the second half is balanced, with higher revenue likely to bring better utilisation of factory overheads but also the potential for temporarily reduced efficiency as line capacity is rapidly expanded. We also expect some input cost inflation as the global electronics supply chain tightens. The conflict in the Middle East has not had a material impact on our supply chain to date.

Adjusted overheads of £41.5m were broadly flat against the comparative period. On a constant currency basis, there was a 10% increase, largely reflecting a reset of variable pay as Group performance improves and a change in the balance between amortisation and capitalisation of product development costs, both as previously indicated. Discretionary spend remained well controlled with no increase in indirect headcount.

As a result, Adjusted Operating Profit increased by £3.8m to £8.6m, reflecting significantly improved profitability from similar revenue to the comparative period, positioning us well to benefit as revenue expands going forward.

Increased profit and a strong balance sheet allowed us to invest in growth. Raw material inventory was increased to support second half deliveries. We invested in our new Malaysia factory, which is nearing pilot production, and expanded line capacity in Vietnam. Net debt increased in the first half, as expected, but the leverage ratio increased only slightly to 1.3x and our balance sheet remains strong. We expect leverage to reduce in the second half to approaching 1.0x.

As previously announced in respect of the Comet legal case, the United States Court of Appeals has reversed the earlier 2022 judgment of the District Court and remanded the case for a new trial. As a result, the previous award of approximately $40m in compensatory and punitive damages, together with over $19m in attorney fees and pre-judgement interest, and the permanent injunction, have been vacated. The cash for these awards is currently held outside the Group in a bond lodged with the District Court. There has been no impact on profit for the period to 30 June 2026. The Group’s full year expectations for the leverage ratio do not assume any cash benefit from the release of the bond.

Revenue by market sector

The breakdown of our revenue by sector was as follows:

Revenue Six months to 30 June	**2026** **£m**	2025 £m	% change in constant currency
Semiconductor Manufacturing Equipment	**44.1**	43.8	5%
Industrial Technology	**44.6**	42.4	9%
Healthcare	**20.4**	24.7	(13%)
Total	**109.1**	110.9	2%

Semiconductor Manufacturing Equipment

We provide power supplies to all stages of a wafer fabrication process, including etching, deposition, ion implantation and inspection. Our customers are beginning to ramp up production in response to the demand for new wafer fabrication equipment, driven by the demands of AI for leading edge logic and High Bandwidth Memory.

Revenue of £44.1m (H1 2025: £43.8m) was ahead of the comparative period in constant currency, which was a pleasing result given the headwind from the exit of the China Semi market within this sector.

Order intake of £79.9m (H1 2025: £38.6m) was 116% higher than the comparative period in constant currency reflecting the improved demand conditions in this sector, which included some customers placing orders earlier in response to generally tight conditions in the AI infrastructure supply chain. We were pleased to see particularly strong demand from our Semi customers for technology solutions projects, where we provide an advanced, custom power system, including hardware, firmware and software to a tight timetable, underlining how increasingly integral we are to their technology roadmaps. Ordering patterns in the first half also indicate we are gaining share within strategically important High Voltage High Power (“HVHP”) applications.

Book to Bill was a record 1.81x (H1 2025: 0.88x). Given the significant increase in production capacity which is required to accommodate the exceptional increase in orders, the pace of expansion in our output levels will determine the actual revenue we achieve in H2 for this sector.

Industrial Technology

Industrial Technology is a highly diversified sector which we are well positioned to serve with our broad range of products and the ability to customise base products for specific customer applications across a range of power and voltage requirements.

Revenue of £44.6m (H1 2025: £42.4m) was 9% higher than the prior period in constant currency following the conclusion of a period of destocking across most of our customers. Demand from the distribution channel, which forms an important part of this sector, was strong, particularly in the US. This reflects improved end-market demand and distribution customers modestly increasing their inventory cover to improve their ability to serve a buoyant global electronics sector.

Order intake totalled £59.5m (H1 2025: £51.0m) with sequential growth of 51% (H2 2025: £39.5m).

For the half, Book to Bill was 1.33x (H1 2025: 1.20x) as we build momentum.

Healthcare

An ageing global population and advancements in healthcare technology are both significant drivers of the long-term structural growth that we expect in this sector. The overstocking that arose from supply chain issues during and after the pandemic is resolved. We have a broad base of healthcare customers in the US and Europe, with a strategic focus on advanced therapeutic technologies involving electricity such as Pulsed Field Ablation.

Revenue of £20.4m (H1 2025: £24.7m) was 13% lower than the comparative period in constant currency. The reduction reflects the occasionally uneven demand patterns of individual projects within this relatively small sector and is expected to recover in the second half.

H1 2026 order intake is much improved, at £27.8m (H1 2025: £23.1m). Sequentially, H1 order intake is on par (H2 2025: £28.0m).

Book to Bill of 1.36x (H1 2025: 0.94x) shows a marked improvement as recovery in this sector gains momentum.

Revenue by region

The breakdown of our revenue by region was as follows:

Revenue	**2026 £m**	2025 £m	% change in constant currency
North America	**67.5**	68.3	3%
Europe	**32.9**	32.4	6%
Asia	**8.7**	10.2	(11)%
Total	**109.1**	110.9	2%

Sales to North America totalled £67.5m (H1 2025: £68.3m) which was 3% higher than the comparative period in constant currency. The key driver of the growth was the Semiconductor Manufacturing Equipment sector where the current upcycle began earlier than the end of the destocking seen in other sectors. All three sectors in North America present significant growth opportunities.

Sales to Europe totalled £32.9m (H1 2025: £32.4m) and were 6% higher than the prior period in constant currency, with progress most evident from distribution customers. Growth in order intake and revenue from our pan-European design-in distribution partner, who we started to work with in 2022 to help grow smaller customer accounts, was well above the regional average which was pleasing to see.

Sales to Asia totalled £8.7m (H1 2025: £10.2m) and were 11% lower than the prior period in constant currency, primarily due to our exit from the China Semiconductor market and the expiry of key export licences as explained above. However, order intake was strong and Book to Bill was 1.40x, underlining that we are on track to replace sales lost in China with new business elsewhere in the region, particularly in India’s growing technology sector.

Delivery of our strategy

Products

Product development activities have continued at pace. We continually review our existing product portfolio and product development pipeline, together with market intelligence and feedback from our customers, to ensure that our product development investments are made in the right areas.

Product development is undertaken in two distinct but complementary areas: the development of new base product families, and the customisation and/or integration of these base products into an overall technology solution for a customer that is often unique. The customisations vary in complexity and generate an annuity revenue stream at attractive margins. Technology solutions account for approximately one-third of Group revenue.

We further strengthened our product range during the period, spanning from 60W desktop power supplies through to high-accuracy, high-voltage dividers for DC voltage measurement up to 450kV. We also delivered bespoke design technology solutions for customers, and we maintained a healthy product development pipeline.

During H1 we completed the development of our first application-specific HVHP platform. These mass spectrometry source and detector power supplies allow us to better serve leading instrument manufacturers. This was an important step for the Group as new cutting-edge technologies, such as mass spectrometry, present a significant growth opportunity. We are one of only a limited number of providers globally with the design capability to develop these products.

Customers

We place customers at the centre of everything we do and aim to exceed their expectations from design through to delivery, product performance and aftercare.

During the recent period of extended destocking, we continued to invest in relationships with our key customers to ensure that we were well positioned to meet their requirements when demand improved. We were pleased to see the benefit of this investment within our key sales metrics in the period.

Demand from our Top 30 Direct and Distribution customers was higher than the Group average in the period, illustrating the opportunity we have to continue to grow our business with these focus accounts. New business wins across all customers were 30% higher than the comparative period, leading to expansion in the overall value of our sales pipeline, which is indicative of long-term growth.

Supply chain and operations

Production was successfully transferred from China to Vietnam during H1. Disruption was minimised through careful planning and a well-managed ramp up of production capacity in Vietnam. We have identified a buyer for the manufacturing plant in China and the sale process is progressing well. Completion is expected in H2.

Expansion of our production capacity in Vietnam to accommodate the uptake in order volumes seen in H1 is a key focus area. The extensive work over recent years to strengthen our procurement capability and deliver manufacturing process efficiencies has been vital to prepare for the increase in output.

The actions taken over the past two years to strengthen our balance sheet, reduce our net debt and increase our liquidity have enabled the required increase in working capital to support growth, together with investments in additional manufacturing capacity. Production headcount in Vietnam increased in the first half, with further recruitment underway to deliver the required capacity. The pace of expansion in manufacturing output for Vietnam will be a key determinant of our full year revenue.

Commissioning of our new Malaysia facility continues at pace and remains on schedule to begin full production in the fourth quarter of 2026. We have continued to demonstrate our capability to effectively transfer manufacturing processes between facilities, with a number of key HVHP products now in mass production in Asia. This stands us in good stead as we prepare for the transfer of some production from Vietnam to Malaysia.

Our inventory levels have increased from £57.0m at the end of 2025 to £73.8m, driven by an increase in raw materials and semi-finished goods to support the production needed in H2.

People

Charlotta Ginman joined the Board on 1 January 2026, bringing a wealth of experience across a broad range of international companies, including in the technology and healthcare sectors.

The Board visited our sites on the West Coast of the US during H1 and had the opportunity to receive presentations from the US leadership team and to have informal discussions with key team members, which made clear the growth opportunity we have within our US business.

We appointed a new Executive Vice President for People & Organisation (P&O) during this year, to help drive forward key initiatives across our business. This has included spending time in Asia to support our local P&O team with the significant headcount expansion in Vietnam and the initial hiring for key roles in the new Malaysia site.

We maintained an ongoing focus on site safety, complemented by our global quality and sustainability programmes. Local engagement activities, global communications and mandatory training programmes all contributed to ensuring we focused on keeping our employees, customers and environment safe. Our Lost Time Injury Rate (LTIR) remains very low.

Our latest employee survey results show that our employee engagement levels remain strong, demonstrating the resilience of our culture and people. We continue to focus on meaningful communication and leadership development to further empower employees, strengthen decision making, and sustain engagement momentum.

Sustainability

We continued to strengthen our sustainability performance in 2026, exceeding our science-based emissions reduction targets ahead of schedule and advancing our commitment to achieving Net Zero across the value chain.

The Group achieved a CDP Climate A rating, placing XP Power among the top 4% of companies assessed globally, and improved its EcoVadis sustainability score. XP Power also expanded its portfolio of high-efficiency power solutions, launching new Titanium, Platinum and Gold-rated product families with the aim of increasing the share of revenue generated from Carbon Rated Products. These products help customers reduce energy consumption, lower operating costs and decrease lifecycle carbon emissions while maintaining industry-leading performance and reliability.

Together, these achievements reinforce XP Power's position as a trusted partner in delivering innovative and sustainable power solutions.

Outlook

The medium-term outlook for XP Power remains very positive. We are well positioned in attractive markets and through our focused portfolio, our well invested manufacturing footprint and a robust balance sheet, we expect to capitalise on current and future market growth opportunities. Our expectations for the full year remain unchanged.

Gavin Griggs
Chief Executive Officer

Chief Financial Officer’s Review

Statutory Results

Revenue for the six-month period to 30 June 2026 of £109.1m was in line with expectations and 2% lower than the comparative period due to a currency headwind as the US dollar weakened against sterling. Revenue grew in constant currency, albeit only modestly due to a headwind from the expiry of US export licenses for the China Semiconductor Manufacturing Equipment market.

Gross margin continued to improve to 45.8%, driven by factory overhead savings and production efficiency improvements. Operating expenses increased modestly, driven by increases in the underlying cost base as detailed below and some one-off costs relating to the closure of the China manufacturing site and the decision to exit the RF business line. The improvement in gross margin helped to drive a significant improvement in operating profit. Overall profit for the period of £1.1m compared to a loss of £1.8m for the first half of 2025.

Adjusted Results

As in prior periods, Adjusted and other alternative performance measures are used in this announcement to describe the Group’s results. These are not recognised under International Financial Reporting Standards (IFRS) or other generally accepted accounting principles (GAAP).

Adjustments are items included within our statutory results that are deemed by the Board to be unusual by virtue of their size or incidence. Our Adjusted measures are calculated by removing such Adjustments from our statutory results. The Board believes Adjusted measures help the reader to understand XP Power’s underlying results and are used by the Board and management team to interpret Group performance. Note 5 to the condensed consolidated financial statements includes reconciliations of statutory metrics to their Adjusted equivalent and provides a breakdown of the Adjustments made.

On an Adjusted basis, the Group delivered an operating profit of £8.6m and a profit before tax of £5.1m compared to a profit before tax of £0.8m in H1 2025.

The Chief Executive Officer’s Review includes an explanation of revenue performance and an analysis of order trends during the year.

Gross Profit

The Group delivered a gross profit of £50.0m on revenue of £109.1m for the period. This represents a gross margin of 45.8%, 420bps higher than the comparative period.

Excluding Adjustments, which largely relate to the Board’s decisions in late 2025 to close the China factory and exit the RF market, the Adjusted Gross Margin was 45.9% and improved by 450bps from H1 2025. The main sources of the improvement were as follows:

- Factory overhead reduction, driven by the closure of our factory in China at the end of 2025 and the full effect of factory overheads removed by restructuring actions taken during the first half of 2025
- Product cost savings in our HVHP and RF Divisions, with the latter able to secure volume purchasing discounts when buying with the benefit of firm multi-year customer orders as it winds down operations
- Price and sales mix improvements, particularly in North America and Europe
- A modest net benefit from currency movements, most notably a weaker US dollar.

We are very satisfied with the margin performance in the first half as it signals the return to our historic norms and reflects the impact of numerous initiatives.

The outlook for the second half is more balanced. An expected increase in revenue in H2 should improve the leverage of fixed factory costs, improving margin, but it is also not unusual to experience temporarily reduced efficiency as production output is scaled up quickly. We also expect inflation in components prices as the electronics supply chain tightens. We continue to target further gross margin expansion once the supply chain has adapted to this new growth phase.

Operating Expenses

Operating Expenses for H1 of £44.7m included £3.2m of costs which have been classified as Adjusting Items, as explained more fully below.

Adjusted Operating Expenses of £41.5m were only £0.4m higher than the comparative period but benefited from a £3.7m reduction driven by currency movements. Therefore, Adjusted Operating Expenses grew by £4.1m, or 10%, in constant currency. This was primarily due to increased variable pay as the Group's performance improves and an increase in non-discretionary accounting costs such as those relating to the capitalisation and amortisation of product development costs, as previously guided. There has not been any significant change in underlying overhead costs.

Operating Profit

On a reported basis, operating profit was £5.3m compared to £2.6m for the comparative period.

Adjusted Operating Profit for the first half of 2026 increased by £3.8m to £8.6m due to the net of the following:

- Revenue volume reduction, reducing profit by £0.6m
- Increase in gross margin %, increasing profit by £4.9m
- Increase in adjusted operating expenses, reducing profit by £0.5m

Adjusting items

Items which have been treated as Adjusting and are therefore excluded from Adjusted Operating Profit and Adjusted Profit Before Tax are shown below.

Income / (cost) impact By Income Statement line Six months ended 30 June £m	**2026** **Operating profit**	 **Profit before tax**	**2025** Operating profit	 Profit before tax
Restructuring costs	**-**	**-**	(0.6)	(0.6)
Exit from China Semi market	**-**	**-**	0.2	0.2
Costs relating to legal dispute	**(0.1)**	**(0.1)**	(0.5)	(0.5)
Amortisation of acquired intangibles	**(1.3)**	**(1.3)**	(1.3)	(1.3)
Costs relating to RF exit	**(0.5)**	**(0.5)**	-	-
Costs relating to China factory closure	**(1.0)**	**(1.0)**	-	-
Malaysia commissioning costs	**(0.4)**	**(0.5)**	-	-
Fair value gain on derivative financial instruments	**-**	**0.3**	-	-
Total	**(3.3)**	**(3.1)**	(2.2)	(2.2)

In late 2025, the Board took the decision to exit the RF market and close the China factory, and costs which met the criteria for recognition as a provision at the point of the announcement were accrued for in 2025. In H1 2026, the costs in relation to the RF exit primarily comprise estimates of retention bonuses which will be payable at closure. These retention arrangements accrue benefits for the employees over the period of their continued service. For the China factory closure, costs incurred in H1 2026 relate to the winding down of the facility and preparation of the site for sale. The China factory is held for sale at 30 June 2026 as we are in advanced negotiations with a potential buyer of the site, with completion expected in H2 2026.

In February, the Group entered into interest rate swaps to fix our interest rates for the next 3 years. These interest rate swaps are recorded at fair value and are marked to market at the end of each reporting period. The change in the fair value of the interest rate swaps is treated as an Adjusting Item as the fair value changes will always be an unrealised gain or loss.

Construction of our Malaysia factory was completed in 2025 and one-off costs relating to the commissioning of the site were incurred H1 2026 as we prepare for the site to begin full production in Q4 2026.

Tariffs

The US government introduced IEEPA tariffs, commonly known as reciprocal tariffs, in April 2025. The most significant impact on the Group was a tariff on imports from Vietnam, the rate of which varied in H1 2025 but settled at 20% from H2 2025 onward. The US Supreme Court ruled all IEEPA tariffs invalid in February 2026, leading to the US government introducing a replacement global tariff regime at a lower 10% rate. All tariffs that could not be mitigated have been passed through to the market throughout, meaning we face a modest revenue headwind as we enter H2, at current rates. This should not impact profit.

Currency

We report our results in sterling; however, most of our revenues and costs arise in other currencies. A large proportion of our revenue and costs are denominated in US dollars, so our results are impacted by relative movements in the currencies that the underlying transactions arise in compared to pounds sterling. The weakening of the US dollar in H1 2025 had a negative impact on our results for the comparative period. We took steps to mitigate currency effects in H2 2025 meaning that the impact on H1 2026 was modest. The profit growth attributable to currency impacts shown in the table below largely reflects the negative impact from H1 2025 not repeating.

Adjusted £m	Six months ended 30 June 2025	Add: Currency impact	Add: Constant Currency[1]	**Six months ended 30 June 2026**
Revenue	110.9	(4.5)	2.7	**109.1**
Revenue change %		(4)%	2%	**(2)%**
Cost of sales	(65.0)	3.5	2.5	**(59.0)**
Gross margin	45.9	(1.0)	5.2	**50.1**
Gross margin %	41.4%	0.9%	3.6%	**45.9%**
Operating expenses	(41.1)	3.7	(4.1)	**(41.5)**
Operating profit	4.8	2.7	1.1	**8.6**
Operating margin %	4.3%	2.7%	0.9%	**7.9%**

[1] The constant currency change is calculated with reference to the prior period amount at current year exchange rates and excludes any impact from the retranslation of foreign currency balance sheet amounts

The Adjusted Operating Profit increase in constant currency was 23%.

Net finance expense

Adjusted Net Finance Expense of £3.5m was 13% lower than the comparative period (H1 2025: £4.0m). The reduction reflects lower base rates in the period, including the benefit of swapping the interest rate applicable to the majority of our borrowings from a variable base rate to a lower fixed base rate in February 2026. It also reflects lower average borrowing levels as we reduced our Net Debt from £57.9m at 30 June 2025 to £47.7m at 30 June 2026.

Taxation

The tax charge for the period was £0.9m on a reported basis. This tax charge is based on an estimate of the full-year effective tax rate by tax jurisdiction. The full-year effective tax rate for the Group will depend on the split of profits between tax jurisdictions. On an adjusted basis the H1 effective tax rate was 20%, which is lower than the statutory tax rates in effect due to the utilisation of brought forward losses to relieve H1 profits.

Profit after tax

The Group reported a profit after tax of £1.1m compared to a loss of £1.8m in H1 2025. Adjusted profit for the period was £4.1m (H1 2025: £0.2m). The basic earnings per share was 3.6 pence compared with basic loss per share of 7.2 pence in H1 2025. Adjusted diluted earnings per share was 14.2 pence compared with 0.4 pence in H1 2025. The increase in adjusted diluted earnings per share is primarily due to the reduction in costs due to cost savings initiatives enacted in 2025 of which we are seeing the benefit in 2026.

Cash flows

Six months ended 30 June **Adjusted £m**	**2026**	2025
Operating profit	**8.6**	4.8
Depreciation, amortisation & impairment	**7.7**	8.1
EBITDA	**16.3**	12.9
Change in working capital	**(8.3)**	(0.7)
Other items	**0.4**	1.7
Operating cash flow	**8.4**	13.9
Net capital expenditure – Product development costs	**(3.7)**	(4.8)
Net capital expenditure – Other assets	**(7.6)**	(1.4)
Net capital expenditure – Government grant	**1.2**	1.5

Net interest paid	**(3.7)**	(4.5)
Tax paid	**(1.2)**	(1.5)
Other items	**(1.0)**	(1.0)
Free cash flow	**(7.6)**	2.2

Adjusted Operating Cash Flow for the period was £8.4m compared to £13.9m for H1 2025, mainly driven by the increase in working capital in H1 2026 to support delivery on our growing order book, compared to the comparative period where inventory levels were being actively reduced. The other notable change to the comparative period is the increase in other assets expenditure, which reflects the timing of payments for completion of the Malaysia factory and the related capital equipment and investment to expand production line capacity in Vietnam. As a result, Free Cash Flow for the period was negative £7.6m.

Financial Framework

Our Financial Framework of through-cycle performance targets is as follows:

- Organic growth of c.10%
- Adjusted Operating Margin of c.20%
- Adjusted Operating Cash Conversion of c.85% (see below)
- Return on Capital Employed of >20%
- Leverage Ratio of 0-1x Adjusted EBITDA

We have changed the definition of Operating Cash Conversion in the period. Previously, we showed the percentage conversion of Adjusted Operating Profit into Adjusted Operating Cash Flow, with the target set at 100%. We now show the percentage conversion of Adjusted EBITDA into Adjusted Operating Cash Flow, to align with listed peers, with an equivalent target of 85%. This is a definitional change only and does not represent a change to the Group's cash generation ambition.

We remain confident in the delivery of these through-cycle targets. The strong growth in order intake seen in 2026 underlines our confidence in our organic growth target. Gross margins have been materially improved by previous actions and, with the benefit of operating leverage largely still to come, should support continued operating margin expansion. While cash has been invested to support growth in H1, which is the first priority of our capital allocation policy, the Group has demonstrated its ability to convert profit into cash over recent years. The leverage ratio should return to our target range in the near future, allowing a dividend to be reinstated.

Funding position and capital structure

Our Net Debt increased from £41.5m at 31 December 2025 to £47.7m at 30 June 2026.

There were no changes to the revolving credit facilities during the period. The Group's borrowing facilities remain at $130m, with approximately $100m maturing in June 2028 and $30m maturing in June 2030. The facility continues to offer ample liquidity. At 30 June 2026, total liquidity, combining undrawn headroom in borrowing facilities and cash on deposit, totalled £48.7m.

The covenants applicable to our borrowing facilities are tested at each calendar quarter end and are now set as follows until maturity of the facility:

- Leverage ratio: Not more than 3.0x (H1 2026: 1.3x)

- Interest cover: Not less than 3.0x (H1 2026: 6.4x)

The Board is confident that the Group will continue to de-lever, as market conditions recover, until it enters its target leverage ratio range of 0-1x Adjusted EBITDA.

The Director's assessment of going concern has involved consideration of the Group's forecast covenant position in various scenarios, including a severe but plausible downside case. The Group is forecast to remain compliant with its covenants and have adequate borrowing liquidity in all scenarios. Further details can be found in Note 2 of the condensed consolidated financial statements.

At the end of the first half of 2026, net current assets reduced to £59.7m compared to £66.9m at the end of 2025. During H1 2026 there has been a significant increase in inventory holding of raw materials and semi-finished goods to support the improved order intake (£16.8m increase in inventory) with a significant increase in trade and other payables to fund the inventory purchases (£8.5m increase in trade and other payables). In addition, excess cash was used to pay down the revolving credit facility, with a reduction in cash and bank balances of £17.9m.

Dividends

Dividend payments were suspended in late 2023. Dividends remain an important part of the Group’s long-term capital allocation strategy. However, the Board believes it is in Shareholders’ long-term interests for debt reduction to be prioritised over Shareholder distributions until net debt moves closer to our long-term leverage ratio target of 0-1x Adjusted EBITDA. As a result, no interim dividend has been declared.

Change in Auditor

Following a mandatory tender of its external audit conducted in the first half, the Board will recommend the appointment of KPMG LLP as auditor of the Group for the financial year ending 31 December 2027 at the 2027 Annual General Meeting, replacing PricewaterhouseCoopers LLP.

Matt Webb
Chief Financial Officer

XP Power Limited
Condensed Consolidated Income Statement
For the six months ended 30 June 2026

£m	Note	**Adjusted**	**Adjustments (see Note 5)**	**Six months ended 30 June 2026**	Adjusted	Adjustments (see Note 5)	Six months ended 30 June 2025
Revenue	4	109.1	-	109.1	110.9	-	110.9
Cost of sales		(59.0)	(0.1)	(59.1)	(65.0)	0.2	(64.8)
Gross profit		**50.1**	**(0.1)**	**50.0**	**45.9**	**0.2**	**46.1**
Operating Expenses:							
Distribution and marketing		(29.2)	(2.2)	(31.4)	(28.6)	(1.7)	(30.3)
Administrative		(1.9)	(1.0)	(2.9)	(2.1)	(0.7)	(2.8)
Research and development		(10.4)	-	(10.4)	(10.4)	-	(10.4)
Operating profit		**8.6**	**(3.3)**	**5.3**	**4.8**	**(2.2)**	**2.6**
Net finance expense		(3.5)	0.2	(3.3)	(4.0)	-	(4.0)
Profit/(loss) before tax		**5.1**	**(3.1)**	**2.0**	**0.8**	**(2.2)**	**(1.4)**
Tax expense	6	(1.0)	0.1	(0.9)	(0.6)	0.2	(0.4)
Profit/(loss) for the period		**4.1**	**(3.0)**	**1.1**	**0.2**	**(2.0)**	**(1.8)**
Attributable to:							
Equity shareholders				1.0			(1.9)
Non-controlling interests				0.1			0.1
Profit/(loss) for the period				**1.1**			**(1.8)**
Earnings per share (pence)							
Basic earnings/(loss) per share	8	14.3	(10.7)	3.6	0.4	(7.6)	(7.2)
Diluted earnings/(loss) per share	8	14.2	(10.6)	3.6	0.4	(7.6)	(7.2)

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2026

£m	**Six months ended 30 June 2026**	Six months ended 30 June 2025
Profit/(loss) for the period	**1.1**	**(1.8)**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	0.6	(4.9)
Other comprehensive income/(loss), net of tax	0.6	(4.9)
Total comprehensive income/(loss) for the period	1.7	**(6.7)**
Attributable to:		
Equity shareholders	1.6	(6.8)
Non-controlling interests	0.1	0.1
Total comprehensive income/(loss) for the period	1.7	**(6.7)**

The above condensed consolidated income statement and statement of comprehensive income should be read in conjunction with the accompanying notes

XP Power Limited
Condensed Consolidated Balance Sheet
As at 30 June 2026

£m	Note	30 June 2026	31 December 2025
ASSETS			
Current assets			
Cash and bank balances		**14.8**	33.8
Inventories		**73.8**	57.0
Trade receivables		**34.2**	34.2
Bond receivables		**50.4**	48.8
Other current assets		**7.8**	5.9
Derivative financial instruments		**0.3**	-
Current income tax receivables		**0.5**	1.2
Total excluding assets of disposal group held for sale		**181.8**	180.9
Assets of disposal group held for sale	7	**1.8**	-
Total current assets		**183.6**	**180.9**
Non-current assets			
Goodwill		**72.8**	72.8
Intangible assets	9	**54.3**	54.2
Property, plant and equipment	10	**64.8**	65.6
Right-of-use assets		**47.4**	47.8
Cash collateral		**1.7**	1.7
Deferred income tax assets		**1.8**	0.7
Total non-current assets		**242.8**	242.8
Total assets		**426.4**	423.7
LIABILITIES			
Current liabilities			
Accrued consideration		**0.9**	-
Current income tax liabilities		**1.7**	2.6
Trade and other payables		**67.7**	59.2
Lease liabilities		**1.9**	1.8
Provisions		**50.9**	50.1
Borrowings	11	**0.2**	0.3
Total excluding liabilities of disposal group held for sale		**123.3**	114.0
Liabilities of disposal group held for sale	7	**0.6**	-
Total current liabilities		**123.9**	114.0
Non-current liabilities			
Accrued consideration		**0.9**	1.7
Borrowings	11	**65.1**	76.7
Deferred income tax liabilities		**8.0**	7.9
Provisions		**2.3**	1.2
Lease liabilities		**49.8**	49.6
Total non-current liabilities		**126.1**	137.1
Total liabilities		**250.0**	251.1
NET ASSETS		**176.4**	172.6
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**110.8**	110.8
Merger reserve		**0.2**	0.2
Share-based payments reserve		**4.3**	3.3
Translation reserve		**(5.0)**	(5.6)
Other reserve		**11.2**	10.1
Retained earnings		**54.3**	53.3
		175.8	172.1
Non-controlling interests		**0.6**	0.5
TOTAL EQUITY		**176.4**	172.6

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes

XP Power Limited
Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2026

	Attributable to equity holders of the Company								
£m	**Share capital**	**Merger reserve**	**Share-based payment reserve**	**Translation reserve**	**Other reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total Equity**
Balance at 1 January 2025	71.2	0.2	3.1	(2.6)	8.6	64.8	145.3	0.6	**145.9**
Exercise of share-based payment awards	-	-	(0.8)	-	0.8	-	-	-	**-**
Share-based payment expenses, net of tax	-	-	0.7	-	-	-	0.7	-	**0.7**
Issuance of shares	39.6	-	-	-	-	-	39.6	-	**39.6**
Dividend paid	-	-	-	-	-	-	-	(0.1)	**(0.1)**
Future acquisitions of non- controlling interests	-	-	-	-	(0.2)	-	(0.2)	-	**(0.2)**
Exchange difference on translation of financial statements of foreign operations	-	-	-	(4.9)	-	-	(4.9)	-	**(4.9)**
(Loss)/profit for the period	-	-	-	-	-	(1.9)	(1.9)	0.1	**(1.8)**
Total comprehensive (loss)/income for the period	-	-	-	(4.9)	-	(1.9)	(6.8)	0.1	**(6.7)**
Balance at 30 June 2025	**110.8**	**0.2**	**3.0**	**(7.5)**	**9.2**	**62.9**	**178.6**	**0.6**	**179.2**
Balance at 1 January 2026	110.8	0.2	3.3	(5.6)	10.1	53.3	172.1	0.5	**172.6**
Exercise of share-based payment awards	-	-	(1.1)	-	1.1	-	-	-	**-**
Share-based payment expenses, net of tax	-	-	2.1	-	-	-	2.1	-	**2.1**
Exchange difference on translation of financial statements of foreign operations	-	-	-	0.6	-	-	0.6	-	**0.6**
Profit for the period	-	-	-	-	-	1.0	1.0	0.1	**1.1**
Total comprehensive income for the period	-	-	-	0.6	-	1.0	1.6	0.1	1.7
Balance at 30 June 2026	**110.8**	**0.2**	**4.3**	**(5.0)**	**11.2**	**54.3**	**175.8**	**0.6**	**176.4**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

XP Power Limited
Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2026

£m	Six months ended 30 June 2026	Six months ended 30 June 2025
Cash flows from operating activities		
Profit/(loss) after income tax	**1.1**	(1.8)
Adjustments for:		
- Income tax expense	**0.9**	0.4
- Amortisation and depreciation	**9.1**	9.4
- Net finance expense	**3.3**	4.0
- Share-based payment expenses	**1.6**	0.8
- Loss on disposal of property, plant and equipment	**-**	0.1
- Unrealised currency translation (gain)/loss	**(0.5)**	2.3
- Impairment of intangible assets	**0.1**	-
- Provision for doubtful debts	-	0.1
Change in working capital:		
- Inventories	**(16.0)**	6.5
- Trade and other receivables and other current assets	**(2.9)**	(4.8)
- Trade and other payables	**14.3**	(2.4)
- Provision for liabilities and other charges	**0.1**	(1.3)
Cash generated from operations	**11.1**	13.3
Income tax paid, net of refund	**(1.2)**	(1.5)
Net cash provided by operating activities	**9.9**	11.8
Cash flows from investing activities		
Government grant relating to the purchase of property, plant and equipment	**1.2**	1.5
Purchases and construction of property, plant and equipment	**(6.7)**	(1.3)
Additions of product development costs	**(3.7)**	(4.8)
Additions of software and software under development	**(0.9)**	(0.1)
Purchase of bond receivables	**-**	(11.6)
Bond premium paid	**(0.3)**	(0.2)
Proceeds from disposal of property, plant and equipment	**0.1**	-
Interest received	**0.1**	-
Net cash used in investing activities	**(10.2)**	(16.5)
Cash flows from financing activities		
Proceeds from issuance of new ordinary shares	**-**	39.6
Proceeds from borrowings	**14.1**	19.6
Repayment of borrowings	**(27.0)**	(44.4)
Principal payment of lease liabilities	**(1.0)**	(0.9)
Interest paid	**(3.8)**	(4.4)
Dividends paid to non-controlling interests	**-**	(0.1)
Net cash (used in)/provided by financing activities	**(17.7)**	9.4
Net (decrease)/increase in cash and cash equivalents	**(18.0)**	4.7
Cash and cash equivalents at beginning of financial period	**33.8**	13.9
Effects of currency translation on cash and cash equivalents	**0.1**	(1.0)
Cash and cash equivalents at end of financial period	**15.9**	17.6
Reconciliation to the statement of financial position		
Cash and cash equivalent as per balance sheet	**14.8**	17.6
Cash included within assets classified as held for sale	**1.1**	-
Total cash and cash equivalents for the purposes of the statement of cash flows	**15.9**	17.6

Cash and cash equivalents included within assets classified as held for sales amounting to £1.1m have been included in the cash and cash equivalents balance for the purposes of the condensed consolidated statement of cash flows.

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the condensed consolidated financial statements

1. Basis of preparation

The condensed consolidated financial statements for the period ended 30 June 2026 have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and with International Accounting Standards ('IAS') 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025 which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board (IFRS as issued by the IASB) and Singapore Financial Reporting Standards (International) (SFRS(I)s').

The condensed consolidated interim financial statements have not been audited.

2. Going concern

Overview of liquidity

The Group has available to it a Revolving Credit Facility (RCF) of $130m with approximately $100m maturing in June 2028 and $30m maturing in June 2030 and therefore the whole facility is committed throughout the minimum period for which going concern is assessed, which is 12 months from the date of signing these condensed consolidated financial statements.

At 30 June 2026, the Group had drawn down $89m (£67m) from the RCF, leaving undrawn facility headroom of $41m (£31m). The Group is compliant with the associated covenants, which are leverage ratio (Net Debt : Adjusted EBITDA) of not more than 3:00 and interest cover (Adjusted EBITDA : Adjusted Net Finance Expense) of not less than 3.00. Each covenant is tested quarterly.

Approach to going concern review

As part of its going concern review, the Group has developed both base case and downside case financial scenarios, with the latter representing a severe but plausible downside scenario, assessing forecast liquidity and covenant compliance in each case.

The key assumption in these scenarios was revenue, particularly revenue beyond the initial circa six-month period for which the business already has visibility via existing sales orders. Revenue beyond this initial period will be determined by, amongst other things, the timing of the semiconductor upcycle and general global macroeconomic conditions.

The Group remains fully compliant with its financial covenants and maintains adequate liquidity in both base and downside case under those scenarios.

Outcome of downside scenario

The downside case assumes only a 6% increase in revenue in the next 12 months compared to base case which assumes 11% following increasing orders in late 2025 and 2026.

The lowest point of headroom in the leverage ratio covenant in this scenario was at 30 September 2026. EBITDA would need to fall c. 52% short of expectations for the 12 months to 30 September 2026 for a breach to occur. The lowest point of headroom in the Interest Cover covenant was at 31 December 2026. EBITDA would need to fall c. 45% short of expectations for the 12 months to 31 December 2026 for a breach to occur. Over 100% of forecast H2 2026 downside case revenue is now covered by firm orders in hand.

Conclusions

The Directors are confident that the base case and downside case provide an appropriate basis for the going concern assumption to be applied in preparing the financial statements, while recognising more modest headroom in the severe but plausible case. In both cases, the Group remains in full compliance with its financial covenants and with ample liquidity throughout the going concern assessment period.

Therefore, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group, therefore, continues to adopt the going concern basis in preparing its consolidated financial statements.

3. Accounting policies

The condensed consolidated interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies within the Group financial statements for the year ended 31 December 2025.

The accounting policies, presentation and methods of computation adopted in these condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of the amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* which became effective for the current reporting period.

The adoption of the amendments to IFRS 9 and IFRS 7 did not result in significant changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods.

4. Segmented and revenue information

The Board of Directors monitors the business based on the three primary geographical areas: North America, Europe and Asia. All geographic locations market the same classes of products to their respective customer base.

The revenue by class of customer and location of the design win is as follows:

	Six months ended 30 June 2026				Six months ended 30 June 2025			
£m	**Europe**	**North America**	**Asia**	**Total**	Europe	North America	Asia	Total
Semiconductor Manufacturing Equipment	**4.1**	**37.9**	**2.1**	**44.1**	2.6	36.7	4.5	43.8
Industrial Technology	**22.2**	**17.6**	**4.8**	**44.6**	21.8	16.9	3.7	42.4
Healthcare	**6.6**	**12.0**	**1.8**	**20.4**	8.0	14.7	2.0	24.7
Total	**32.9**	**67.5**	**8.7**	**109.1**	32.4	68.3	10.2	110.9

Reconciliation of segment results to profit for the period:

£m	**Six months ended 30 June 2026**	Six months ended 30 June 2025
Europe	**8.7**	7.3
North America	**19.6**	18.1
Asia	**3.1**	3.8
Segment results	**31.4**	29.2
Research and development	**(7.3)**	(8.6)
Manufacturing	**(5.7)**	(7.4)
Corporate costs	**(9.8)**	(8.4)
Adjusted operating profit	**8.6**	4.8
Net finance expenses	**(3.5)**	(4.0)
Adjusting items (Note 5)	**(3.1)**	(2.2)
Profit/(loss) before tax	**2.0**	(1.4)
Income tax expense	**(0.9)**	(0.4)
Profit/(loss) after tax for the period	**1.1**	(1.8)

5. Reconciliation of non-statutory measures

The Group presents Adjusted Gross Profit, Adjusted Operating Expenses and Adjusted Operating Profit by adjusting for costs and profits which management believes to be significant by virtue of their size, nature or incidence or which have a distortive effect on current year earnings. Such items may include, but are not limited to, costs associated with business combinations, gains and losses on disposal of businesses, fair value movements, restructuring charges, acquisition related costs and amortisation of intangible assets arising from business combinations.

In addition, the Group presents Adjusted Profit measures for the period by adjusting for certain tax charges and credits which represent the tax effect of Adjusting items or which management believe to be significant by virtue of their size, nature, or incidence or which have a distortive effect (shown as Tax effects of Adjusting items below).

As a result, the Group also presents certain Adjusted measures which include the consequential impact of the adjustments made in Adjusted Gross Profit, Adjusted Operating Profit and Adjusted Tax Expense / Credit. This includes Adjusted Gross Margin, Adjusted Operating Margin, Adjusted Profit for the Period, Adjusted Diluted Earnings Per Share, Adjusted Operating Cashflow and Cash Conversion %.

The Group uses these Adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting.

The Group also reports key financing measures which are relevant to shareholders as they are used in determining covenant compliance. These include Leverage Ratio, Interest Cover, Net Debt, Adjusted Net Finance Expense and Adjusted EBITDA.

See below for a reconciliation of all non-statutory measures to the closest statutory measure included in these financial statements.

i. Adjusted Gross Profit, Operating Expenses, Operating Profit, Net Finance Expense, Profit Before Tax, Tax Expenses and Loss for the Period

	Six months ended 30 June 2026						
£m	**Gross profit**	**Operating expenses**	**Operating Profit**	**Net finance expense**	**Profit before tax**	**Tax expense**	**Profit for the period**
Statutory result	**50.0**	**(44.7)**	**5.3**	**(3.3)**	**2.0**	**(0.9)**	**1.1**
Adjusted for:							
Costs relating to legal dispute	-	0.1	0.1	-	0.1	-	0.1
Amortisation of intangible assets acquired from business combinations	-	1.3	1.3	-	1.3	(0.2)	1.1
Fair value gain on derivative financial instruments	-	-	-	(0.3)	(0.3)	-	(0.3)
Malaysia commissioning costs	-	0.4	0.4	0.1	0.5	-	0.5
Costs relating to RF exit	(0.2)	0.7	0.5	-	0.5	-	0.5
Costs relating to China factory closure	0.3	0.7	1.0	-	1.0	0.1	1.1
Total adjustments	**0.1**	**3.2**	**3.3**	**(0.2)**	**3.1**	**(0.1)**	**3.0**
Adjusted result	**50.1**	**(41.5)**	**8.6**	**(3.5)**	**5.1**	**(1.0)**	**4.1**

5. Reconciliation of non-statutory measures (continued)

£m	Six months ended 30 June 2025						
	Gross profit	**Operating expenses**	**Operating Profit**	**Net finance expense**	**Profit before tax**	**Tax expense**	**Profit for the period**
Statutory result	**46.1**	**(43.5)**	**2.6**	**(4.0)**	**(1.4)**	**(0.4)**	**(1.8)**
Adjusted for:							
Restructuring costs	-	0.6	0.6	-	0.6	(0.1)	0.5
Exit from China Semiconductor market	(0.2)	-	(0.2)	-	(0.2)	0.1	(0.1)
Costs relating to legal dispute	-	0.5	0.5	-	0.5	-	0.5
Amortisation of intangible assets acquired from business combinations	-	1.3	1.3	-	1.3	(0.2)	1.1
Total adjustments	**(0.2)**	**2.4**	**2.2**	**-**	**2.2**	**(0.2)**	**2.0**
Adjusted result	**45.9**	**(41.1)**	**4.8**	**(4.0)**	**0.8**	**(0.6)**	**0.2**

ii. Adjusted Operating Cash Flow and Conversion %

£m	**Six months ended 30 June 2026**	Six months ended 30 June 2025 (restated)
Cash generated from operations	**11.1**	13.3
Adjusted for cash flows in respect of:		
Restructuring costs	**-**	0.5
Malaysia commissioning costs	**0.3**	-
Costs relating to legal dispute	**0.4**	0.1
Costs relating to China factory closure	**0.3**	-
One-off customer prepayment	**(3.7)**	-
Adjusted Operating Cash Flow	**8.4**	13.9
Adjusted EBITDA*	**16.3**	12.9
Adjusted Operating Cash Conversion	**52%**	108%

* *Reconciliation to compute the Adjusted EBITDA is as per below:*

£m	**Six months ended 30 June 2026**	Six months ended 30 June 2025
Adjusted Operating Profit	**8.6**	**4.8**
Adjusted for:		
Depreciation[1]	**3.9**	4.5
Amortisation[2]	**3.7**	3.6
Impairment	**0.1**	-
Adjusted EBITDA	**16.3**	12.9

[1] Excludes £0.2m (H1 2025: nil) of depreciation relating to the Malaysia building as these are included within adjusting items in arriving at adjusted operating profit;

[2] Excludes £1.3m (H1 2025: £1.3m) of amortisation of intangible assets acquired through business combinations as these are included within adjusting items in arriving at adjusted operating profit;

The Adjusted Operating Cash Conversion metric has been updated since the issue of the Consolidated Financial Statements for the year ended 31 December 2025. Previously we showed the conversion of Adjusted Operating Profit into Adjusted Operating Cash Flow but we now show the conversion of Adjusted EBITDA into Adjusted Operating Cash Flow, to align with listed peers.

5. Reconciliation of non-statutory measures (continued)

iii. Adjusted LTM EBITDA

£m	**Twelve months ended 30 June 2026**	Twelve months ended 30 June 2025
Operating profit/(loss)	**3.4**	(3.0)
Adjusted for:		
Depreciation	**8.4**	8.8
Amortisation	**10.0**	10.0
Impairment	**5.3**	0.5
LTM EBITDA	**27.1**	16.3
Adjusted for:		
Restructuring costs	**0.8**	1.4
Exit from China Semiconductor market	**(2.1)**	6.5
Costs relating to legal dispute	**2.2**	7.5
Global supply chain transformation	**-**	0.7
Malaysia commissioning costs	**0.4**	-
Costs relating to RF exit	**4.7**	-
Cost relating to China factory closure	**5.0**	-
Adjusted LTM EBITDA	**38.1**	32.4

iv. Net Debt

£m	**At 30 June 2026**	At 30 June 2025
Borrowings		
Current	**0.2**	0.2
Non-current	**65.1**	76.6
Total borrowings	**65.3**	76.8
Cash and cash collateral		
Cash at bank and on hand	**14.6**	17.5
Short-term bank deposits	**0.2**	0.1
Cash collateral	**1.7**	1.3
Cash included within assets held for sales	**1.1**	-
Total cash and cash collateral	**17.6**	18.9
Net Debt	**47.7**	57.9

v. Leverage ratio (Net Debt : Adjusted LTM EBITDA)

£m	**At 30 June 2026**	At 30 June 2025
Net Debt (Note 5(iv))	**47.7**	57.9
Adjusted LTM EBITDA (Note 5(iii))	**38.1**	32.4
Leverage Ratio (Net Debt : Adjusted LTM EBITDA)	**1.3x**	1.8x

5. Reconciliation of non-statutory measures (continued)

vi. Interest Cover (Adjusted LTM EBITDA : Adjusted LTM Net Finance Expense)

£m	**Twelve months ended 30 June 2026**	Twelve months ended 30 June 2025
Adjusted LTM EBITDA (Note 5(iii))	**38.1**	32.4
Net finance expense	**7.3**	9.3
Adjusted for:		
Amortisation of financing costs	**(1.3)**	(0.6)
Fair value gain on derivative financial instruments	**0.3**	-
Malaysia commissioning costs	**(0.1)**	-
Costs relating to RF exit	**(0.2)**	-
Adjusted LTM Conformed Net Finance Expense	**6.0**	8.7
Interest Cover (Adjusted LTM EBITDA : Adjusted LTM Conformed Net Finance Expense)	**6.4x**	3.7x

Adjusted LTM Conformed Net Finance Expense reflects the definition of interest used to calculate Interest Cover for our borrowing facility covenants.

6. Taxation

The average effective tax rate applied to Adjusted Profit Before Tax for the period is 20% (H1 2025: 75%). This is based on an estimate of the full year effective tax rate by tax jurisdiction.

7. Assets and liabilities of disposal group held for sale - China manufacturing plant

Overview

On 31 March 2026, XP Power (Hong Kong) Limited signed a share transfer agreement to sell 100% of the equity of Kunshan Ripang Electronics Technology Co., Ltd, which currently holds the assets associated with the Kunshan manufacturing plant.

The criteria in IFRS 5 for classification as a disposal group held for sale have been met as there is a committed plan to sell, the subsidiary is available for immediate sale in its present condition subject only to usual terms, the asset is being actively marketed at a reasonable price, and completion is highly probable within 12 months. Accordingly, the disposal group has been classified as held for sale in these financial statements. The transaction is not presented as a discontinued operation because it does not represent a separate major line of business or geographical area of operations.

The agreed consideration for the disposal exceeds the carrying amount of the disposal group and therefore no impairment loss has been recognised in the period.

Major classes of assets and liabilities classified as held for sale

£m	**At 30 June 2026**
Cash and cash equivalents	1.1
Property, plant and equipment	0.6
Right-of-use assets	0.1
Total assets of disposal group held for sale	**1.8**
Trade and other payables	0.6

Total liabilities of disposal group held for sale	0.6

8. Earnings per share

The calculations of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company are based on the following data:

£m	**Six months ended 30 June 2026**	Six months ended 30 June 2025
Earnings		
Earnings/(loss) after tax attributable to equity holders of the Company	1.0	(1.9)
Earnings/(loss) for earnings per share	**1.0**	(1.9)
Number of shares		
Weighted average number of ordinary shares outstanding for basic earnings per share (thousands)	**27,958**	26,398
Effect of dilutive potential share awards (thousands)	**174**	4
Weighted average number of shares for diluted earnings per share (thousands)	**28,132**	26,402
Earnings/(loss) per share		
Basic	**3.6p**	(7.2)p
Basic Adjusted[1]	**14.3p**	0.4p
Diluted	**3.6p**	(7.2)p
Diluted Adjusted[1]	**14.2p**	0.4p

[1] *Reconciliation to compute the Adjusted Earnings is as per below:*

£m	**Six months ended 30 June 2026**	Six months ended 30 June 2025
Profit/(loss) after tax attributable to equity holders of the Company	**1.0**	(1.9)
Restructuring costs	**-**	0.5
Exit from China Semiconductor market	**-**	(0.1)
Costs relating to legal dispute	**0.1**	0.5
Amortisation of intangibles assets acquired from business combinations	**1.1**	1.1
Fair value gain on derivative financial instruments	**(0.3)**	-
Malaysia Commissioning costs	**0.5**	-
Costs relating to RF exit	**0.5**	-
Cost relating to China factory closure	**1.1**	-
Adjusted Earnings	**4.0**	0.1

9. Intangible assets

£ Millions	Product Development costs	Brand	Trademarks	Technology	Customer relationships	Customer contracts	Software	Assets under development[1]	Total
Cost									
At 31 December 2025	62.2	1.6	1.1	7.7	23.9	2.6	22.7	28.2	150.0
Additions	-	-	-	-	-	-	0.1	4.5	4.6
Transfers	3.6	-	-	-	-	-	-	(3.6)	-
Currency translation differences	0.8	-	-	-	0.1	-	0.3	0.5	1.7
At 30 June 2026	66.6	1.6	1.1	7.7	24.0	2.6	23.1	29.6	156.3
Accumulated amortisation/impairment									
At 31 December 2025	44.8	1.0	1.0	5.4	16.2	2.6	11.4	13.4	95.8
Amortisation charge	2.7	0.1	-	0.3	0.9	-	1.0	-	5.0
Impairment charge	-	-	-	-	-	-	-	0.1	0.1
Currency translation differences	0.5	-	-	-	0.2	-	0.3	0.1	1.1
At 30 June 2026	48.0	1.1	1.0	5.7	17.3	2.6	12.7	13.6	102.0
Net book value									
At 30 June 2026	**18.6**	**0.5**	**0.1**	**2.0**	**6.7**	**–**	**10.4**	**16.0**	**54.3**
At 31 December 2025	17.4	0.6	0.1	2.3	7.7	–	11.3	14.8	54.2

[1] Assets under development pertains to cost incurred for software development of £0.9m and product development costs of £15.1m.

The amortisation period for development costs incurred on the Group's products varies between five and seven years according to the expected useful life of the products being developed.

Amortisation commences when the product is ready and available for use.

10. Property, plant and equipment

£ Millions	Freehold land	Buildings	Plant and equipment	Motor vehicles	Building improvements	Assets under construction	Total
Cost							
At 31 December 2025	1.5	18.3	38.6	0.1	23.7	20.3	102.5
Additions	-	-	1.9	-	-	0.1	2.0
Cost adjustments [1]	-	-	-	-	-	(0.4)	(0.4)
Reclassified to assets held for sale	-	(2.4)	(3.9)	-	(1.0)	-	(7.3)
Disposals	-	-	(1.0)	-	-	-	(1.0)
Transfers[2]	-	19.5	0.8	-	0.2	(20.5)	-
Currency translation differences	-	-	0.5	-	0.4	0.6	1.5
At 30 June 2026	**1.5**	**35.4**	**36.9**	**0.1**	**23.3**	**0.1**	**97.3**
Accumulated depreciation							
At 31 December 2025	-	6.1	25.9	0.1	4.8	-	36.9
Depreciation charge	-	0.3	1.7	-	0.5	-	2.5
Disposals	-	-	(0.9)	-	-	-	(0.9)
Reclassified to assets held for sale	-	(2.0)	(3.8)	-	(0.9)	-	(6.7)
Currency translation differences	-	0.2	0.5	-	-	-	0.7
At 30 June 2026	-	4.6	23.4	0.1	4.4	-	32.5
Net book value							
At 30 June 2026	**1.5**	**30.8**	**13.5**	**-**	**18.9**	**0.1**	**64.8**
At 31 December 2025	**1.5**	**12.2**	**12.7**	**-**	**18.9**	**20.3**	**65.6**

[1] The cost adjustment of £0.4m recognised within assets under construction related to the reversal of an over-accrual of buildings work in Malaysia;
[2] Transfers include £20.5m from assets under construction following the completion of the Malaysia manufacturing facility, comprising £19.5m transferred to buildings and £1.0m transferred to plant and equipment. Transfers also include a £0.2m reclassification from building improvements to plant and equipment to reflect the allocation of a government grant which had been accrued against building improvements in 2025. During 2026, £0.2m of the grant was determined to relate to plant and equipment and was reclassified accordingly.

11. Borrowings

The Group's debt is sourced from a $130 million Revolving Credit Facility ("RCF"). Following the renegotiation of the facility in December 2025, the loan was split into two facilities: Facility A and Facility B. The total committed facility is $130 million, comprising $100.7 million under Facility A and £22.2 million under Facility B. The facility has no fixed repayments until maturity, being June 2028 for Facility A and June 2030 for Facility B. Interest on Facility A accrues at SOFR for US dollar borrowings plus a margin ranging from 1.95% to 3.2% depending on the leverage ratio. Interest on Facility B accrues at SONIA plus a margin of 4.75%. Both facilities incur a commitment fee equal to 40% of the applicable margin on the unutilised portion of the facility.

There were no changes to the terms of the Revolving Credit Facility during the six months ended 30 June 2026.The covenants attaching to the RCF are set out in Note 2.

The borrowings are repayable as follows:

£m	At 30 June 2026	At 31 December 2025
On demand or within one year	**0.2**	0.3
In the second year	**50.3**	56.3
In the third year	**-**	-
In the fourth year	**14.8**	20.4
Total	**65.3**	77.0

All loan covenants have been complied with as at 30 June 2026.

12. Foreign exchange rates

Exchange rates applied in these condensed consolidated financial statements are the average for the six month period for Income Statement items (including £1/USD1.34, £1/€1.15, £1/SGD1.72) and are the closing rate for Balance Sheet items (including £1/USD1.32, £1/€1.16, £1/SGD1.71 at 30 June 2026).

13. Post balance sheet events

On 14 July 2026 the United States Court of Appeals for the Ninth Circuit issued its judgement in respect of the appeal brought by the Group against the earlier judgement of the District Court in the trade secret proceedings brought by Comet Technologies USA, Inc. and affiliates against the Group. The judgement of the Court of Appeals reversed the earlier judgement of the District Court and remanded the case for a new trial because it held that the District Court had misdirected the jury at the original trial. Having considered the range of possible directions for the case from here, the Board has elected to prudently retain the provision previously established, then adjust accordingly as next steps become clearer.

14. Principal risks

The Group has well-established risk management processes to identify and assess risks. The Group's principal risks are regularly reviewed by the Board and mapped onto a risk universe, where risk mitigation or reduction can be tracked and managed. This facilitates further discussion regarding risk appetite and identifies the risks that require greater attention. Details of our risk management framework are set out in the Group's Annual Report & Accounts for the year ended 31 December 2025 on pages 34 to 41.

The Board has reviewed the principal risks as of 30 June 2026 against the context of the environment in which the Group operates and the operational developments during the first six months of the financial year and the outlook for the remainder of the financial year. There is no change in principal risks as disclosed in the Group's Annual Report & Accounts:

1. Disruption to manufacturing
2. Supply chain risks
3. Market/customer related risks
4. Product-related risks
5. IT/data risks
6. Funding/treasury risks
7. Legal & regulatory
8. People-related risks
9. Climate-related risks

Directors' responsibility statement

The Directors confirm to the best of their knowledge that:

- the unaudited interim results have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board; and
- the interim results include a fair view of the information required by DTR 4.2.7 (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year) and DTR 4.2.8 (disclosure of related party transactions and changes therein).

The Directors of XP Power Limited are as follows:

Jamie Pike	Non-Executive Chair
Gavin Griggs	Chief Executive Officer
Matt Webb	Chief Financial Officer
Andy Sng	Executive Vice President, Asia
Charlotta Ginman	Senior Independent Director
Pauline Lafferty	Non-Executive Director
Sandra Breene	Non-Executive Director
Daniel Shook	Non-Executive Director

By order of the Board:

Gavin Griggs
Chief Executive Officer

Matt Webb
Chief Financial Officer

4 August 2026

Report on review of interim financial information

We have reviewed the accompanying condensed consolidated interim financial information of XP Power Limited ("the Company") and its subsidiaries ("the Group") set out on pages 14 to 27, which comprise the condensed consolidated balance sheet of the Group as at 30 June 2026, the condensed consolidated income statement, statement of comprehensive income, changes in equity and cash flows for the 6-month period then ended and the other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report for the 6-month period ended 30 June 2026, which comprise the "Interim Results" set out on pages 1 to 3, "Chief Executive Officer's Review" set out on pages 4 to 8 and "Chief Financial Officer's Review" set out on pages 9 to 13 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board.

Restriction on Distribution and Use

This report has been prepared solely for the Company in accordance with the letter of engagement between us and the Company. We do not accept or assume liability or responsibility to anyone other than the Company for our work or this report.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 4 August 2026