

INSPECS
— GROUP PLC —

Always **LOOKING** *forward*



ANNUAL REPORT & ACCOUNTS 2025

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WHO WE ARE

DELIVERING VALUE

INSPECS is a leading provider of eyewear solutions and low vision aids to the global eyewear market

OUR STRATEGIC AIM

To build a highly respected global eyewear company that delivers long-term value for our stakeholders

OUR MISSION

To deliver a global, high performing and vertically integrated eyewear company that creates a dynamic platform for growth, ignites customer excitement and exceeds expectations through our commitment to product, innovation, people and planet

FINANCIAL OVERVIEW

Revenue

2025 £191.7m

2024 £193.3m

2023 £199.1m

Underlying EBITDA*

2025 £17.7m

2024 £19.5m

2023 £19.5m

Gross Profit Margin

2025 51.7%

2024 52.4%

2023 51.0%

Operating Profit before non-underlying items*

2025 £5.7m

2024 £5.9m

2023 £4.9m

Eyewear Units Sold

2025 11.5m

2024 11.4m

2023 11.0m

Cash Flows From Operating Activities

2025 £8.6m

2024 £15.8m

2023 £14.5m

Net Debt (Excluding Lease Liabilities)

2025 £32.3m

2024 £22.9m

2023 £24.2m

Basic and Diluted Loss Per Share

2025 9.40p

2024 4.53p

2023 0.98p

The results for the years ended 31 December 2024 and 31 December 2023 have been re-presented to reflect the classification of Norville as a discontinued operation.

*Please refer to pages 106 and 107 for our definition of alternative performance measures.

WHAT WE DO

Vertically integrated, INSPECS provides a one-stop-shop, from design to frame manufacturing, sales, marketing and distribution. With our portfolio of owned and licensed brands, along with low-vision aids, we supply most of the biggest eyewear retailers in the world.

FRAMES AND OPTICS:

Design, brands, sales, marketing and distribution

MANUFACTURING:

Frames

UNDERPINNED BY OUR VALUES

Customer focus:

We will meet or exceed our customers' needs, understand their challenges, provide solutions and strive for continuous improvement.

Employee engagement:

We will be committed to promoting collaboration, transparency, positive communication and teamwork to foster a supportive and inclusive work environment.

Community contribution:

We will engage with local communities and contribute positively to social and economic development through our social responsibility initiatives.

Responsibility:

We will be a responsible business leader, committed to a sustainable future, implementing impactful social and cultural initiatives, upholding best practice governance standards and health and safety practices.

Agility:

We will be flexible and adaptable to customers' needs and respond quickly to challenges and opportunities.

Innovative:

We will evaluate new opportunities with customers, new materials and technologies across the Group.

CHAIR'S STATEMENT

Managing in the face of change

Dear Stakeholders,

I am pleased to present INSPECS Group's Annual Report for the year to 31 December 2025.

I took over as Interim Chair at last year's AGM (3 June 2025) while we were undertaking a process to find a new Non-Executive Chair as part of the management succession plan for the Group which had been announced on 20 December, 2024. In the midst of that process, the Company had received a requisition notice to convene a general meeting to replace the then Executive Chair of the Company, Robin Totterman. Members of the Board met with shareholders to reassure them about the process and the requisition was withdrawn, though at some financial and time cost to the Company on the understanding that Robin would step down at the AGM.

The process to find a new Non-Executive Chair continued and was well-advanced when the Board was approached on 25 June 2025 by H2 Partners with an offer to acquire the Group. The impact on succession and Board structure of this approach, one of several received during the year, is discussed in my Report for the Remuneration and Nomination Committee on page 61.

Given that the approach which had been received was from a private equity firm, it was decided by the Board to form an independent Transaction Committee comprising myself and Shaun Smith as the Board Members with the most relevant and recent experience of takeover processes and that I should continue as Interim Chair. I am grateful to Shaun for his invaluable assistance managing the various offers received as well as for the support received from our professional advisors.

The detail of the various offers received by the Board and the rationale for its final recommendation is set out in my letter to shareholders as part of the Offer from Bidco 1125 Limited ("Bidco") dated 23 February 2026. At the date of this report, Bidco has been unable to acquire the level of shareholding in the company required to either squeeze out the minority (90%) or to de-list the company from the AIM market of the stock exchange (75%). As a result, we continue to operate the Board and manage the Group as a public company, in compliance with the QCA Code and in the interests of all of INSPECS stakeholders.

Operating performance

Despite all the distractions of the various unsolicited offers received for the Group and the requisite due diligence processes, the Group has performed robustly in a difficult consumer environment. While sales have been under continuing pressure, especially exports to the United States as a result of the additional tariffs, costs have been tightly controlled and the Group delivered full year results in line with the market guidance given in the final quarter of the year.

During the year the Board took the difficult but necessary decision to close its Norville lens factory in Gloucester. Given the increasing cost of doing business in the UK, it was no longer possible to see a realistic route to profitability for the business.

As a result of the ongoing macroeconomic headwinds, INSPECS saw a small decline in revenue which reduced by £1.6m (0.9%) largely as a result of the impact of US tariffs and changes in US government policy. Product mix and inflationary pressure saw gross profit margins reduced from 52.4% to 51.7% and as a result, despite material cost reduction measures, underlying EBITDA reduced by £1.8m with the Group's loss from continuing operations worsening by £1.3m.

More positively, our newly expanded Vietnam factory has continued to increase output during the year with revenue growing from £11.6m in 2024 to £12.8m. Sales in the first quarter of 2026 are significantly ahead of Q1 2025.

Outlook for 2026

Our vertically integrated business model continues to offer significant opportunities for operational efficiency. The integration of past acquisitions is now complete, delivering synergies that are contributing to both revenue protection and margin improvements. Furthermore, our investment in

sustainable production methods reinforces our leadership in ethical and environmentally responsible eyewear solutions.

The Group has had an encouraging start to 2026, particularly within the frames and optics division, with sales and order inflow to the European markets ahead of Q1 2025. Sales to the US market remain in line with Board expectations and the Group is on track to deliver its expected results for 2026.

The Board has risen to the challenges which 2025 presented and I would like to express my thanks to my fellow directors, to the members of the INSPECS senior management team and to all the Group's employees for their hard work, co-operative approach and professionalism which they have brought to bear in difficult circumstances.

As I write, the macro-geopolitical environment remains highly volatile, with energy prices elevated by historical standards and increasing inflation on the horizon, however, I am confident that with its experienced management and resilient business model, INSPECS is positioned to rise to these and any future challenges for the benefit of all of its stakeholders.

Sincerely,

Christopher Hancock
Interim Chair

12 May 2026

CHIEF EXECUTIVE'S REVIEW

2025 was a year of transition and consolidation for INSPECS Group plc. Against a backdrop of macroeconomic volatility, geopolitical uncertainty and continued pressure on consumer demand, the Group remained resilient, delivering stable revenues, solid operational performance and continued strategic progress.

During the year, we took decisive actions to simplify the Group, strengthen our operating platform and position the business for sustainable long-term value creation. While the external environment remained challenging, the underlying performance of our core businesses demonstrates the strength of our brands, customer relationships and vertically integrated model.

Group Performance Overview

Group revenue for the year was £191.7m, broadly in line with the prior year. On a constant currency basis, revenues were flat, reflecting disciplined execution across our global operations and continued momentum in key product categories. Eyewear unit volumes increased to 11.5 million, underscoring the ongoing relevance of our brand portfolio and the breadth of our customer relationships across both large retail groups and independent optical customers.

Underlying EBITDA of £17.7m reflects a resilient operational performance in a year impacted by softer volumes in certain markets, adverse currency fluctuations and a reduction in gross margin, which remained robust at 51.7%. The loss from continuing operations was £3.3m, with increased non-underlying costs incurred during the period. Importantly, the Group continued to generate an operating profit before non-underlying items of £5.7m, demonstrating the earnings capability of the core business.

Statutory results were affected by a number of non-recurring items associated with portfolio simplification, restructuring activity and discontinued operations. These actions were taken deliberately to simplify the Group and improve long-term capital allocation.

Strategic Progress and Simplification

Our strategy is focused on building a highly respected global eyewear business, underpinned by our six strategic pillars: Growth, Worldwide Distribution, Innovation, Global Network, Vertical Integration and Fit for the Future. These pillars guide how we allocate capital, deploy resources and position the Group for sustainable long-term value creation.

During the year, we made meaningful progress:

- **Growth:**
New product launches, including Tom Tailor eyewear, were well received during the year. Our design and innovation capability continued to be recognised through multiple industry awards, including Red Dot awards, supporting growth across multiple regions.
- **Worldwide Distribution:**
Our portfolio of proprietary and licensed brands remains central to our value proposition. We continued to expand the Group's global distribution footprint, including further expansion into South America, leveraging our multi-brand portfolio, OEM capability, operational flexibility and established international customer relationships.
- **Innovation:**
Smart eyewear represents a significant area of focus for the Group, with our innovation team advancing a growing pipeline of product concepts and collaborative developments. A smart sports eyewear frame, developed in collaboration with one of our licensors, is due for launch in 2026.
- **Global Network:**
We continued to deepen relationships with key global retail partners while maintaining strong support for independent opticians. Leveraging our global network, multi-brand offering and service capability enables us to serve customers across a wide range of markets and channels, supporting both scale and long-term growth.
- **Vertical Integration:**
We continued to invest in our global manufacturing platform, specifically in Vietnam, enhancing capacity, flexibility and cost competitiveness. These investments strengthen our vertically integrated model while improving supply-chain resilience and mitigating geopolitical, tariff and trade-related risks.

- **Fit for the Future:**

We remain committed to a lean and efficient group. In light of this, following a detailed strategic, financial and operational review, the Board took the decision to close the Norville lens manufacturing operation. This decision simplified the Group and allowed management focus and capital to be redirected towards our core Frames and Optics activities. The process was managed carefully, with due consideration given to employees, customers and suppliers, and supports a more resilient and sustainable operating model.

Divisional Performance

Frames and Optics

The Frames and Optics division delivered a resilient performance during the year, underpinned by stable revenues of £175.4m (2024: £176.0m) and effective cost control, resulting in a gross profit of £90.2m (2024: £90.1m) and an increase in Underlying EBITDA to £17.5m (2024: £16.6m).

The division continued to perform strongly in the European market, underpinned by its premium brand portfolio, well-established customer relationships and disciplined operational execution. The successful integration of two of our European entities strengthened scale and product breadth within core European markets, while delivering operational efficiencies. The European market remains highly cash-generative and a cornerstone of the Group's profitability and long-term value.

The division operated against a more challenging backdrop in the US, with cautious customer ordering, continued tariff uncertainty and foreign exchange movements impacting short-term performance. Despite these headwinds, we maintained strong relationships with major US retail partners and made good progress securing new and extended licensing arrangements. With an improving brand pipeline and operational initiatives underway, the division is well positioned to benefit as market conditions normalise.

Manufacturing

Whilst full year revenues remained stable within our Manufacturing division at £21.9m (2024: £22.2m), gross profit decreased to £9.2m (2024: £11.1m) and Underlying EBITDA decreased to £3.2m (2024: £5.9m). This reflected a combination of cost pressures and operational inefficiencies experienced in the first half. In particular, tariffs, disruption across global supply chains and an unfavourable sales mix put pressure on margins, while the division incurred additional labour and overhead costs associated with expanding headcount at the new Vietnam manufacturing facility, which was not yet operating at full utilisation.

Performance improved materially in the second half compared to the first half as these pressures eased. The successful ramp-up of our new manufacturing facility in Vietnam was a key driver of this improvement, helping to mitigate tariff impacts, restore operational efficiency and improve cost competitiveness. The business finished the year strongly, and the Vietnam site is now performing well operationally, providing greater resilience and a solid platform for future margin recovery and growth.

ESG and Responsible Business

Sustainability and responsible business practices remain embedded across the Group:

- Our 2023 emissions baseline was restated following independent assurance, improving the quality and robustness of ESG disclosures.
- Scope 1 and Scope 2 emissions intensity improved versus the baseline year, supported by site optimisation and the increased use of renewable energy certificates.
- We continued to invest in our people, enhancing compliance, training and governance frameworks while maintaining a strong focus on health, safety, diversity and engagement.
- Governance remains a key strength, with active Board oversight and continued alignment to recognised frameworks including the QCA Code, TCFD and SECR.

Outlook

While uncertainty remains in the external environment, INSPECS entered 2026 with a simpler structure, a clearer strategic focus and a more resilient operating platform.

Our priorities remain to:

- drive operational efficiency and margin improvement;
- accelerate growth in premium and performance eyewear;

- maintain tight working capital and cost discipline; and
- continue embedding ESG considerations into strategic and financial decision-making.

INSPECS is a global business with strong brands, deep customer relationships and experienced teams. I remain confident that, through disciplined execution and focused capital allocation, the Group is well positioned to deliver sustainable growth and long-term value for all stakeholders.

Richard Peck
Chief Executive Officer

12 May 2026

OUR BUSINESS MODEL

1 DESIGN

Our design teams around the world follow the latest trends in the market and gain inspiration from a variety of industries, including consumer fashion and beyond.

Our design teams are in the UK, USA, Germany, Portugal, Hong Kong and Sweden.

Drivers of success

- Talented designers
- Dedicated Innovations team
- Cutting edge 'low vision' products

2 MANUFACTURE

Our product development teams work with our in-house design teams before passing designs on to our production teams. The Group has manufacturing plants in Vietnam, China, Germany and Italy.

Drivers of success

- Enlarged manufacturing capabilities
- World class sourcing expertise to all price points

3 MARKET

Our marketing teams work in tandem with brand owners and brand managers to bring products to the market.

Drivers of success

- Blend of proprietary brands and licensed brands
- Collaboration with brand owners and alignment of marketing activities
- Participation in leading global eyewear trade shows

4 DISTRIBUTE

Through our network of 75,000 optical and retail outlets across 80 countries our products are sold across all channels globally, including well-known high street retailers, independent opticians, online retailers and duty free.

Drivers of success

- Strong key account customer base
- Strong independent customer base
- Focus on new business development

Our strategy

Our model is based on six strategic pillars aiming to deliver sustained and balanced growth for the benefit of all stakeholders

01 VERTICAL INTEGRATION

02 WORLDWIDE DISTRIBUTION

03 INNOVATION

04 GROWTH

05 GLOBAL NETWORK

06 FIT FOR THE FUTURE

01 VERTICAL INTEGRATION

Maximise our Group synergies, resources and expertise

- Our Group Procurement team aims to source the best products at the best price, with a high proportion of purchases being made from our own manufacturing facilities. This approach contributed to strong cost control within the frame division despite ongoing inflationary and geopolitical pressures, and last year represented the highest level of intercompany sales to date.
- Production has been ramping up in our Vietnam factory where we continue to invest in our facility and its people to enhancing flexibility, capacity and cost competitiveness.

02 WORLDWIDE DISTRIBUTION

Use of our worldwide distribution platform to increase global reach

Key brands, both proprietary and licensed, are now being distributed across our full international network, with recent expansion into South America and a strong focus on delivering the right brands for the right markets, particularly within the mass-appeal and mid-market segments.

- The Group is focused on building scalable routes to market in the world's largest economies, supporting growth through brand partnerships, OEM capability and regional market entry.

03 INNOVATION

Innovation at the forefront of our approach

Our commitment to cutting edge innovation sits at the heart of the business, whether it is patentable fit or digital and AI generated optical solutions

- Major global retailers and manufacturers engaged with our teams on innovative and market leading eyewear development.
- Following the successful launch of our Optaro digital low vision aid in 2024 we released the XL version, suitable for IPADs, in 2025.
- Exploring a number of smart eyewear products and collaborations, with our first smart sports eyewear frame due to launch in 2026, in collaboration with one of our licensors.
- The Group is leveraging AI-enabled tools throughout the product and marketing lifecycle, from design-to-sample to campaign execution, improving speed, efficiency and the ability to deliver more targeted and personalised marketing.

04 GROWTH

Our flexible approach and unrivalled capabilities provide the bedrock to our ambitions to grow

- Construction of the Group's new Vietnam manufacturing facility was completed in 2024, increasing annual capacity from 7 million to 12 million frames. Production has ramped up strongly through 2025, with factory performance improving steadily and a meaningful increase in customer orders over the past nine months, reflecting growing confidence in our quality, capacity and delivery capabilities.
- Alongside this, the Group continues to work in closer partnership with key customers, adopting more flexible and collaborative ways of working that enable them to do more within our platform. A continued focus on product development, design and personalisation supports tailored solutions for specific market needs, with three active growth opportunities currently being progressed with strategic partners, expected to contribute to future growth across priority segments and geographies.

05 GLOBAL NETWORK

Strategic acquisitions

- We are well placed to serve global communities and will look develop new partnerships in new geographies and markets that make strategic sense and deliver scale
- As part of the Group's long-term acquisition and integration strategy, the operations of BoDe were successfully integrated into Eschenbach, and Ego into INSPECS during 2025. These planned amalgamations were designed to simplify the operating model, strengthen scale benefits and are expected to deliver ongoing cost efficiencies and operational leverage.
- The North America businesses, which were amalgamated during 2024 in line with this strategy, completed their first full year of integrated operations in 2025, providing a more streamlined platform to support growth, customer service and improved operational performance across the region.

06 FIT FOR THE FUTURE

High-performing, on-trend, innovative products with a responsible future

- We respect people and planet and strive to create a business that is responsible but constantly striving for excellence at every point
- Two Red Dot Design Awards were won in 2025 for eyewear models from the Group's TITANFLEX and MINI ranges, reflecting the strength of our design capability and continued innovation across categories. TITANFLEX, one of the Group's key global brands, delivered a strong performance during the year, supported by the introduction of new designs, advances in optical performance and the application of innovative frame technologies that enhance comfort, durability and flexibility for consumers.

KEY PERFORMANCE INDICATORS

Our business focuses on nine key performance indicators that are used by the Board and senior management to review future outcomes and the successful delivery of the Group's overall strategy.

Revenue £191.7m

-1%

2024 £193.3m

2023 £199.1m

Gross Profit Margin 51.7%

-70 Basis points

2024 52.4%

2023 51.0%

Eyewear Units Sold 11.5m

+1%

2024 11.4m

2023 11.0m

Net Debt (Excluding Lease Liabilities) £32.3m

+41%

2024 £22.9m

2023 £24.2m

Underlying EBITDA* £17.7m

-9%

2024 £19.5m

2023 £19.5m

Diluted Underlying EPS* 6.87p

+16%

2024 5.90p

2023 7.21p

Operating Profit before non-underlying items* £5.7m

-3%

2024 £5.9m

2023 £4.9m

Underlying EBITDA Margin* 9.2%

-90 Basis points

2024 10.1%

2023 9.8%

Cash Flows from Operating Activities £8.6m

-46%

2024 £15.8m

2023 £14.5m

The results for the years ended 31 December 2024 and 31 December 2023 have been re-presented to reflect the classification of Norville as a discontinued operation .

*Please refer to pages 106 and 107 for our definition of alternative performance measures.

TARGETS

In addition to the KPIs detailed on the previous page, INSPECS previously set the below 2025 – 2027 targets in its 2024 Annual Report and Accounts. These targets assist us in delivering our aim and mission, detailed on page 2 and are supported by our strategy, on page 11.

01 Revenue Growth:

Annual CAGR Organic Revenue Growth 40% above the market rate*

Progress:

Whilst the Group has not achieved this key metric in 2025 the Group continues to work towards achieving this growth rate on an annual basis.

Drivers of growth:

- Expansion in premium and performance eyewear segments.
- Increased penetration in key markets and e-commerce growth.
- Product innovation and brand differentiation.

02 Operational Strength:

Achieve double digit Underlying EBITDA %

Progress:

On target to achieve by 2027 as further operational efficiencies are on target to drive underlying EBITDA % to double digits.

Key contributors:

- Improved gross margins through strategic sourcing and supply chain efficiencies.
- Increased automation and AI-driven analytics for inventory and demand forecasting.
- Greater direct-to-consumer (DTC) sales and omnichannel retail strategies.

03 Sustainable Leverage:

Net Debt to be 40%-75% of Underlying EBITDA

Progress:

On target to achieve by 2027 despite increase in net debt in 2025.

Capital allocation priorities:

- Strategic investments in innovation and expansion.
- Prudent leverage management to maintain a healthy debt profile.
- Returning value to shareholders through dividends and share buybacks where feasible.

* Market Benchmark: Based on Statista Eyewear: Market Data & Analysis, covering Sunglasses and Eyewear Frames revenue projections.

CHIEF FINANCIAL OFFICER'S REVIEW

Group sales for the year of £191.7m represent a decrease of 0.8% on the previous year's sales of £193.3m. On a constant currency basis* our sales of £193.4m were flat on the previous year's sales of £193.3m.

The Group's Operating Profit before non-underlying items decreased from £5.9m to £5.7m. The Group's Underlying EBITDA decreased by 9.4% from £19.5m in 2024 to £17.7m.

Reported loss before tax of £0.2m (FY24: Profit before tax £1.6m) is after incurring non-underlying costs (net) £2.9m (FY24: £0.6m) and net finance costs of £3.0m (FY24: £3.8m).

2024 results have been re-presented to reflect the treatment of the Group's lens manufacturing business in the UK (Norville) as a discontinued operation. The discontinued operation made a loss for the year of £6.3m (2024: £2.6m loss), which includes a £3.0m (£2024: nil) loss on remeasurement of assets held for sale.

* Constant currency: figures at constant exchange rates have been calculated using the average exchange rates in effect for the corresponding period in the relevant comparative year.

	2025	2024
	£'000	(Re-presented) £'000
REVENUE	191,701	193,345
Gross profit	99,176	101,382
Underlying operating expenses	(81,501)	(81,877)
UNDERLYING EBITDA	17,675	19,505
Share-based payment expense	(185)	(371)
Depreciation and amortisation	(11,805)	(12,250)
Earnout on acquisitions	–	(981)
OPERATING PROFIT BEFORE NON-UNDERLYING ITEMS	5,685	5,903
Reconciliation to reported results		
OPERATING PROFIT BEFORE NON-UNDERLYING ITEMS	5,685	5,903
Non-underlying costs (net)	(2,944)	(608)
Exchange adjustments on borrowings	41	97
Share of loss of associate and joint venture	(17)	(29)
Net finance costs	(3,006)	(3,796)
(Loss)/Profit BEFORE TAX	(241)	1,567
Tax charge	(3,049)	(3,585)
LOSS FOR THE YEAR – CONTINUING OPERATIONS	(3,290)	(2,018)

Gross profit margin

The Group's gross profit margin for 2025 was 51.7% compared to 52.4% in 2024, a decrease of 70 basis points largely due to inflationary pressures and the impacts of US tariffs. The Group's procurement team continues to focus on supply chain efficiencies.

Underlying EBITDA

The Group considers Underlying EBITDA as one of its key operating performance indicators. Underlying EBITDA decreased by £1.8m, from £19.5m to £17.7m, a decrease of 9%. Underlying EBITDA margin decreased from 10.1% to 9.2%. Underlying EBITDA performance reflects the decrease in sales together with a reduction in gross profit margin.

Operating expenses

Operating expenses decreased from £95.5m to £93.5m in 2025 despite cost inflation on wages, salaries and operating costs. The Group will continue to seek further operational cost savings in 2026.

	Year ended 31 December		Year ended 31 December	
	2025 £'000	Percentage of revenue	2024 £'000	Percentage of revenue
Revenue	191,701	–	193,345	–
Gross profit	99,176	52%	101,382	52%
Distribution	5,239	3%	5,388	3%
Employee expenses	51,227	27%	50,860	26%
Administrative expenses, excluding employee expenses	37,025	19%	39,231	20%
TOTAL OPERATING EXPENSES	93,491		95,479	

(Loss)/Profit before tax

In 2025, the Group made a statutory loss before tax of £0.2m (FY24: profit £1.6m).

	2025 £m	2024 £m
Underlying EBITDA	17.7	19.5
Non-cash adjustments		
1. Depreciation and amortisation	(11.8)	(12.3)
2. Exchange adjustments on borrowings	–	0.1
3. Share-based payment expense	(0.2)	(0.4)
4. Earnout on acquisitions	–	(1.0)
Sub-total	5.7	6.0
Non-underlying costs (net)	(2.9)	(0.6)
Net finance costs	(3.0)	(3.8)
(LOSS)/PROFIT BEFORE TAX	(0.2)	1.6

Total comprehensive loss for the year

The Group made a total comprehensive loss for the year of £13.5m (2024: £6.0m). This is after recognising a loss on exchange differences on translation of foreign operations of £4.0m (2024: £1.4m). The loss on exchange differences on translation of foreign operations is primarily driven by the translation of subsidiaries with a USD functional currency into the Group's sterling presentation currency.

Key items impacting the current year's results are as follows:

Depreciation and amortisation

The Group's depreciation and amortisation charge is set out below. Amortisation costs principally arise from the capitalisation of customer relationships on acquisitions.

	31 December 2025 £m	31 December 2024 £m
Depreciation	5.6	5.5
Amortisation	6.2	6.8
Total	11.8	12.3

Exchange adjustments on borrowings

The exchange adjustment on borrowings primarily relates to intragroup loans, where the functional currency of the entities differs from the loan currency. This exchange adjustment also relates to the revolving credit facility and term loan held in Euros.

Share-based payment expense

The Group has an LTIP scheme in place that vests over a period of three years from the date of the grant of the option at market value, and is subject to the continued employment of the individual over that period. The Group has recognised a non-cash charge of £0.2m in 2025 (FY24: £0.4m). The scheme is designed to give the equivalent of one year's salary to an individual over that three-year period. Details of all options granted are shown in note 32 to the accounts. Following the change of control (see note 38), the options in place as at 31 December 2025 have lapsed since the period end.

Earnout on acquisitions

The acquisitions of EGO Eyewear and BoDe Designs in December 2021 both contained amounts due for contingent consideration, based on the performance of those businesses. In 2025, the amount of contingent consideration recognised under the agreements amounted to £nil (FY24: £1.0m) and has been charged to the profit and loss account in accordance with IFRS 3. There are no further earnouts due on historic acquisitions.

Net finance costs

Total net finance costs of £3.0m (FY24: £3.8m) reduced as a result of lower interest rates payable on the new term loan and multicurrency revolving credit facility entered into in December 2024.

The amortisation of loan transaction costs relates to the refinancing charges that are amortised over the period of the financing facilities available to the Group.

	2025 £m	2024 £m
Bank loan interest	2.4	3.1
Invoice discounting	0.2	0.3
IFRS 16 lease interest	0.3	0.4
Interest receivable	(0.1)	(0.2)
Net finance costs	2.8	3.6
Amortisation of loan transaction costs	0.2	0.2
Total net finance costs	3.0	3.8

Non-underlying costs (net)

The Group incurred £2.9m of non-underlying costs (net) in 2025 (2024: £0.6m).

	2025 £'000	2024 £'000
Impairment charge	1,455	–
Offer related costs	1,102	–
Requisition general meeting	212	–
Restructuring	206	282
Board recruitment costs	197	–
Audit tender	77	–
Acquisition costs	–	24
Withholding tax provision (income)/charge	(305)	302
	2,944	608

The impairment charge of £1.5m (2024: £nil) principally represents the write down of customer relationships following the amalgamation of our German eyewear businesses and the integration of Ego Eyewear Limited into INSPECS Limited. It also includes an impairment charge of £0.4m on a customer relationship held by our Asian manufacturing business (refer to note 14 for further information).

Cash flows

During the year, the Group accelerated payments to its key supplier in Asia to help mitigate the effects of rapidly changing tariffs during the second half of 2025. The effect of this is that the Group had only a £0.1m inflow of cash from operating activities as opposed to £7.2m in 2024.

An analysis of how the Group has deployed its free cash flow in the year is set out below:

	31 December 2025 £'000	31 December 2024 £'000
Cash and cash equivalents at the beginning of year	23,960	20,070
Net cash from operating activities	93	7,120
Net cash used in investing activities	(2,653)	(2,518)
Net cash used in financing activities	(4,851)	(426)
(Decrease)/Increase in cash and cash equivalents	(7,411)	4,176
Foreign exchange rate loss	(563)	(286)
Cash and cash equivalents including overdrafts at the year end	15,986	23,960
THE BREAKDOWN OF NET CASH USED IN INVESTING ACTIVITIES IS		
Purchase of intangible fixed assets from continuing operations	(934)	(961)
Purchase of property, plant and equipment from continuing operations	(1,417)	(1,623)
Cash paid in relation to deferred consideration	(700)	(700)
Acquisition of subsidiaries, including overdraft acquired	–	(124)
Interest received	139	201
Cash inflows from discontinued operations	259	689
Net cash used in investing activities	(2,653)	(2,518)

Working capital

The Group closely monitors its working capital position to ensure that it has sufficient resources to meet its day-to-day requirements and to fund further investment to meet customer demand.

Receivables by due date

The Group closely monitors its receivable due days to ensure that amounts overdue more than 30 days are kept to a minimum balance.

	Year ended 31 December 2025				Year ended 31 December 2024			
	Total	Current	<30 days overdue	>30 days overdue	Total	Current	<30 days overdue	>30 days overdue
Receivables (£m)	27.2	16.7	6.4	4.1	26.9	17.6	4.3	5.0
Percentage	100	61	24	15	100	65	16	19

Prior year adjustments

During the year, six prior period errors were identified and corrected, relating to the measurement of a right of return provision, inventory in transit, revenue cut off and the translation of goodwill arising on foreign acquisitions. These adjustments have been accounted for in accordance with IAS 8 through the restatement of comparative information and opening equity where applicable. These adjustments do not have an effect on the 2024 consolidated income statement.

Please refer to note 36 in the financial statements for further details.

Inventory

Our sales to inventory ratio decreased from 4.2 to 4.1 as a result of slightly decreased sales during the year. The Group constantly monitors its working capital position, with a view to increase the sales to inventory ratio where possible.

	Year ended 31 December 2025 £m	Year ended 31 December 2024 (Restated) £m
Turnover	191.7	193.3
Inventory	47.2	45.9
Sales to inventory ratio	4.1	4.2

Current asset ratio

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

	Year ended 31 December 2025 £m	Year ended 31 December 2024 (Restated) £m
Current assets	101.6	108.5
Current liabilities	76.7	86.2
Ratio	1.3	1.3

Quick ratio

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

	Year ended 31 December 2025 £m	Year ended 31 December 2024 (Restated) £m
Current assets	101.6	108.5
Less inventory	47.2	45.9
	54.4	62.6
Current liabilities	76.7	86.2
Ratio	0.7	0.7

Net debt

The Group's closing net debt, including and excluding lease liabilities, is shown below. During the year the Group's net debt excluding leases increased from £22.9m to £32.3m.

	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
Cash at bank	16.0	24.0
Bank loans & invoice discounting	(48.3)	(46.9)
Lease liabilities	(11.5)	(15.6)
Net debt	(43.8)	(38.5)
Net debt (excluding lease liabilities)	(32.3)	(22.9)

Financing

The loan facilities, maturing in December 2027, have a leverage ceiling of 2.25x, debt service cover of 1.05x and an interest cover of 3.0x. The Group finances its operations through the following facilities.

	Amount £m	Matures	Drawn at 31 December 2025 £m
Group revolving credit facility	31.4	December 2027	31.4
Term loans	8.5	December 2027	8.5
Revolving credit facility USA	7.4	1-year rolling	6.8
Invoice discounting	1.7	1-year rolling	1.6
Total	49.0		48.3

Leverage (using debt to equity ratio)

The Group's leverage positions, calculated in the context of its banking covenants, are shown below:

	2025	2024
Excluding operating lease liabilities	2.22	1.52
Required ratio	2.25	2.25

The Group's leverage is constantly updated, and a rolling projection for 12 months is reviewed to ensure compliance with the Group's covenants. The Group's leverage has improved in Q1 2026.

A breach in the cashflow cover covenant occurred at the quarter ended 31 March 2025 which was caused by accelerated payments to suppliers. The breach was formally waived by HSBC on 9 April 2025 and controls have been strengthened to reduce the likelihood of a similar breach recurring.

(Loss)/earnings per share

Year ended 31 December 2025	Basic weighted average number of Ordinary Shares ('000)	Total (loss)/ earnings £'000	(Loss)/ earnings per share (pence)
Basic loss per share	101,672	(9,558)	(9.40)
Diluted loss per share	101,672	(9,558)	(9.40)
Basic loss per share from continuing operations	101,672	(3,290)	(3.24)
Diluted loss per share from continuing operations	101,672	(3,290)	(3.24)
Basic underlying earnings per share	101,672	7,400	7.28
Diluted underlying earnings per share	107,749	7,400	6.87

Dividend

The Group does not intend to pay a dividend for the year ended 31 December 2025.

Going concern

The Directors have undertaken a comprehensive assessment of the Group's ability to trade out to at least 30 June 2027. Details of this are given in the Directors' Report on page 70. Taking this into consideration, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue to trade throughout the review period. Therefore, the Directors continue to adopt the going concern basis in preparing the consolidated and Parent Company financial statements.

Chris Kay

Chief Financial Officer

12 May 2026

Our Brands

GLOBAL FOOTPRINT

Our brand portfolio includes a balanced mix of proprietary and licensed brands.

Proprietary

We target specific market segments with our proprietary brand offer. We elevate Group-owned patents and manufacturing techniques by building a brand around them and successfully taking them to market.

Licensed

Consumer brands are selected with potential to grow market share in a geographical region or for broader global distributions. We are specialists in working with brand owners in partnership, to help deliver growth for both parties.

Top 10 by sales value

BRAND	North America	South America	United Kingdom	Europe	Africa	Asia	Australia
Titanflex	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ted Baker	Yes						
Humphreys	Yes	Yes		Yes	Yes	Yes	Yes
Marc O'Polo		Yes	Yes	Yes	Yes	Yes	Yes
L.A.M.B.	Yes	Yes					
Superdry	Yes	Yes	Yes	Yes	Yes	Yes	Yes
O'Neill	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Brendel	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Tura	Yes		Yes				
Lulu Guinness	Yes		Yes				

SECTION 172 STATEMENT

The Directors believe they have acted at all times to promote the success of the Group for the benefit of its members as a whole. In doing so, the Board has considered the interests of a range of stakeholders impacted by the business, as well as having regard for the matters set out in s.172(1) of the Companies Act 2006. In line with the Section 172 statement the Board considers the long-term effects of key decisions on all of our stakeholders.

The Board recognises that effective engagement with a broad range of our stakeholders is essential for the long-term success of the business. The Board regularly considers the likely consequences of our strategy and long-term decision making, taking into account our suppliers, investors, communities, employees, customers and the environment in which we operate.

The Board engages with all areas of the business to gather data that is relevant to the decisions being made. The Board has actively engaged in ensuring the Group takes into account climate change and the effect our operations have on the community and environment.

Stakeholders considered

Our Employees

Overview

The Board recognises that it is our people who ensure we fulfil our potential and execute our strategy. Over the course of 2025, the Board received updates on topics of employee interest from the Group's CEO, CFO and ESG Compliance and Risk Officer. Board members engage with employees across the Group and welcome open discussions.

What is important to them and how we engage

Training and career prospects:

The Board ensures our employees have open and transparent communication lines to influence change in relation to matters that affect them. Certain senior employees of the Group have been granted options over shares in INSPECS Group plc under the LTIP scheme to maximise retention and attract talent. The Group actively encourages all employees to have access to further training to enhance their skills and develop their careers.

Health and safety:

Individual entities review health and safety monthly and report findings to the Group ESG Compliance and Risk Officer. These findings are reviewed at each Board meeting and form part of the standing agenda.

Diversity and fair pay:

The Group has high standards in relation to diversity and fair pay for all employees regardless of protected characteristics.

2025 considerations

The Board engaged a leading executive search firm in its search for a new non-executive Chair and CFO. The firm undertook candidate evaluation and independent benchmarking against agreed leadership and governance criteria, enabling the Board to consider a diverse and high-quality pipeline of candidates. This approach was to ensure the highest quality leadership could be considered, supporting effective governance and the long-term interests of the employees.

Following the Board decision to close Norville (20/20) the Board carefully considered the impact on employees and sought to ensure that those affected were treated fairly and supported through a difficult transition. The wind-down process, supported by an independent third party, was overseen by the Board to ensure clear communication, appropriate planning and the ability to meet all statutory and contractual obligations, including redundancy payments. In doing so, the Board aimed to balance the interests of employees with its responsibility to secure the long-term sustainability of the Group and promote its success for the benefit of all stakeholders.

During the year the Group rolled out its new compliance training platform across a number of subsidiaries to promote consistent learning standards on a number of areas such as whistleblowing, data protection and diversity, equity & inclusion across the Group.

Our Investors

Overview

The Chair and members of the Board make themselves available to meet with investors and seek to understand and prioritise the issues that matter most. These include operational and financial performance, liquidity and dividend policies, risk management and ESG matters.

What is important to them and how we engage

Demonstrate a clear investment case and strategy for continued sustained growth:

The Group communicates through RNS releases, publication of the interim and annual accounts, and the website. The directors also engage directly with shareholders as part of their investor relation programme throughout the year and as part of the Annual General Meeting where shareholders have the opportunity to ask questions relating to the Group.

Ensure good risk management and corporate governance:

All Directors and senior executives have a shared governance and risk understanding. Our Audit and Risk Committee is in place with continual Board involvement in governance of key elements.

Communicate KPIs:

Regular communication is provided to the market via RNS, maintaining a relevant information flow to all stakeholders.

Continue to promote ethical behaviour in all business matters:

We are committed to working with our suppliers, business partners and key stakeholders to ensure their business is ethical and responsible. Honesty and transparency are integral to our business operation.

2025 considerations

During the year the Directors met with a number of key shareholders in order to understand their opinions on Board succession, potential transactions and general business sentiment.

Votes from shareholders at the AGM represented 73% of the share capital.

The Board regularly consulted with the Group's NOMAD and advisers to stay informed about market trends and sentiment.

Our Customers

Overview

The Board recognises that strong relations with customers are key for the success of the business with their feedback allowing us to better understand their needs and optimize product design. The Board regularly receives operational updates, including customer metrics and feedback, from each of the businesses.

What is important to them and how we engage

Continue to create new well-designed products:

The Group's design hubs are in the UK, USA, Germany, Portugal, Hong Kong and Sweden. They regularly engage directly with customers to create new and exciting ranges.

Deliver to our customers on time:

Our communication with our customers and suppliers is key, especially while we navigate through turbulent political and economic unrest.

Engage in customer feedback to ensure continual improvement of our supply chain:

The Group reviews its six-monthly or annual feedback reports from our global accounts and utilises these to help in constantly improving our performance.

Develop more sustainable products and packaging for our customer base:

We continue to develop sustainable eyewear ranges and packaging.

2025 considerations

The Group has built upon its success in previous years, winning two Red Dot product design awards for our eyewear models from our MINI and TITANFLEX eyewear collections.

The Group has successfully launched its new Tom Tailor eyewear collection to its customers which mixes classic designs with contemporary trends.

Our Communities

Overview

The Group operates globally and we work in a responsible way, ensuring consideration to those around us and continuing to minimise our effect on the environment. The Board monitors the Group's engagement with its communities through its Environmental, Social and Governance Committee.

What is important to them and how we engage

Ethical and responsibly managed business:

The Board ensures ethical and responsible management is implemented from the top through its ESG Committee and the Audit and Risk Committee.

Generation of employment opportunities:

The Group's expansion brings about employment and career opportunities for individuals in many local communities.

Protection of the local environment:

We continue to focus on environmental protection as we aim to reduce our emissions and our local environmental impact.

Community involvement:

The Group encourages our local businesses to explore opportunities to work directly with voluntary programmes in order to contribute back to the communities they are a part of.

2025 considerations

In our German and US subsidiaries we have supported local foodbanks through both donations and logistical support. In our UK subsidiary we have supported Sight Support Southwest who aim to remove barriers and address inequalities for people living with sight loss.

The ESG Committee has made good progress on its environmental strategies through Planet, Product, Packaging and Procurement further detailed on pages 28 to 33.

Our Suppliers

Overview

The Board understands that treating suppliers fairly and having strong relations with them allows us to improve our product standards whilst mitigating risks. The Group ensures it is partnering with ethical suppliers who take appropriate health and safety measures.

What is important to them and how we engage

Fair trading and payment terms:

The Group ensures that all suppliers are paid and treated equally.

Collaboration and long-term partnerships:

We engage with our key suppliers for the long term and aim to create a partnership of supply. We collaborate with our licensed brands to design products which meet the visions of both the brand owner and INSPECS.

Supplier engagement checks:

We monitor key suppliers to ensure compliance with modern slavery laws.

Collaborative innovation:

Our Innovations team works collaboratively with a number of key suppliers to innovate and develop new products for both new and existing markets.

2025 considerations

The Group's procurement department, which became operational during 2024, continued to hold meetings with key suppliers to strengthen relations and improve supply chain efficiency.

The Group rolled out modern slavery and ethical supply chain training across its subsidiaries to support effective risk identification and prevention, along with promoting responsible decision making within procurement and operations teams.

Other Stakeholders

Overview

The Group operates in many jurisdictions throughout the world and at all times complies with regulation and legal requirements, engaging with both governmental, tax, and planning authorities.

In accordance with Section 172 of the Companies Act 2006 the items listed demonstrate how the Board has fulfilled its duties.

This provides a summary of the key stakeholders of the Group whom the Board considered and engaged with. Further information that demonstrates how the Directors have fulfilled their duties is shown within the Strategic Report and Directors' Report. Any new member to the Board, as part of their induction, will receive training on the Section 172 statement and the Group's risk framework along with all other aspects of the business.

The Board of INSPECS believes that it has acted and made decisions in a way considered most likely to promote the success of the Group for the benefits of its members by following the key priorities:

Key priorities for stakeholders:

- Clear strategy and reporting of performance against plan.
- Strong governance and controls to mitigate risk.
- Positive impact and responsible behaviour in the communities where we operate whilst minimising environmental impacts.
- Responsible employer, including pay and benefits, health and safety and the workplace environment.
- Consider the environment across the business, minimise pollution and waste and provide sustainable solutions.

Key considerations:

- The likely long-term consequences of any decision.
- The interests of the Group's employees.
- The need to foster the Group's business relationships with suppliers, customers and others.
- The impact of the Group's operations on the community and the environment.
- The Group's desire to maintain a reputation for business conduct of the highest standard.
- The need to act fairly between members of the Group.

Key board decisions

01 Norville Closure

Following a detailed strategic and financial review the Board decided during the year to close Norville (20/20) Limited. The Board approved the use of an independent third party to complete a structured wind-down designed to manage the process responsibly. In reaching this decision, the Board considered the long-term consequences for the Group, including the sustainability of the business, capital allocation priorities, the impact on overall profitability, cash generation and upon the company's employees.

Considerations

During this process, the Board considered the interests of customers, suppliers, employees and shareholders, with a structured wind-down ensuring that all open customer orders were fulfilled. In addition, supplier payments were made and the long-term financial position of the Group was strengthened, with employees being given due notice and all redundancy obligations being met.

02 Transaction advice

During the year, the Board, acting through its Transaction Committee, considered a number of unsolicited offers for the Company. The Committee, having procured appropriate professional advice, evaluated each proposal in the context of the Company's long-term strategy and prospects and provided recommendations to the Board and the Group's shareholders where appropriate.

Considerations

In evaluating the approaches, the Board considered whether the indicative proposals appropriately reflected the Group's long-term prospects and the value expected to be generated through execution of its strategy. The Board also considered the interests of shareholders as a whole, balancing the potential for short-term value realisation against the risk of foregone long-term returns. In addition, the likely implications for employees, including continuity of employment, retention of key talent and the Company's culture, were considered.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

2025 was a year of continued progress as we focused on strengthening the foundations that support a responsible, inclusive and sustainable business. Our approach to ESG remains centred on delivering long-term value for the communities in which we operate, alongside a thoughtful approach to our environmental impact.

Environmental

During the year, we engaged a limited assurance evaluation of the 2023 emissions data, primarily focused on assessing data quality, methodologies and controls. The engagement was conducted in accordance with ISAE 3000 (Revised) and ISAE 3410, using the WRI/WBCSD Greenhouse Gas Protocol (Corporate Standard) and ISO 14064-3 as the assurance criteria. The scope covered INSPECS Group Plc's global GHG emissions for the period 1 January 2023 to 31 December 2023 and was limited to Scope 1, Scope 2 (location-based and market-based), and selected Scope 3 categories (Categories 1, 3, 6 and 8). LRQA issued an unqualified limited assurance conclusion, stating that nothing had come to its attention. This work has supported improvements in the robustness and consistency of environmental data collection and has informed a slight review of our base year.

GHG Emissions Baseline Restatement

Following the assurance engagement, we have restated our 2023 greenhouse gas emissions baseline. The revisions reflect LRQA recommendations to enhance data quality and to address minor inaccuracies identified during the review of methodologies, controls and underlying data.

The revised 2023 carbon footprint is therefore included in this annual report and will be used as the reference baseline for future reporting. This updated baseline will be applied consistently across all internal and external disclosures going forward.

2023 Global GHG Emissions Data	Unit	Revised Baseline	Previous Baseline
Scope 1	tCO ₂ e	1,294	1,470
Scope 2 (Location-based)	tCO ₂ e	2,961	2,939
Scope 2 (Market-based)	tCO ₂ e	2,959	2,562
Scope 3*	tCO ₂ e	1,059	992
Total GHG emissions – location based	tCO ₂ e	5,313	5,401
Total GHG emissions – market based	tCO ₂ e	5,312	5,024

* Based on a materiality assessment, the Scope 3 categories considered material for the Group are business travel (Category 6), water supply and treatment (Category 1), fuel- and energy-related activities not included in Scope 1 or 2 (Category 3) and upstream leased assets (Category 8).

2023 Emission Intensity Ratio: Scope 1 and Scope 2 (location-based)	Revised Baseline	Previous Baseline
Emissions per £1m turnover (tCO ₂ e)	23.59	21.69
Emissions per full time equivalent employees (tCO ₂ e)	2.87	2.64

2023 Emission Intensity Ratio: Scope 1 and Scope 2 (market-based)	Revised Baseline	Previous Baseline
Emissions per £1m turnover (tCO ₂ e)	20.92	19.38
Emissions per full time equivalent employees (tCO ₂ e)	2.54	2.41

2025 Energy Use and Greenhouse Gas Emissions

This section presents the Group's energy use and greenhouse gas (GHG) emissions for the reporting year, prepared in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements and relevant reporting standards.

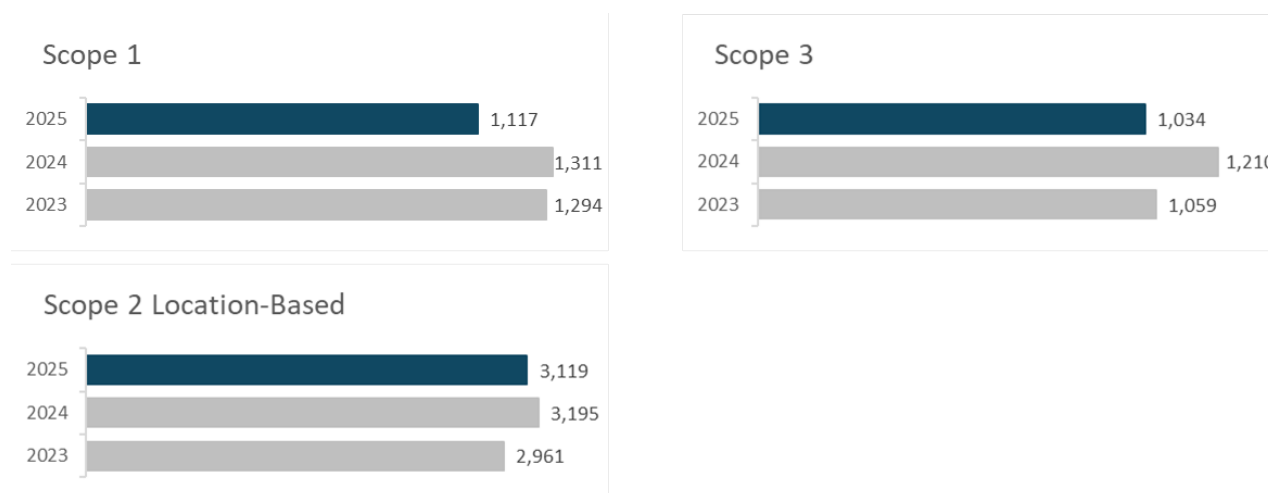
Streamlined Energy and Carbon Reporting (SECR) Greenhouse Gas emissions (tCO₂e) and Consumption (kWh) Totals:

Global GHG Emissions Data	Unit	2025	2024	2023 (Baseline)
Scope 1				
Combustion of fuel (stationary and mobile), process emissions and refrigerants	tCO ₂ e	1,117	1,311	1,294
Scope 2*				
Electricity purchased and heat and steam generated for own use:				
Location based	tCO ₂ e	3,119	3,195	2,961
Market based	tCO ₂ e	1,713	1,625	2,959
Scope 3**				
Business travel, water supply and treatment, transmission and distribution losses from purchased electricity, upstream leased assets	tCO ₂ e	1,034	1,210	1,059
Total GHG emissions – location based	tCO ₂ e	5,270	5,716	5,313
Total GHG emissions – market based	tCO ₂ e	3,864	4,146	5,312

*The location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid average emission factor data). The market-based method reflects emissions from electricity that companies have purposefully chosen, using source or supplier-specific emission factor where available.

** Based on a materiality assessment, the Scope 3 categories considered material for the Group are business travel (Category 6), water supply and treatment (Category 1), fuel- and energy-related activities not included in Scope 1 or 2 (Category 3) and upstream leased assets (Category 8).

Scope 1, 2 and 3 emissions (tCO₂e) This reporting period vs previous reporting period and vs baseline year:



SECR: Global Total Energy Consumption (kWh)

Utility and scope	2025 Consumption (kWh)	2024 Consumption (kWh)	2023 (Baseline) Consumption (kWh)
Gaseous and other fuels (Scope 1)*	995,955	1,116,256	1,050,521
Fleet transportation (Scope 1)**	4,222,464	4,409,585	4,940,603
Grid-supplied electricity (Scope 2)	6,288,368	6,137,583	5,737,776
Business transportation (Scope 3)**	650,719	998,062	361,647
Leased assets (Scope 3)***	1,388,394	1,357,541	1,590,226
Total	13,545,900	14,019,027	13,680,773

* Excludes refrigerants as the data cannot be converted to kWh.

** Excludes non-car business travel as the data cannot be converted to kWh.

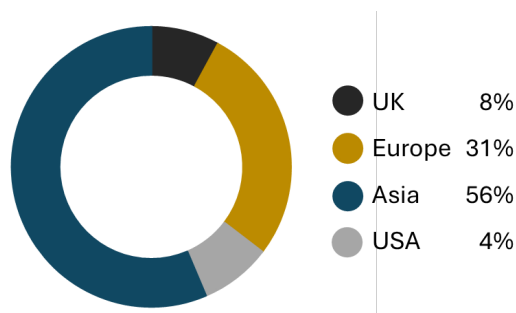
***Excludes water as the data cannot be converted to kWh.

Emission Intensity Ratio: Analysis of Scope 1 and Scope 2 Emissions (2025 vs 2023)

Scope 1 and Scope 2 (location-based)	2025	2024	2023 (Baseline)	% change from baseline
Emissions per £1m turnover (tCO ₂ e)	22.07	26.02	23.59	-6.4
Emissions per full time equivalent employees (tCO ₂ e)	2.48	3.12	2.87	-13.6

Scope 1 and Scope 2 (market-based)	2025	2024	2023 (baseline)	% change from baseline
Emissions per £1m turnover (tCO ₂ e)	14.75	14.81	20.92	-29.5
Emissions per full time equivalent employees (tCO ₂ e)	1.66	1.78	2.54	-34.6

GHG Emissions by region (tCO₂e)



Methodology

We have calculated our 2025 carbon footprint in line with the fundamental principles of the GHG Protocol, the internationally recognised standard for corporate GHG reporting. A bottom-up, consumption- and activity-based approach was applied to calculate emissions across all global operations. Direct emissions were calculated using actual consumption data obtained from smart meters, accurate meter readings and invoicing. Where primary data was unavailable, electricity and water consumption were estimated using kWh or cubic-metre intensity factors per full-time employee.

The emissions stated in the tables above are for our global operations. In compliance with SECR reporting, we also state our UK and offshore GHG location-based emissions and UK energy consumption. In 2025, our UK GHG emissions was 323 and our UK energy consumption was 1,634,640 kWh.

In 2025, we achieved a reduction in fleet vehicle emissions, driven by increased use of electric vehicles and an overall decrease in mileage, resulting in lower Scope 1 emissions. Scope 2 location-based emissions decreased slightly, reflecting reduced energy consumption at our Chinese facility. This was partly offset by higher energy use at our new Vietnam factory due to production increasing and machinery upgrades; however, the impact was mitigated by a reduction in Vietnamese grid emission factors. The continued use of I-RECs certificates in 2025 supported a reduction in Scope 2 market-based emissions compared with our 2023 baseline. Scope 3 emissions also declined during the year, primarily due to a sustained reduction in business travel and lower emissions associated with leased assets.

Carbon reduction interventions and energy efficiency

During the year, we continued to support the transition to lower-carbon operations as we worked towards our 40% Scope 1 and 2 relative emissions reduction targets. We continued the implementation of I-RECs certificates at our most energy-intensive sites in Vietnam and China and progressed decarbonisation through the continued expansion of Eschenbach's electric vehicle fleet, with 40% of vehicles now electric and plans in place for full electrification by 2027. In 2025, we also completed a solar PV plant at our Vietnamese factory, which is expected to become operational in 2026 and represents an important step towards on-site renewable energy generation. Alongside these initiatives, we continued site optimisation activities from the prior year, identifying opportunities to use resources more efficiently, including consolidating and merging sites where appropriate to streamline our footprint and reduce emissions.

Sustainable Packaging

Sustainable packaging remained a key focus of our environmental activities during the year. In 2025, our primary focus was on purchased packaging, with data collected across the Group covering variables such as weight, type, quantity and cost. This enables more detailed analysis and supports informed decision-making on potential solutions.

We are now consolidating this process to enable more consistent year-on-year data collection and ongoing KPI monitoring. In parallel, we are identifying priority areas for action, with solution implementation review planned for 2026.

Climate risks and opportunities

In 2025, we reviewed climate-related risks and opportunities across short, medium and long-term time horizons, under both 2°C and 4°C climate scenarios, as part of our TCFD reporting. No material changes were identified in our physical or transition risks and opportunities during the year.

Social

We continue to ensure that our workforce initiatives are supported by clear oversight and robust monitoring. Our People teams and Group ESG Compliance & Risk Officer regularly review engagement, wellbeing, diversity and inclusion metrics, with key insights shared with senior leadership to inform decision-making and future programmes.

Employee engagement

Throughout 2025, we continued to invest in people through skills development, inclusive leadership and initiatives designed to support equitable access to learning and progression. Progress was also made in strengthening a more unified approach to training, including the rollout of the KnowBe4 compliance platform across the Killiney, INSPECS Ltd and Tura operations, helping to promote consistent learning standards.

Employee engagement was supported during the year through open dialogue and feedback mechanisms. Focus groups across Onsite and Neo provided valuable insights into sustainability, operations and workplace culture.

Diversity, Equity and Inclusion

A range of initiatives, including DE&I training, enhanced mental health support and the establishment of employee-led social committees, further contributed to an inclusive and supportive working environment. As a Disability Confident Employer, Group Head Office and Inspects Ltd, alongside Eschenbach in accordance with the German Social Code Book IX, further strengthened accessibility awareness training and continued to implement measures supporting fair and inclusive career progression.

Community

Community engagement continued to form an important part of the Group’s social impact approach. Teams across the UK, Europe and the US supported local wellbeing initiatives, including litter picking activities, food bank partnerships and ongoing collaboration with Sight Support Southwest. In parallel, the introduction of Mental Health First Aiders in INSPECS Ltd and Eschenbach GmbH helped to further strengthen support for employee wellbeing.

Health and safety

Maintaining a safe working environment with clear and robust safety standards remains a top priority for the Group. In 2025, health and safety performance continued to be closely monitored, and we are pleased to report that no major accidents or incidents occurred at any of our sites. This outcome was supported by continuous monitoring, Board-level oversight, and a sustained focus on reporting.

Employee Analysis

Total Employees

Total



Female



Male



Board of Directors

Total



Female



Male



Gender diversity in management

Management is defined as any employee who reports directly to senior management and is responsible for overseeing specific teams, departments, or functions.

Female



Male



2024 figures have been restated to reflect updated information received from some reporting entities, identified during the current year’s data validation process.

Gender diversity in senior management

Senior management is defined as any employee with the following job title; Director, President, Vice President, General manager, Officer, or any employee considered to be a key strategic decision maker within business.

Female

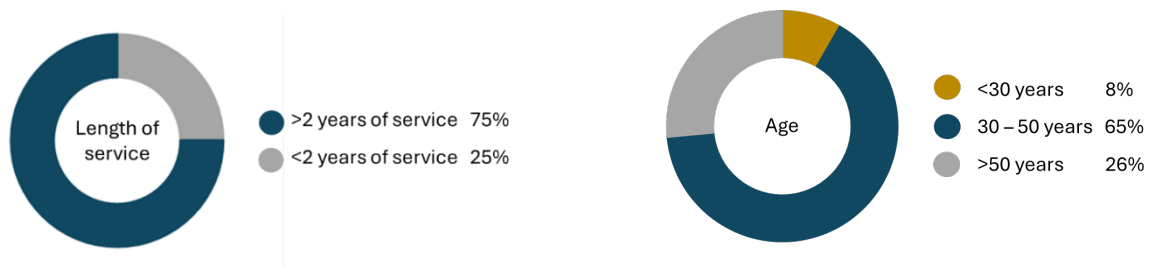


Male



2024 figures have been restated to reflect updated information received from some reporting entities, identified during the current year’s data validation process.

Employee Mix



Governance

In 2025, we continued to operate within an established governance framework that supports our ESG strategy and reflects evolving global standards. We worked closely to maintain the integration of ESG considerations within business planning and decision-making, ensuring that our governance arrangements remain robust, transparent and forward-looking. This approach continues to be supported through progressive alignment with recognised disclosure frameworks, including Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosure (TCFD) and Streamlined Energy and Carbon Reporting (SECR), alongside ongoing preparation for future Corporate Sustainability Reporting Directive (CSRD) requirements.

Ethical conduct and corporate responsibility remain central to our governance approach. In early 2025, we introduced an updated anti-fraud policy, reinforcing our fraud prevention and compliance arrangements. We also rolled-out anti-fraud training and mandatory policy review via our compliance platform KnowBe4.

Transparency and accountability continued to be supported through established mechanisms, including the Group Code of Conduct, the whistleblowing channel and ongoing employee engagement activities, which together encourage open dialogue and the early identification of potential risks.

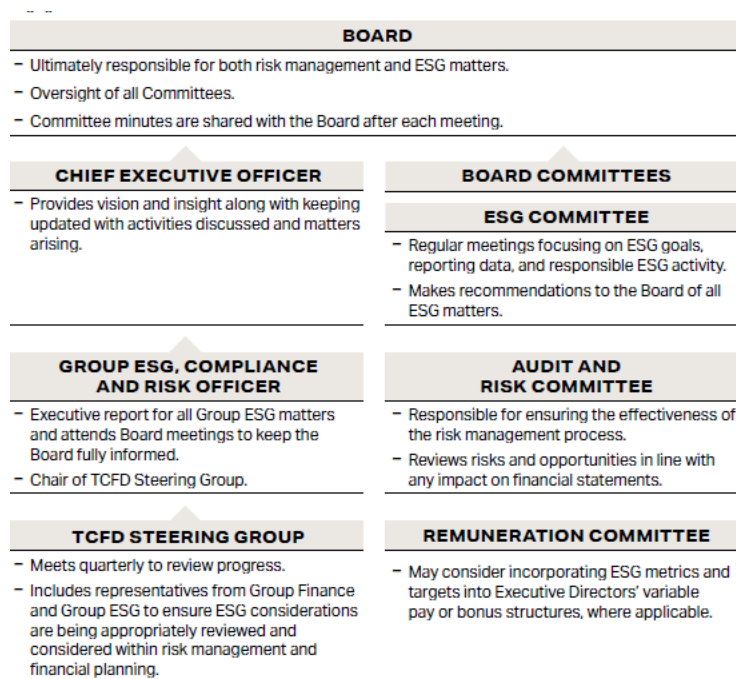
Looking ahead, INSPECS remains committed to further evolving its governance framework to support responsible business practices, long-term resilience and positive outcomes for all stakeholders.

NON-FINANCIAL and SUSTAINABILITY INFORMATION STATEMENT

This report describes our approach to scenario analysis and the principal climate risks and opportunities identified. By assessing and understanding the impact of climate risks and opportunities on our business strategy and financial planning, we aim to strengthen the resilience of our global operations to climate change.

Governance

The Group has established a clear governance structure to integrate ESG and climate-related risks into the decision-making processes. Roles and responsibilities are well defined, with active engagement from the Board.



Board oversight of climate-related risks and opportunities

The Board is ultimately responsible for overseeing the Group's overall risk management process and ESG strategy. Climate-related issues are communicated and addressed through the relevant Committees, such as the ESG, Audit & Risk, and Remuneration Committees. Further details on Committee membership and meeting attendance can be found in the respective Committee reports.

Management's role in assessing and managing climate-related risks and opportunities

Richard Peck, the Group Chief Executive Office, meets with the Group ESG, Compliance and Risk Officer to stay informed on ESG matters, ensuring ongoing alignment with strategic initiatives and management priorities.

Across the Group, senior teams manage climate-related risks and opportunities on a day-to-day basis and support the implementation of climate-related actions. Each Group company undertakes twice-yearly reviews of climate-related risks, with material issues escalated through established risk management processes. Oversight of ESG matters, including climate-related commitments and targets, is provided by the Group ESG Compliance and Risk Officer, who is responsible for monitoring progress and reporting at an executive level.

In 2025, the TCFD Steering Group chaired by the Group ESG Compliance and Risk Officer ensured that climate considerations are integrated into financial planning and works with each Group entity to develop internal processes to strengthen climate-related financial risk integration.

This governance structure ensures that our climate-related risks and opportunities are effectively managed and considered within the Group's overall strategy.

Risk management

Climate-related risks are incorporated into the Group's overall risk framework. Last year we introduced a new question-based risk assessment methodology that explicitly considers climate risks, moving from a top-down to a more detailed, bottom-up approach. Throughout 2025, departments contributed risk inputs supported by the Head of Internal Control, with findings reviewed by the Group Risk Management Committee (GRMC) before being reported to the Audit & Risk Committee. Further detail on the risk process is provided on page 43. From 2026, entities will submit quarterly updates to strengthen monitoring and ensure timely consideration of climate-related developments. Assessment of potential financial impacts remains in progress and continues to support more informed decision-making across the Group.

Strategy

Our strategy ensures that commercial planning is informed by a clear understanding of climate-related risks and opportunities. By evaluating a range of climate scenarios, we assess how transition factors—such as regulatory developments and shifting consumer expectations—as well as physical risks across our operations and supply chain, may influence market conditions, costs and long-term resilience. These insights are integrated into our strategic and financial planning processes, enabling us to adapt our product offering, strengthen supply-chain preparedness and maintain the resilience of the Group over time.

Scenario analysis

Management qualitatively assessed the potential impact that exposure to transitional and physical climate risks could have on the business and considered how various climate-related risks and opportunities may develop over time.

The time horizons used in 2025 to identify when a risk or opportunity will have the most significant impact on the business:

Short term (1 – 2 years)	Aligned with our risk management and financial planning processes, resources for climate change mitigation and adaptation are incorporated into annual budgets.
Medium term (3 – 5 years)	We are taking action between now and 2030 to meet our Group ESG roadmap commitments and targets. Our Group strategy planning horizon is set at 3 years, focusing on achieving our business objectives in the medium term.
Long term (5+ years)	Captures physical risks and opportunities over the long term, considering the lifespan of our assets in accordance with our accounting policies.

The scenario warming pathways used in our climate scenario analysis in 2025:

CLIMATE SCENARIO	
2° C	Transition scenario describing the policy, technology and market shifts in the energy system needed to limit warming to 2°C.
4° C	A scenario that indicates a significant increase in global average temperatures, leading to severe environmental impacts, including more frequent extreme weather events, rising sea levels, and disruptions to ecosystems. This scenario poses substantial risks to human health, food security, and economic stability, necessitating urgent action to mitigate its effects and adapt to changing conditions.

To assess climate-related risks and opportunities, we applied two climate scenarios (2°C and 4°C), considering both transition and physical risks and their potential implications for our operations and strategy.

The analysis covered multiple time horizons to 2050 and focused on transition risks across the Group, alongside physical risks at key revenue-generating sites, primary suppliers and critical materials. While our 2025 analysis remains largely qualitative, we have begun incorporating quantitative elements to better assess materiality, with further financial analysis planned over time. Our scenario analysis is reviewed regularly and informed by external expertise, recognising its role as a tool to support strategic planning rather than a prediction of outcomes.

Principal climate-related risks and opportunities

We reviewed the climate-related risks and opportunities and confirmed that they remain materially unchanged. The assessment continues to highlight four principal risks and two principal opportunities with the greatest potential to influence the Group's business model and strategy, either positively or negatively. The tables on the following pages highlight the principal climate-related risks and opportunities identified from our analysis.

Principal climate-related risks identified:

Type	Category	Risk	Scenario	Time horizon	Impact description	Financial impact	Mitigation/Response
Transition	Policy and Legal	Carbon Pricing Mechanisms	2°C	Medium-term	Our operations are not currently subject to a direct carbon tax, however new or extended carbon taxes could increase costs for the Group, particularly under the 2°C scenario. These higher production costs may need to be absorbed or passed on to consumers, potentially affecting the value proposition of our products.	Increased tax expenses, increased tax liabilities	In response to evolving regulations, we have set a 40% relative reduction target for Scope 1 and Scope 2 emissions by 2040. Aligned with our Group ESG Roadmap, we will focus on reducing the environmental impact of our products and packaging. This will help mitigate risks from potential carbon taxes that could affect our supply chain.
					Stricter global carbon taxation frameworks, such as Carbon Border Adjustment Mechanisms ('CBAM'), could increase costs for purchased materials and supplier operations. Our suppliers may face higher costs due to new carbon tax schemes in their regions, which could be passed on to our Group. This may lead to higher raw material costs and production expenses, impacting profit margins and potentially reducing the competitiveness of our products in the market.	Increased product costs, increased tax liabilities	We will continue to monitor the impact of carbon pricing on our business as we develop our ESG commitments and our Group strategy.

Transition	Market – consumer preferences	Changing consumer preferences and increased sensitivity to ESG issues.	2°C	Medium-term	As consumers increasingly prioritise the environmental impact of products, failure to adapt our product mix could result in declining demand. Rising consumer demand for sustainable alternatives may lead to a shift in purchasing preferences, potentially causing a loss of business to our competitors. If the Group fails to effectively respond to these changes, it could negatively impact revenue and profitability.	Reduced revenue, intangible asset impairment, inventory obsolescence	<p>The Group tracks customer trends and closely monitors competitors' offerings.</p> <hr/> <p>The Group is well-positioned to meet changing consumer preferences by focusing on the development of products and packaging with a lower environmental impact. Aligned with our core ESG commitments and targets outlined in the Group ESG Roadmap, we are committed to offering environmentally responsible product solutions and packaging, in response to the continued interest for sustainable alternatives.</p>
Physical	Acute	Short-term disruption to output of production and activities due to increased severity of extreme weather events, such as cyclones, hurricanes, or floods.	2°C & 4°C	Medium to long term	<p>Extreme weather events impacting our operational sites could lead to property damage, production downtime, site closures and increased commercial insurance premiums. Our analysis indicates that most of our key operational sites and physical assets are not highly exposed to physical climate risks up to 2050.</p> <hr/> <p>Operations and supply chains located in Southeast Asian countries are projected to be more significantly impacted by climate change over the long term. The number and intensity of extreme weather events such as storms and typhoons in this region have been increasing over recent years.</p>	Increased direct and indirect costs, impairment of tangible assets	<p>Many of our owned and key operational sites are not highly exposed to climate risks. For our production operations in Vietnam, we will continually evaluate potential climate adaptation measures, considering the relevant regional risks.</p> <hr/> <p>Where possible, we aim to ensure we have multiple supplier sources.</p> <hr/> <p>For key suppliers, we will monitor the impacts and engage in discussions to assess risks and mitigation.</p> <hr/> <p>We maintain insurance coverage at our sites, including factories, which covers flood damage.</p> <hr/> <p>Regional dispersion of our global offices, warehouses and factories avoids a 'single point of failure'.</p>

Physical	Chronic	Longer-term climate shifts, including rising temperatures, gradual changes in weather patterns, and rising sea levels, are expected to impact our sites, transportation networks, and supplier locations.	4°C	Long-term	Rising sea levels may cause damage to ports along key supply chain routes, resulting in delays and increased costs for the Group.	Increased direct and indirect costs, impairment of tangible assets	We have established relationships with multiple transport providers across different regions and we will leverage multi-modal transport solutions where possible.
					Suppliers in regions vulnerable to long-term sea-level rise may face risks such as asset damage, operational disruptions, production downtime, and potential site closures due to storm surges and flooding. These impacts could lead to higher insurance premiums and result in delays to supply chain operations, along with increased costs for remediation, recovery, and risk management.		Strategic supplier partnerships that enable us to monitor physical risks for long-term impact. We will work with our key suppliers to explore adaptation measures and we will consider switching to suppliers with a lower risk profile where necessary.
					Rising mean temperatures due to climate change are expected to impact all of our sites, leading to higher demand for cooling systems, increased energy consumption, and associated costs, which may hinder our progress toward carbon reduction targets. Additionally, elevated temperatures could affect workforce productivity and pose health and safety risks, especially for vulnerable staff members.		Some of our sites are leased, providing the flexibility to relocate if necessary. We also have flexible working arrangements in place to adapt to changing circumstances. Additionally, we have built extra capacity at Neo manufacturing site to ensure operational continuity in the face of potential disruptions.
							We will explore the option of holding additional buffer stocks in locations that are less vulnerable to climate-related risks.
							We will continue to invest in efficient cooling systems as required and adjust working hours as required.

Principal climate-related opportunities identified:

Type	Category	Opportunity	Scenario	Time horizon	Impact description	Financial impact	Mitigation/Response
Opportunity	Market-consumer preference	Responding to shifting consumer preferences by offering lower environmental impact products and packaging.	2°C	Medium term	Aligning product offerings with climate-conscious values may enable us to access new markets, enhance customer loyalty, and differentiate from competitors.	Increased revenue	As part of our ESG Roadmap, we have established medium-term targets (through to 2030) to reduce the climate impact of our products and packaging, while also adapting to evolving consumer preferences for more sustainable options.
Opportunity	Physical – higher temperatures	Increased temperatures could lead to increased consumer demand for UV protective products such as sunglasses	4°C	Long term	Our sunglasses could see increased interest, particularly in regions with more intense sunlight, as consumers become more focused on eye health. With higher usage, there may be a shift towards eyewear that offers both practicality and style, potentially leading consumers to purchase multiple pairs for various occasions.	Increased revenue	We will continue to monitor market trends and respond accordingly.

Climate change impact on our business and strategy

The impact of climate-related risks and opportunities identified have been considered in the context of our commitments and targets to ensure continued alignment and we will remain responsive to new information and developments in the external environment.

Climate change impact on financial planning

Our financial planning integrates climate-related risks and opportunities alongside key revenue and cost assumptions. We work closely with our global teams to identify climate-related costs and investments, which are incorporated into planning and reviewed regularly.

In the short term, we do not expect climate change to have a material impact on our business model, although we continue to monitor potential regulatory and market developments, such as carbon pricing. Energy efficiency and emissions reduction initiatives are not expected to materially affect short-term performance.

Over the medium term, we are assessing the financial implications of climate-related initiatives, whilst some elements of our ESG strategy may result in incremental costs, it is expected that efficiency savings will largely off-set these costs. Capital allocation will be prioritised based on alignment with our ESG objectives and overall business impact.

Our long-term outlook remains subject to uncertainty, including regulatory developments and evolving carbon taxation mechanisms. While we continue to progress credible decarbonisation solutions, we recognise the need to enhance long-term visibility and remain committed to improving disclosures over time.

We assessed our assets for climate-related impairment indicators and concluded that current physical risk projections do not result in asset impairment or changes in asset use. All sites remain covered by property and contents insurance, mitigating potential financial exposure.

Climate resilience

We continue to build climate resilience by addressing both transition and physical risks through ongoing monitoring, strategic planning and the integration of sustainability into our Group strategy. Our carbon reduction commitments, together with sustainable product and packaging targets, support our transition to a lower-carbon economy.

We recognise that adaptation measures may be required in response to physical climate risks, particularly in higher-risk regions and parts of our supply chain, and these will be assessed through quantitative scenario analysis. Our analysis is reviewed regularly and updated to reflect evolving climate data where relevant and material to the business.

Climate-related targets

Through our climate strategy and delivery projects, we focus on reducing our environmental impact and preparing the business for the transition to a lower-carbon economy, including the development of lower-impact products and more sustainable packaging solutions. In line with our established emissions reduction target, we continue to prioritise emissions reduction over offsetting and measure progress against our goal of achieving a 40% relative reduction in Scope 1 and Scope 2 emissions across our global operations by 2040, compared with a 2023 base year. The targets used to manage climate-related risks and opportunities, together with the key performance indicators used to track progress, are set out in the table below

Climate related targets and Key Performance Indicators (KPIs)

Target	KPIs	Summary and Progress Update	Linkage to climate risk/opportunity
40% (relative) reduction in emissions across our global operations by 2040 in scope 1 & scope 2 against our 2023 base year	<i>Change in relative emissions (Scope 1 and Scope 2) (market-based) compared to our 2023 base year.*</i>	Change in relative emissions (Scope 1 and Scope 2) (market-based) per £1 Million turnover: Reduction of 31.9% Initiatives in place: Site consolidation – streamline operational offices where possible. Renewable electricity at Vietnamese and Chinese factories (RECS).	Impact of Carbon Pricing Mechanisms

		<p>40% of the German car fleet has been successfully converted to electric vehicles, with full electrification planned by 2027 following the end of current lease periods.</p> <p>Solar panel plant installed in our Vietnamese factory with switch on planned for 2026</p>	
<p>50% of our eyewear frames will be made from bio-based or recycled materials by 2030. This includes materials such as bio-acetate, recycled acetate, Acetate Renew, and recycled metals.</p>	<p>Percentage of eyewear frames made from biobased or recycled materials such as bio-acetate, recycled acetate, Acetate Renew, and recycled metals.</p>	<p>We are currently in the process of quantifying our progress against this KPI with the aim of reporting against this KPI over the following year**</p>	<p>Impact of market and consumer preferences.</p>
<p>100% of our packaging to be recyclable, reusable, biodegradable, or bio-based sources by 2030.</p>	<p>Percentage of product packaging that is recyclable, reusable, biodegradable, or from bio-based sources.</p>	<p>In 2025 we completed our first full quantification of purchased packaging and established a structured process for recurring data collection. This process will be carried out annually. We are currently refining the 2025 baseline, and we intend to begin reporting on this KPI in the upcoming reporting year once the process has been fully consolidated.</p>	<p>Impact of Carbon Pricing Mechanisms, and impact of market and consumer preferences.</p>

*This KPI tracks the reduction in emissions (Scope 1 and Scope 2) relative to £1 million turnover using the market-based method. The market-based method reflects emissions reductions achieved through the procurement of renewable energy, renewable energy certificates (RECs), and other contractual instruments that influence the emissions associated with electricity consumption. This approach accounts for emissions based on the specific energy supply contracts in place across the Group, rather than the average emissions intensity of the local electricity grid. Tracking this KPI enables the company to monitor progress towards the goal of achieving a 40% relative reduction in emissions across global operations by 2040.

**In our 2024 Annual Report, we stated that this would be reported against in 2025. Due to strategic focus on procurement project and due diligence process, this has been delayed by one year.

Through ongoing assessment and close collaboration across our global teams, we aim to manage climate-related risks, capture opportunities and support long-term sustainable growth. We remain committed to enhancing our disclosures over time, providing stakeholders with greater insight into the financial implications of climate change, and adapting our strategy as we respond to the challenges and opportunities of the transition to a low-carbon economy.

Risk Management

The Board has overall responsibility for risk management and oversight across the Group.

The Group's risk management framework supports the delivery of our strategic objectives and long-term value creation. It is designed to identify, assess, and manage risks arising from an increasingly complex economic, geopolitical, regulatory, and operating environment.

The Audit and Risk Committee (ARC), comprising two Non-Executive Directors, Chris Hancock (Chair) and Shaun Smith, provide oversight of the Group's risk management activities and reviews key risks to ensure they are appropriately managed.

Risk Governance and Process

In 2025, the Group adopted a bottom-up approach to risk management, strengthening ownership and accountability at an operational level. Each entity is responsible for identifying and managing its risks through an Operational Risk Management Committee (OMC), led by their respective Managing Director or Chief Executive Officer.

OMCs review risks at least twice annually and report to the Group Risk Management Committee (GRMC), which is chaired by the Chief Treasury Officer and includes the Group ESG, Compliance & Risk Officer. The GRMC consolidates risk reporting and provides updates to the Executive team and the ARC.

Risk Systems and Monitoring

During the year, Rimiksx was implemented across all Group entities, providing a consistent platform for recording and assessing risks and opportunities. Risks are assessed qualitatively and, where appropriate, quantitatively, enabling prioritisation and ongoing monitoring. Consolidated outputs are reviewed by the GRMC, the Executive Team and the ARC, supporting timely oversight and response to emerging risks.

Principal Risks and Changes in 2025

The Group's risk framework continues to cover operational, financial, environmental, social, governance, IT, and economic and political risks. The overall risk profile remains largely unchanged from 2024 though there is an increased level of uncertainty at a macro level.

Climate risk was reviewed by the GRMC and is not considered a significant near-term threat, though it continues to be monitored. Further detail is provided in the TCFD disclosures from page 34.

Health, safety, and human resources remain standing agenda items at Board meetings. Due to the effectiveness of existing controls, Health & Safety is not currently considered a principal risk.

Supply chain risk is included in the external risk register to reflect the Group's continued move towards increased central procurement. While historically well managed, this transition introduces additional complexity that continues to be actively monitored.

The ongoing conflict in the Middle East continues to create geopolitical uncertainty, primarily through indirect impacts on energy prices, freight costs, and global confidence. The Group has no direct operational exposure in the region, and no material disruption to sourcing or logistics has been experienced to date. Management continues to monitor secondary impacts, particularly fuel and shipping volatility. Current air and sea freight indices for the Asia-Europe routes relevant to the Group remain broadly in line with 2025 levels, and below the peak levels experienced during previous periods of global disruption. Accordingly, the Group's budgets continue to assume freight costs as a consistent percentage of revenue compared to the prior year. The most significant potential macroeconomic risk arising from the current geopolitical environment relates to secondary effects on consumer confidence, inflation, interest rates and discretionary consumer spending.

Changes in purchasing and retail trends, including the shift towards online channels, remains an area of focus.

The Group continues to monitor developments in artificial intelligence, which is currently assessed as a low residual risk but presents longer-term opportunities.

Impact of Change of Control

The recent change of control has been considered by management and the Board as part of the Group's going concern and viability assessments. Given the absence of any adverse impact on the Group's operations, financing or immediate strategy, and the overall resilience of the INPSECS business, it has not been identified as a new principal risk.

Outlook

On the following pages, we outline the principal risks that may have a material operational or financial impact. The Board and management believe that the Group's enhanced bottom-up risk framework and the use of Rimiksx provide a robust and proportionate approach to risk management.

Principal risks

Group risk event	Context and potential impact	Mitigation	Residual risk
CUSTOMER CONSOLIDATION	The consolidation of major customers continues across key markets, increasing their buying power and potentially reducing revenue diversification. The risk remains elevated as customer groups scale further, increasing the potential loss of revenue and EBITDA if buying decisions shift.	We maintain a broad customer portfolio, with no single customer representing more than 10% of revenue. Ongoing relationship management, innovation, and brand differentiation support resilience.	Increasing
COMPETITOR RISK	Competitive intensity remains unchanged, with both established companies and new entrants driving price pressure and innovation cycles.	Our full-service eyewear model, including design, production, and distribution, continues to differentiate the Group.	Stable
CHANGING PURCHASING AND RETAIL TRENDS	Consumer purchasing behaviour continues to evolve, especially toward online channels and value-driven products. There are no material adverse shifts observed.	Our agile design and manufacturing capability enables fast adaptation to emerging trends.	Stable
MACROECONOMIC RISK	Global macroeconomic conditions continue to be volatile and inflation and interest rates have become less predictable in key markets. FX exposure and regional demand shifts remain areas to monitor.	We continue active cash-flow forecasting, selective hedging, interest rate swaps, currency management, and diversification across supply chains and product portfolios.	Increasing
CYBER RISK	Cyber threats are rising globally, with increasing attacks as external threats evolve.	Investment in AI-driven security tools, insurance, and continuous training enhances resilience.	Increasing
SUPPLY CHAIN	Supply chain disruption remains a risk, as reliance on external suppliers and global logistics routes exposes the Group to potential delays, shortages and cost increases that could impact product availability and margin.	Diversified sourcing, enhanced in-house production, and strong quality control provide supply resilience.	Stable
PEOPLE	Attracting and retaining talent remains essential. Uncertainty associated with the corporate changes may increase people-related risk by creating disruption and distraction, which could adversely affect retention, recruitment, and employee engagement if not carefully managed.	Succession planning, competitive reward structures, and enhanced communication support organisational stability.	Increasing

Corporate Governance Statement

PROVEN RESILIENCE

Strong corporate governance is the cornerstone of our business. It provides the structure and discipline necessary for facing the challenges of a large international enterprise with customers, suppliers and regulators across the globe. By maintaining the high governance standards, we safeguard stakeholder trust, mitigate risk, and create sustainable value for the long term.

Dear stakeholders,

I am pleased to present the 2025 Corporate Governance Report, which should be read alongside our disclosures on pages 55 to 57, detailing our compliance with the QCA Corporate Governance Code published in 2023.

As I outlined in my report on pages 5 and 6, 2025 was a year of considerable challenge for the Group and, in particular, for the Board.

Governance: the *foundation* of our success

The Board firmly believes that strong corporate governance is not simply a regulatory obligation – it is the bedrock of sound strategy, good execution and business resilience. As Interim Chair, my responsibility has been to lead the Board, ensuring we meet high standards in governance while advancing the Group's long-term objectives.

We recognise that strong leadership requires both independent and experienced perspectives. Our Board includes dedicated Non-Executive Directors who provide objective oversight, strategic guidance and accountability in addition to Executive Directors with extensive industry knowledge and experience who run the business day to day.

We are equally committed to ensuring that our long-term ambitions are achieved responsibly. Our growth should not come at the expense of the environment or the stakeholders with whom we engage. We are dedicated to delivering sustainable value while minimising our environmental footprint and upholding our social responsibilities.

Engaging with our stakeholders

Stakeholder engagement is essential to how we operate. We understand that our success depends on fostering strong relationships built on trust and transparency, shared vision and value creation.

- Our Executive and Non-Executive Directors have engaged extensively with shareholders, as part of a comprehensive investor relations programme throughout the year. The Board has met with and responded to investors who raised concerns about talent and succession
- Our Non-Executive Directors maintain open channels of communication with auditors, our Nominated Adviser ('NOMAD'), and corporate advisers, reinforcing accountability and oversight.
- The Board carefully considers the impact of strategic decisions on customers, suppliers, employees, and the broader community.

Looking ahead: a clear vision for 2026

Following a resilient performance in 2025, despite its many challenges, the Board remains focused on strengthening strategic execution and positioning the Group for long-term growth. While market conditions continue to present challenges, we have maintained stability and operational discipline, ensuring a strong foundation for future progress.

Risk management remains a key priority, and we are committed to continually refining our frameworks to navigate an evolving economic landscape with agility and confidence.

Our priorities are clear:

- Delivering sustainable, long-term value for shareholders
- Upholding the highest standards of governance and responsibility

- Strengthening operational efficiency across all levels of the organisation
- Fostering a business culture that supports innovation, accountability, and stakeholder engagement

At the Board level, we remain dedicated to continuous improvement, regularly assessing our effectiveness and implementing enhancements to ensure we remain agile, forward-thinking, and well-positioned for future success.

Christopher Hancock
Interim Chair

12 May 2026

HOW THE BOARD OPERATES

Board of Directors

CHRISTOPHER HANCOCK

INTERIM CHAIR
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Tenure

Christopher has served as a Board member since 8 March 2017. Christopher has served as Interim Chair since 3 June 2025.

Skills, competence & experience

Christopher Hancock FCA has over 30 years of experience in business development, restructuring and corporate finance. Christopher qualified as a chartered accountant with Arthur Andersen before entering investment banking, where he spent 10 years with JP Morgan. He established his own consultancy practice in 2009 and co-founded an FCA regulated corporate finance and investment management firm in 2012. Christopher brings a broad range of experience in business development, M&A and corporate finance in public markets.

ROBIN TOTTERMAN

EXECUTIVE DIRECTOR

Tenure

Robin has been a Board member since founding INSPECS in 1988. Robin served as Executive Chair during the year until 3 June 2025. On 29 May 2025, it was announced that Robin would step down from the Board on 31 December 2025, however on 31 December 2025 it was announced that Robin would continue to be a member of the Board until the conclusion of the offer period in relation to the ongoing potential corporate transaction.

Skills, competence & experience

Robin Totterman is an entrepreneur and forerunner in the branded eyewear industry with over 35 years of experience in eyewear licensing, design, manufacture and wholesale. Robin's passion for design and fashion brought the first branded eyewear to the UK optical market. His ability to recognise value and seize opportunity saw him complete the acquisition of Killine in 2017, creating a vertically integrated Group rivalled by only a small number of eyewear firms. Prior to INSPECS, Robin worked at UBS and Banque Paribas.

RICHARD PECK

GROUP CHIEF EXECUTIVE OFFICER
EXECUTIVE DIRECTOR

Tenure

Richard has served as a Board member since 10 January 2020.

Skills, competence & experience

Richard Peck has over 40 years of optical experience. Richard brings a wealth of experience from working in other leading eyewear companies, such as David Clulow and Luxottica, where he held the position of Managing Director Retail Northern Europe between 2010 and 2018. Richard's retail background increases the Board's diversity of skills, knowledge and experience.

ANGELA FARRUGIA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Tenure

Angela was appointed as a member of the Board on 12 May 2020.

Skills, competence & experience

Founder of one of the most successful brand management companies in the world, Angela formed TLC (The Licensing Company Ltd) in London in 1996. Creating a new breed of agency, the business grew to encompass 24 offices in 16 countries and amassed a roster of leading brand representations in various sectors, generating over \$12.4bn in retail sales annually for its clients. In addition, she has 22 years of operating experience gained within a challenging international business environment. Angela was awarded an MBE in 2024 for Global Business Development & Licensing.

SHAUN SMITH

INDEPENDENT NON-EXECUTIVE DIRECTOR

Tenure

Shaun was appointed as a member of the Board on 1 December 2022.

Skills, competence & experience

Shaun is a qualified treasurer and has extensive plc experience having previously held CFO roles with Norcros plc and Aga Rangemaster Group plc. In his role at Aga Rangemaster Group plc, Shaun helped oversee the transformation of the business into an international brand-led manufacturer and retail group. Shaun has served as a Non-Executive Director on public company boards since 2016, including terms as Chair and Audit & Nomination Committee Chair.

Board of Directors overview

Board of Directors gender diversity

The number and percentage of Board members, by gender, is shown in the table below:

Number	Total	Female	Male
As at 31 December 2025	5	1	4
As at 31 December 2024	7	1	6

Percentage	Total	Female	Male
As at 31 December 2025	100%	20%	80%
As at 31 December 2024	100%	14%	86%

The length of service of the Directors as at 31 December 2025 is as follows:

3+ years	5+ years	35+ years
20%	60%	20%

The BOARD is RESPONSIBLE for the GROUP'S STRATEGY and for the OVERALL MANAGEMENT of the GROUP

The Strategic Report outlines the key approach of the Board in ensuring and promoting the long-term, sustainable growth of the Group for all shareholders.

The main matters for consideration by the Board include:

- Risk management and operational controls
- Financial reporting and financial controls
- Monitoring of health and safety across the Group
- Approval of material contracts and Group expenditure
- Communication with stakeholders
- Financing and capital adequacy of the Group
- Approving budgets and forecasts
- Reviewing potential acquisitions and corporate transactions
- Oversight of the Executive Team and Committees

Overview of governance structures

The Board structure is designed to ensure that it focuses on the Group's strategy whilst at the same time monitoring performance and reviewing the controls and key risks of the Group. The Board considers that its governance structures allow for the operation of the Group in an open and straightforward culture without over-delegation of responsibilities.

BOARD

The Board of Directors is responsible for overseeing the Group's strategy and ensuring that it delivers long-term growth in a sustainable manner for the benefit of the Group's shareholders and other stakeholders.

BOARD COMMITTEES

The Board delegates specific matters to sub-committees. Each Board Committee has documented terms of reference agreed by the Board. These are regularly reviewed and updated as necessary.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is responsible for:

- Overseeing the Group's financial reporting
- Overseeing the relationship with the external auditors and monitoring their independence
- Overseeing the Group's internal control framework and risk management process

Full details of this Committee's work is set out on pages 58 to 60 of this report.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee is responsible for:

- Reviewing the structure, size and composition of the Board
- Succession planning for Directors and other senior executives
- Promoting diversity, equity and inclusivity
- Setting, reviewing and recommending the policy on the remuneration of the Executive Directors
- Overseeing the senior management team and the general approach to workforce remuneration
- Overseeing the alignment of reward, incentives and culture

Details of the work of this Committee during the year is given on pages 61 to 65 of this report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Environmental, Social and Governance Committee is responsible for:

- Overseeing the Group's sustainability framework, focus and strategy
- Monitoring the Group's sustainability impact and performance
- Providing guidance for the developing environmental challenges, which includes environmental risk and the impact this will have on the Group
- Overseeing the Group's ESG and TCFD reporting, including external audit and assurance requirements

The work of this Committee is set out on pages 66 and 67 of this report.

TRANSACTION COMMITTEE

On 4 July 2025, a Transaction Committee was established with responsibility for:

- Overseeing matters relating to actual or potential corporate transactions under authority delegated by the Board
- Making timely decisions on transaction-related matters where it is not practical to convene the full Board
- Engaging with and receiving advice from external advisers in connection with transaction processes
- Approving transaction-related communications within its delegated authority and reporting material matters to the Board

The work of this committee during the year is described in the Chair's Statement on pages 5 and 6 of this report.

EXECUTIVE COMMITTEE

The Executive Team is responsible for the day-to-day running of the Group's business, improving its performance and ensuring future long-term growth and development.

SENIOR MANAGEMENT

The Group has a wealth of experienced senior managers across the globe, all of whom have high levels of industry experience.

Board and Committee meetings

The attendance to meetings of the Board and Committees during the year, was as follows:

Scheduled meetings	Board	Audit and Risk Committee	Remuneration and Nomination Committee	ESG Committee
Christopher Hancock	26/26	10/10	4/4 [#]	1/1
Robin Totterman	26/26	2 [*]	-	-
Richard Peck	25/26	2 [*]	2 [*]	-
Chris Kay	5/5, 13 [*]	10 [*]	-	-
Angela Farrugia	26/26	2 [*]	1 [*]	1/1
Shaun Smith	26/26	10/10	5/5	-
Hugo Adams	5/5	4/4	2/2	-

*By invitation

[#]Conflicted, as it was discussing his appointment and remuneration as Interim Chair, therefore did not attend one meeting

Directors are expected to attend all meetings of the Board and the Committees on which they sit. In the event of a Board member not being able to attend their respective Committee or Board meeting, their comments are passed to the Chair.

Board composition

The Board believes it has the right skills, knowledge and experience to perform its duties responsibly. This allows the Board to deliver on the Group's objective of long-term growth for the benefit of all stakeholders.

The Board fully supports the Financial Reporting Council's aim of encouraging diversity. A full breakdown of gender representation of Directors is shown on page 49.

Board and Board Committee effectiveness review

In January 2024, The Company carried out an internal Board evaluation for 2023. The Executive Chair reviewed the actions and discussed the output with the Board individually and at the Board meeting held on 19 February 2024.

The key outcome of the review was that the Executive Team and the Board felt that the Board and its Committees continue to be well-functioning and effective in providing oversight of the Company and ensuring good governance. To increase the Board's understanding of the Group, it was agreed that an approach to provide greater exposure to the entities would benefit the Board.

Other recommendations included:

- Increased information on the competitive environment to help the Board review possible growth areas. This will improve the Board's understanding of strategies and direction and will enable the Board to provide value added input.
- Continued consideration for ESG and the risks and opportunities associated. The Board will continually strengthen the Group's commitment and ensure all relevant legislation is followed including TCFD and updates to the QCA Code.

Over the past 12 months, progress has been made in response to these recommendations, particularly in enhancing communication and transparency between the Board and the Executive team. Key improvements include:

- Real-Time Market Insights: The CEO delivers up-to-date market data, entity performance metrics, and competitor analysis to the Board, ensuring informed decision-making. Greater detail of divisional performance is to be provided in the monthly management accounts
- Timely Board Pack Distribution: Board materials including monthly management accounts are delivered in an increasingly timely manner
- Governance and Compliance: The Board Committees acknowledge the latest updates to the

QCA Code and continue to advance compliance with TCFD (Task Force on Climate-related Financial Disclosures). There is a commitment to improving governance, transparency, and strategic alignment across the Group.

It was decided not to hold a review in respect of performance in 2025, due to the proposed changes in Chair and the ongoing potential corporate transaction.

Board members' independence

The Board considers and ensures that each of the Non-Executive Directors is independent of management.

Robin Totterman, Executive Director and until 3 June 2025 the Executive Chair, has a substantial shareholding in the Group, but this does not detract from the Board's ability to exercise independent judgement and enquiry.

All Non-Executive Directors are considered to be independent in both their character and judgement and confirm that they are free of relationships or other circumstances that could impact on their independence.

Conflicts of interest

Declaration of any conflicts of interest is a standing agenda item on all Board and Committee meetings to ensure that they are regularly considered.

Directors' and Officers' liability insurance

The Group continues to hold Directors' and Officers' insurance during the period to the benefit of the Directors.

Development

The Board engages with the Group's external advisers, principally our NOMAD, Peel Hunt, to keep up to date with changes to relevant legislation.

Election of Directors

All Directors will offer themselves for re-election at the forthcoming Annual General Meeting.

Relationship with stakeholders

Continuing engagement with shareholders and stakeholders in the Group is of importance to the Board. This communication includes both the Annual Report and Accounts and interim accounts, and RNS releases when appropriate.

The Group communicates through its website www.INSPECS.com and investor information is available on the website.

The Non-Executive Directors are available to discuss matters that stakeholders may wish to raise and the Executive Team holds meetings with investors on a timely basis.

The Group has regular reviews from material customers on its performance and these are closely monitored, and the Group maintains regular communication with a wide range of stakeholders.

Annual General Meeting

The Notice of Annual General Meeting and the Ordinary and Special Resolutions to be put before the meeting will be contained in the Notice of the Annual General Meeting. The AGM is an opportunity for shareholders to ask questions relating to the Group, with details of how to do so also included within the Notice of the Annual General Meeting.

Corporate Governance Code

The Board recognise the corporate responsibility in the way that INSPECS operates around the globe. The Board has adopted the Quoted Companies' Alliance Corporate Governance Code for small and mid-sized quoted companies, known as the 'QCA Code'.

The Board is accountable to a wide range of stakeholders and to ensuring its primary goal of long-term sustained growth whilst acting in a sustainable manner. Examples of our continued work on sustainability are covered on pages 28 to 31 of this report.

The Board has ultimate responsibility for internal control and how we manage this process is shown on page 58.

Our gender diversity is shown on page 32 of this report.

Our compliance with the QCA Corporate Governance Code principles is reported on below, with this including the updates to the Code effective for financial years starting on or after 1 April 2024.

The QCA Corporate Governance Code

Deliver Growth

Table

Governance principles	Compliant	Application of the principle	Further information
1 Establish a purpose, strategy and business model which promotes long-term value for shareholders.	Yes	The Board is responsible for the Group's mission, strategy and its implementation. This strategy is debated and tracked by the Board which monitors its progress.	See pages 10 to 12 to learn more about our strategy and business model.
2 Promote a corporate culture that is based on ethical values and behaviours.	Yes	The Board and Senior Management promote and encourage the core values of the Group. The aim is to deliver continual improvement in both the economic performance of the Group and in its ability to meet its social responsibility to the wider community.	See pages 48 to 57 of the Corporate Governance Report, along with pages 31 to 33 for the Social section of our ESG report.
3 Seek to understand and meet shareholder needs and expectations.	Yes	Meetings are held with investors and analysts after the release of interim and final results, and at additional times through the years as appropriate. The AGM provides a forum for all shareholders to meet and hear from the Directors. Where a significant shareholder holds a substantial proportion of the Company's issued share capital, the Board is mindful of the need to protect the interests of minority shareholders and to ensure that all shareholders are treated fairly. Shareholder comments and suggestions are welcomed by the Board.	See pages 48 to 57 to see how we communicate. Further information is available on our website www.INSPECS.com .
4 Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success.	Yes	The Board has identified the key stakeholders in the business and discusses the impact of the long-term growth strategy and how our business model may affect these stakeholders. We acknowledge our social and environmental responsibilities, and consider the impact upon these in all that we do.	See pages 23 to 27 see how we communicate and deal with our stakeholders.

5	Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.	Yes	Risk Management Committees operate at both divisional and Group level to identify, assess and monitor internal and external risks, operating within a Group-wide risk management framework and risk appetite approved by the Board. In 2025, the Group adopted a combined top-down and bottom-up approach to risk management, strengthening ownership and accountability at an operational level. Each entity identifies and manages its risks through an Operational Risk Management Committee (OMC), which reports into the Group Risk Management Committee (GRMC). The GRMC consolidates risk reporting, reviews risk exposures against the agreed risk appetite, and provides updates to the Executive team and the Audit and Risk Committee.	See pages 43 to 45 for further detailed information on risk management, and pages 58 to 60 for the Audit and Risk Committee's Report considering auditor independence.
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Maintain a Dynamic Management Framework

Governance principles	Compliant	Application of the principle	Further information
6 Establish and maintain the Board as a well-functioning, balanced team led by the Chair.	Yes	<p>The Board consists of three independent Non-Executive Directors with diverse and relevant experiences and perspectives. In addition, the CEO and the Founder are both Executive Directors, with significant experience of the Eyewear industry.</p> <p>The Board has a wealth of experience on strategy, operations and financial matters. The Non-Executive Chair engages in open debate and proposed strategies are challenged.</p>	See Board Director information on pages 48 and 49 for further details.
7 Maintain appropriate governance structures and ensure that, individually and collectively, Directors have the necessary up-to-date experience, skills and capabilities.	Yes	The Board believes that it has the required skills and a strong balance of capabilities to manage the Group. Members of the Board keep their skillset up-to-date in a variety of ways throughout the year. The Board is also supported by Committees, and uses external advisers where relevant, to ensure sufficient resource and expertise are available.	See Board Director information on pages 48 and 49 for further details.

8	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	Yes	The Board and Board Committees internally review their performance on an annual basis, with an external review every three years. It was decided not to hold a review in respect of performance in 2025, due to the proposed change in Chair and ongoing corporate transaction.	Details of the Board and Board Committees effectiveness reviews are included on pages 52 and 65.
9	Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture.	Yes	The Board seeks to ensure that the Group's remuneration policy supports the long-term sustainable success of the Company and is aligned with the Company's purpose, strategy and culture. Oversight of remuneration matters is delegated to the Remuneration and Nomination Committee, which makes recommendations to the Board on executive and senior management remuneration. The Directors' Remuneration Report is presented to shareholders at the Company's Annual General Meeting, where an ordinary resolution is tabled each year to approve the report. This provides shareholders with the opportunity to consider and express their views on the Company's approach to executive remuneration and supports transparency and accountability in the governance of remuneration practices. In addition, in developing and reviewing long-term incentive arrangements, including the Group's long-term incentive plan ("LTIP"), the Board and the Remuneration and Nomination Committee engage with the Company's substantial shareholders to understand their views and expectations.	See more information on the activities of the Remuneration and Nomination Committee in their Report on pages 61 to 65.

Build Trust

Governance principles	Compliant	Application of the principle	Further information
10 Communicate how the Company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders.	Yes	INSPECS has open communication with a wide range of stakeholders. This includes regular updates with investors, yearly and half-yearly reports and regulatory news service releases on key corporate matters.	See pages 23 to 27 of the Strategic Report.

AUDIT AND RISK COMMITTEE REPORT

MAINTAINING TRANSPARENCY

The Audit and Risk Committee, comprising independent non-executive directors with diverse professional backgrounds, plays a crucial role in ensuring the integrity of financial reporting, effective risk management, and compliance with regulatory requirements

CHRISTOPHER HANCOCK FCA
CHAIR OF THE AUDIT AND RISK COMMITTEE

Membership

The Audit and Risk Committee comprises Christopher Hancock (Chair) and Shaun Smith. See Director biographies on pages 48 and 49 for further details. Hugo Adams served on the Committee until his resignation from the Board on 3 June 2025.

Meetings and attendance

The Audit and Risk Committee is mandated to meet at least three times a year. It met ten times in 2025. The number of meetings reflected additional oversight in relation to financial reporting, risk and internal controls, and included the tendering process and appointment of a new external auditor.

The Committee has unrestricted access to the Group's external auditors and has meetings with external auditors without management present.

Members of Executive and Group management attend meetings of the Committee by invitation. The Group Company Secretary serves as secretary of the Committee and ensures that the Committee receives information and papers in a timely manner.

Meetings during 2025

10

Committee member	Attendance
Christopher Hancock (Chair)	10
Shaun Smith	10
Hugo Adams	4

The Committee's primary responsibilities include:

Financial reporting

- Review of going concern, key judgements and significant accounting policies.
- Assessing the adequacy of internal controls over financial reporting.
- Review of the Annual Report and Accounts to ensure its completeness, fairness, balance and understandability.
- Review of disclosures required under the Task Force for Climate-related Financial Disclosures (TCFD) framework.

External audit oversight

- Reviewing and approving the audit plan.
- Monitoring the auditor's independence and performance.
- Reviewing the extent of, and policy for, non-audit services provided to the Group by the external auditors.

Risk management

- Assisting management with identifying and addressing new and emerging risks.
- Overseeing the implementation of risk mitigation strategies.

Independent external audit

The Committee considers the value for money and effectiveness of its auditors each year. In 2025, the Committee determined that, given the size and complexity of the Group, a mid-tier firm of auditors would be more suitable. Having run a tender comprising several mid-tier firms, the Group appointed Grant Thornton to be the auditors for the financial year 2025, replacing EY. Because the timing of the appointment was relatively late in the year, it was agreed that it would be appropriate for EY Germany to continue to conduct the statutory audit of Eschenbach Optik GmbH.

Fees, effectiveness and independence

The Audit and Risk Committee undertakes an annual review of the effectiveness and independence of the Group's auditors.

In 2025 audit fees were £858,000 (2024 £1,544,000).

The Committee reviews the level and nature of non-audit work performed by the Group's auditors to ensure that there is not a risk to their independence.

In 2025, £nil of non-audit fees were paid to GT and £ nil to EY (2024: EY £nil).

The Group's auditors have brought to the Committee's attention a number of internal control matters which will be addressed by management.

Internal Audit

The Committee is aware of the risk of fraud and the Board's responsibility to prevent it and has continued to recommend that the Group should establish an Internal Audit Function to improve, monitor and test the Group's controls. In 2023, a Head of Internal Controls was recruited and had performed a review of most of the internal controls in place at the Group's operations before resigning in January 2026.

Given that most of the initial work on controls has been completed, the Committee will consider whether to replace the Head of Internal Controls or to now appoint an Internal Auditor. The Committee continues to believe that the priority for the Group should be recruitment to fill certain key finance functions.

Risk governance

The Group ESG Compliance and Risk Officer attends the Committee's meetings as a matter of course. A comprehensive review of the Group's risk register at a divisional level continued during the year using specialist risk management software. In addition, the Committee advised on a more systematic approach to risk measurement and management at a Group level. The results of this review are set out under Risk Management on pages 43 to 45.

Internal control environment

The Group uses both manual and automated systems to control, monitor and report risk matters. The principal elements of the Group's internal control are:

- Cash management by the Group treasury function.
- An annual budgeting process producing detailed profit and loss, balance sheet, and cash flow projections, updated monthly on a rolling 12-month basis.
- Monthly reporting of KPIs, key risk areas, capital expenditure and compliance with covenants on banking facilities.
- 3 year forecasts are used for the analysis of longer terms risk such as going concern and to assess potential impairment of assets.
- Key risks, including the reasonableness of market forecasts, covenant compliance and Health and Safety issues, are raised to the level of Board agenda items.

The Committee was concerned by the covenant breach which occurred at Q1 2025 caused by accelerated supplier payments by a divisional finance department. It requested a report on the background to the breach and a tightening of controls over payments.

Significant financial judgements

During the year the Audit and Risk Committee considered the following significant issues regarding the financial statements and having reviewed them, were satisfied that they were appropriately stated.

- The Committee reviewed the going concern forecast for the period to 30 June 2027. This review focused, in particular, on the headroom on the covenants on the HSBC bank facility which was refinanced in December 2024 and currently matures in December 2027. The review included Management's 'base case', 'severe but plausible' downside case and 'reverse stress test' scenarios. As a result of this review and taking into account the additional controls put in place to manage the Group's cash in response to the recent covenant breach, the Board concluded that it was appropriate to prepare the financial statements on a going concern basis.
- Goodwill and intangible assets are significant values in the Group's balance sheet and the Committee considered any potential impairment that might be required. Having reviewed the cash flows of the CGU (cash-generating units), growth assumptions and the discount rates applicable to the CGU along with sensitivity analysis, the Committee concluded that an impairment should be recorded against the value allocated to certain customer relationships and the risks of impairment of goodwill be noted against certain CGUs.
- The Committee has reviewed the provision made against the Group's sales in respect of the constructive right of return by its customers in certain markets and concluded that the restated provision is reasonable.
- The Committee reviewed the tax provisions recognised relating to uncertain tax provisions and permanent establishment risks and the position taken as at 31 December 2025 and concluded that, given the practices and procedures in place, the provision was reasonable.
- The Committee reviewed the accounting for deferred tax and noted that the Company has substantial brought forward losses in the UK. Having considered an updated estimate of the timeframe for the utilisation of these losses, the Committee agreed that there was no portion of these which could reasonably be expected to be used in the next five years and so no asset should be recognised.
- The Committee has noted the market capitalisation of the Group as an indicator of potential impairment of the investments held by the Company. It has reviewed the carrying value of investments and receivables due from Group companies in the Company's own balance sheet and compared them with the discounted cash flows forecast to arise from these investments. This demonstrated that the underlying value of these investments is lower than the value that can reasonably be attributed to them based on the future cash flows and an impairment has been made accordingly.
- The Committee has reviewed the accounting for cut off used to recognise the purchase of inventory and recognition of revenue and has concluded that, as restated, it is appropriate.

Recommendations arising out of the audit

The Committee has highlighted concerns about the weakness of management in key positions to make important judgements and oversee important controls. In particular, the Committee continues to recommend strengthening of the finance team to enhance controls and accounting procedures.

Whistleblowing, fraud and bribery

Reflecting the Group's concern to manage the risk of fraud, it has established an overarching Anti-Fraud Policy which sets out its approach to combatting fraud and the other policies and procedures which support its approach. In particular, the Group has in place a whistleblowing policy which is communicated to all employees on joining and updated annually. The policy sets out a formal process by which employees may, in confidence, raise concerns in respect of the Group's activities. These include any financial improprieties in reporting and in other matters. All reports are reviewed by the ESG Compliance and Risk Officer and, when appropriate, shared with the Board.

The Group is committed in all respects to a zero-tolerance attitude with regards to bribery. All employees undergo training in understanding and alerting bribery and fraud.

The Group is aware of the particular dangers arising from the threat of cyber-crime. Personnel receive regular training to sensitise them to typical threats and inculcate practices which reduce the risk posed by phishing attacks, malware, and online deception.

REMUNERATION AND NOMINATION COMMITTEE REPORT

The Remuneration and Nomination Committee is responsible for making recommendations to the Board on all elements of the remuneration, terms of service or employment, reward structure and fringe benefits for Executive Directors, Non-Executive Directors and senior management with the aim of attracting, retaining and motivating individuals of the highest quality.

The Committee is responsible for ensuring the appropriate Board balance and size, and that the Board members have the required mix of skills, experience and other core competencies.

CHRISTOPHER HANCOCK FCA

CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

Membership

The members of the Committee are all independent Non-Executive Directors in compliance with the QCA Code. During the year the Committee comprised Christopher Hancock (Chair), Shaun Smith and Hugo Adams (until 3 June 2025). See Director biographies on pages 48 and 49 for further details. On 12 June, 2025 Angela Farrugia was co-opted onto the Committee to form a quorum at a meeting called to discuss the remuneration of Christopher Hancock as Interim Chair at which he was conflicted. Shaun Smith took the Chair for this meeting of the Committee.

Meetings and attendance

The Committee met five times in the year formally in accordance with its mandate and many times informally in order to discuss management effectiveness and succession planning. Non-committee members were invited to attend these meetings so that the Committee could give direction on remuneration and present the views received from the Group's independent shareholders. The Company Secretary serves as secretary of the Committee and ensures that the Committee receives information and papers in a timely manner.

Meetings during 2025

05

Committee member	Attendance
Christopher Hancock (Chair)	4
Shaun Smith	5
Hugo Adams	2
Angela Farrugia	1

Remuneration

Remuneration policy

The Committee's aim is to set a remuneration policy to attract and motivate high-calibre Directors and senior management within the Group and to focus them on delivery of the Group's strategic and business objectives.

The remuneration of Directors and senior executives of the Group comprises the following elements:

- Contracted base salary
- Performance-based annual bonus
- Long-term share-based incentive plan (LTIP)
- Pension and other contracted benefits

In recent years a comprehensive review has been undertaken of executive remuneration.

Review of salaries

A market benchmarking exercise of executive salaries is performed annually. As a result of this exercise, salaries were adjusted in 2022. Given the performance of the Group no further adjustments to executive salaries have been deemed necessary or appropriate since then.

Short-term incentive – 2025 annual bonus

Bonuses are paid to Executive Directors on the basis of performance against the Group's revenue and Underlying EBITDA targets. 30% of the bonus is payable on the achievement of individual KPIs by the relevant Executive in addition to delivering the requisite financial performance.

Due to the outcome of the Group's key performance indicators of (i) revenue (which fell by 0.7%) and (ii) Adjusted Underlying EBITDA which at £17.7m, was £1.8m lower than prior year and below the initial target, no bonuses will be paid to the Executive Directors in relation to 2025.

Long-term incentive plan (LTIP)

The Prospectus issued on admission of the Group to AIM on 27 February 2020 included the details of a Long-Term Incentive Plan to issue options on an annual basis at the mid-market price to Executive Directors and key senior employees up to a maximum aggregate of 10% of the issued share capital of the Group in any 10-year period. Following admission, options were issued each year in accordance with this plan.

Following the review of executive remuneration conducted in 2022, it was determined that the structure of the LTIP should be aligned with market norms by making the issue of options dependent on performance. In February 2023, the Committee produced a proposal for the issue of nil paid options which would vest based on meeting a target EPS performance CAGR over three years. Subsequently, the Group retained a leading remuneration consultancy firm to review and benchmark the proposed structure as a result of which it was agreed to issue nil paid options to senior executives in the Group with vesting from 25 to 100% of the total opportunity being driven by performance of the Underlying EPS from 12.5% to 25% CAGR.

The Committee consulted with the Group's largest external shareholders regarding the LTIPs and they endorsed the proposed change in the structure. As a result, the Committee approved the issue of LTIPs to the executives as approved by the shareholders. The first options under the new scheme were issued on 4 June 2025 immediately following the announcement of the 2024 results.

The total options to be in issue at any time are subject to the same cap as previously. The total LTIP options outstanding as at 31 December 2025 were 6,782,283 and this represents 5.0% of the Group's issued share capital as at 31 December 2025 amounting to 101,671,525 shares of 0.01p each.

As a result of the takeover offer by Bidco 1125 Limited gaining acceptance by holders of more than 50% of the Group's issued share capital, the existing LTIP arrangements have all lapsed since the period end. The Committee is discussing with management and key shareholders a proposal to reinstate the LTIP arrangements put in place in 2025.

Details of the holders of options under the LTIP plan as at 31 December 2025 are shown in the table below:

Name	Options granted	Grant date	Exercise price £
Robin Totterman	150,000	22/12/2020	2.10
	50,000	23/12/2021	3.70
Richard Peck	50,000	22/12/2020	2.10
	400,000	04/06/2025	0.01*
Senior employees	412,095	11/10/2019	1.01
	1,923,110	27/02/2020	1.95
	690,000	22/12/2020	2.10
	641,036	26/02/2021	3.25
	60,000	21/06/2021	3.51
	275,000	31/08/2021	3.70
	229,999	23/12/2021	3.70
	641,036	28/02/2022	3.75
	1,260,000	04/06/2025	0.01*

*Exercise of option is subject to a performance criteria, based on the cumulative annual growth rate of the Group's Diluted Underlying Earnings per Share (refer to note 12 on page 114).

Directors' interest in shares

The interests of the Directors as at 31 December 2025, including their spouses, dependents and associated trusts, in the Ordinary Shares of the Group were:

	2025	2024
Robin Totterman	19,024,262	19,024,262
Richard Peck	9,523	9,523
Christ Kay*	N/A	2,178,730
Christopher Hancock	23,448	23,448
Angela Farrugia	31,904	31,904
Shaun Smith	–	–
Hugo Adams*	N/A	16,500

*Director until 3 June 2025.

Directors' employment and pension contributions to 31 December 2025

	£		
	Salary/Fees	Taxable benefits	Total remuneration
Richard Peck	289,900	–	289,900
Robin Totterman	249,100	1,502	250,602
Chris Kay*	108,070	553	108,623
Christopher Hancock	98,667	–	98,667
Angela Farrugia	60,000	–	60,000
Shaun Smith	65,000	–	65,000
Hugo Adams*	37,692	–	37,692

*Director until 3 June 2025.

Directors' employment and pension contributions to 31 December 2024

			£
	Salary/Fees	Taxable benefits	Total remuneration
Richard Peck	289,900	–	289,900
Robin Totterman	249,100	1,206	250,306
Chris Kay	249,100	1,081	250,181
Christopher Hancock	70,000	–	70,000
Angela Farrugia	60,000	–	60,000
Shaun Smith	65,000	–	65,000
Hugo Adams	70,000	–	70,000

Transactions with Directors

The only transactions between the Directors and the Group were as follows:

Robin Totterman

Robin Totterman, a director and identified as part of the key management personnel of INSPECS Group plc, had a Director's Loan Account balance with INSPECS Limited. As of the end of the year, the balance owed to Robin Totterman was £21,000 (2024: £22,000).

Kelso Place LLP

Robin Totterman is a designated member and controlling owner of Kelso Place LLP. During the year Kelso Place LLP leased the Bath head office building to INSPECS Limited. This lease expired on 31 December 2025 and was subsequently renewed on 1 January 2026. As at 31 December 2025, a right-of-use asset with net book value of £nil (2024: £nil) and lease liability of £nil (2024: £nil) related to this lease, with depreciation of £128,000 (2024: £130,000) and interest of £4,000 (2024: £2,000) charged to the income statement. At the year end, the Group owed Kelso Place LLP £124,000 (2024: £212,000) in respect of the above. This balance is included within trade payables.

Thorne Lancaster Parker

Chris Kay, identified as part of the key management personnel of INSPECS Group plc, is also a Partner in Thorne Lancaster Parker. During the year the partnership charged INSPECS Limited £10,000 (2024: £7,000) in respect of professional services provided. At 31 December 2025, INSPECS Limited owed Thorne Lancaster Parker £4,000 (2024: £nil) in respect of the above. During the year the partnership charged INSPECS Group Plc £6,000 (2024: £9,000) in respect of professional services provided, with £3,000 being owed at the end of the year (2024: £nil).

Share price movement

The price movement of the shares in the Group from the lowest to highest in the year is set out below:

Highest market price in the year	£0.86
Lowest market price in the year	£0.39

Other work of the Committee in the year

Succession planning

As set out in the Chair's report, the process to appoint a new non-executive Chair was impacted by the approach which the Company received from H2 Partners in June 2025.

Despite the approach, the Committee continued its work and a panel of the whole Board interviewed a shortlist of three candidates and unanimously selected Andrea Davis as its chosen candidate. This was announced on 18 September, 2025. In the circumstances of the various bid processes, it was mutually agreed for Andrea to wait to see if a takeover would be completed before she took up her post. At the same time, it was agreed for Robin Totterman to remain on the Board rather than leaving in December 2025 as had been previously announced.

The Committee believes that Andrea would have made an excellent Chair for the Group and the Committee is grateful to her for both providing input to management as part of the 2026 budget process and for continuing to make herself available for appointment into this year if that had been required.

Subsequent to Bidco 1125 Limited announcing on 17 March 2026 that it had received acceptances or irrevocable undertakings in respect of 50.8% of the issued shares of the company and gaining effective control, the Board was asked to appoint Luke Johnson as a Director of the Company.

CFO

On 10 April 2025, the Company announced that Chris Kay wished to step down from full time executive life and would not stand for re-election to the board at the AGM. The Committee has supported the CEO in finding and appointing a suitable search firm and starting the process to find a successor. However, the search has been delayed first by the process to find a new Chair and then by the offer period and takeover processes. Now that the outcome of the offer process has been clarified, the search process has recommenced. In the meantime, Chris Kay has continued to serve as CFO until a successor is found.

Transaction Committee

As set out in the Chair's letter, an independent Transaction Committee of the Board was formed in June comprising Christopher Hancock and Shaun Smith as the Board Members with the most relevant and recent experience of takeovers to manage the various approaches received on behalf of the Board. The Board agreed Shaun should receive an additional Committee fee of £5,000 per annum for his services during the process.

Board effectiveness review

In January 2024, an internal Board evaluation was performed based on 2023 performance. The then Executive Chair reviewed the actions and discussed the output with some of the Board members individually and then collectively at the Board Meeting held on 19 February 2024.

The key outcome of the review was that the Executive Team and the Board felt that the Board and its Committees continue to be well-functioning and effective in providing oversight of the Company and ensuring good governance. To increase the Board's understanding of the Group, it was agreed that an approach to provide greater exposure to the Group's operating companies would benefit the Board.

Other recommendations included:

- Increased use of market data and competitor analysis to help the Board evaluate potential growth areas. This will improve the Board's understanding of strategies and direction and will enable the Board to continue to provide valued input.
- Continued consideration for ESG and the risks and opportunities associated. The Board will continually review the Group's commitment and performance ensuring all relevant legislation is followed including TCFD and updates to the QCA Code.

It was decided not to hold a review in respect of performance in 2025 on the basis that, following appointment, the new Non-Executive Chair would conduct a review of the Board talent and performance.

The search processes for key Board positions, the offer period and the anticipated resulting changes in the Board composition mean that this review has been deferred until 2026.

However, during the year the following improvements have been seen:

- Timely Board Pack Distribution: Board materials including monthly management accounts are delivered in an increasingly timely manner.
- Weekly call between CEO and Interim Chair with updates on operational performance, transaction process and staff impact.

Diversity, equity and inclusion

The Committee specifically looks to promote diversity, equity and inclusion in the Board and senior management of the Group through its appointments and promotions. No senior appointments were made in 2025. An analysis of the diversity of the Group's workforce is set out within the ESG Report on pages 32 and 33.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE COMMITTEE REPORT

In 2025 we have continued to build on our Environmental, Social, and Governance ('ESG') commitments. Our Roadmap is continually reviewed so we have a focused framework with responsible business initiatives, meaningful measures, and achievable targets on a Group-wide level.

Meetings during 2025

01

Committee member	Attendance
Angela Farrugia (Chair)	1
Christopher Hancock	1

Membership

The members of the Committee are all independent Non-Executive Directors. During the year, the Committee comprised Angela Farrugia (Chair), Christopher Hancock and Hugo Adams (until 3 June 2025).

Responsibilities

The Environmental, Social, and Governance Committee is responsible for the following areas:

- To support the Board in fulfilling its obligations to the Group and comply with all statutory, legal, and regulatory requirements and standards in relation to all ESG matters.
- Independently review actions to ensure the Group's consideration with environmental, social, and governance matters and report to the Board and shareholders, as appropriate.
- Define and further develop the Group ESG goals and objectives. Key metrics to be adopted by each entity, monitored, and fairly reported.
- Monitor the Group's ESG performance and execution, ensuring that it addresses matters of material impact.
- Provide oversight and approval of key policies and projects required to implement the ESG strategy and Roadmap.
- Review current and emerging ESG trends, relevant international standards, and legislative requirements.
- Review the effectiveness and performance of ESG projects and initiatives.
- Offer recommendations to the Board on any of the matters listed above that the Committee considers appropriate.

Meetings and attendance

The Committee is mandated to meet at least twice per year. In 2025, only one Committee meeting was held as the company focussed on the various approaches which had been made to it. Meanwhile, the Group ESG, Compliance and Risk Officer continued to oversee the implementation and monitoring of ESG-related initiatives. As a result, the Board remained satisfied that these areas continued to be appropriately managed during the reporting period.

The Committee is particularly supported by the Group ESG Compliance and Risk Officer. The Committee ensures that all minutes are taken and that the Committee receives information and papers in a timely manner.

ESG is a standing agenda point for each Board meeting, and each Board meeting is attended by the Group ESG Compliance and Risk Officer to provide valuable feedback on progression and detail challenges within sustainability, social, health and safety, and governance issues.

The ESG Committee ensures that material ESG issues are integrated into the Company's long-term business vision and purpose and is fundamental to raising the profile of ESG initiatives across the Group. INSPECS established the ESG Committee to have a dedicated approach to the development and implementation of our sustainability interventions and initiatives. The Committee was formed and held its first formal meeting in November 2022.

The ESG Committee will recommend to the Board for approval, sustainability-related targets and review the Company's progress towards those targets, reporting regularly to the Board.

Key achievements in 2025

- Advanced renewable energy initiatives through the solar panel installation in Vietnam
- Transitioned part of the Eschenbach fleet to electric vehicles
- Captured baseline data to support measurement and tracking of the packaging project

Areas of focus for 2026

- Future regulatory reporting requirements
- Emission reduction projects
- Additional training on fraud, anti-bribery, and corruption
- Review of progress against ESG targets and metrics
- Ongoing development with DE&I

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2025. The Corporate Governance Statement on page 46 also forms part of this Directors' Report.

Review of business

The Chair's Statement on pages 5 and 6, and the Strategic Report on pages 10 to 45 provides a review of the business, the Group's trading for the year ended 31 December 2025, key performance indicators and an indication of future developments.

Principal activity

The principal activity of the Group in the year was that of design, production, sale, marketing and distribution of high fashion eyewear and original equipment manufacturer ('OEM') products worldwide.

Result and dividend

The Group has reported its Consolidated Financial Statements in accordance with UK adopted international accounting standards, and those parts of the Companies Act 2006 applicable to companies reporting under UK adopted international accounting standards.

The Group results for the year are set out in the Consolidated Statement of Comprehensive Income on page 88. The Company financial statements have been prepared under FRS 101 for the year ended 31 December 2025.

The Group's revenue of £191.7m (2024: £193.3m¹), gross profit margin of 51.7% (2024: 52.4%¹) and loss after tax for continuing operations of £3.3m (2024: loss £2.0m¹).

Period ended	31 December 2025	31 December 2024 (Re- presented ¹)
Revenue (£m)	191.7	193.3
Gross margin %	51.7%	52.4%
Loss after tax - continuing operations (£m)	(3.3)	(2.0)

1 The results for the year ended 31 December 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.

The Board is not recommending a dividend (2024: No dividend).

Directors

The Directors of the Group during the year were:

Executive	Non-Executive
Robin Totterman (Chair) – resigned as Chair on 3 June 2025	Christopher Hancock – appointed Interim Chair on 3 June 2025
Richard Peck (CEO)	Angela Farrugia
Chris Kay (CFO) – resigned 3 June 2025	Shaun Smith
	Hugo Adams - resigned 3 June 2025

The names of the Directors at the year end, along with their brief biographical details, are given on pages 48 and 49.

Directors' interests

The Directors' interests in the share capital of the Group at 31 December 2025 and 2024 is shown below:

	2025	2024
Robin Totterman	17,698,815*	17,698,815*
Chris Kay	N/A	2,178,730
Christopher Hancock	23,448	23,448
Angela Farrugia	31,904	31,904
Richard Peck	9,523	9,523
Shaun Smith	–	–
Hugo Adams	N/A	16,500

*An additional 1,325,447 (2024: 1,325,447) shares are held by connected persons of Robin Totterman.

Charitable and political donations

As part of our responsible commitment, the Group and its subsidiaries have made a number of donations to local charities. The Group made no political donations in the financial period.

Disclosure of information to auditor

As far as the Directors are aware, there is no relevant audit information (that is, information needed by the Group's auditors in connection with preparing their report) of which the Group's auditors are unaware, and each Director has taken all reasonable steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Financial risks

The financial risk management objectives of the Group, including credit risk, interest rate risk and foreign exchange risk, are provided in note 33 to the Consolidated Financial Statements on pages 131 to 134.

Share capital structure

At 31 December 2025, the Group's issued share capital was £1,016,715 divided into 101,671,525 Ordinary Shares of 0.01p each. The holders of Ordinary Shares are entitled to one vote per share at the general meetings of the Group.

Substantial shareholdings

At 31 December 2025, the Group had been notified of the following substantial shareholdings comprising of 3% or more of the issued Ordinary Share capital:

	% of issued share capital
Safilo Group S.p.A.	25.0%
Robin Totterman	17.9%
Canaccord Genuity Group Inc	15.1%
Downing LLP	9.0%
Luke Johnson	5.9%

Share option schemes

Details of the employee share scheme are set out in note 32 to the Consolidated Financial Statements.

Purchase of own shares

There was no purchase of our own shares in the period.

Going concern

The Group achieved revenue of £191.7m (£193.4m on a constant currency basis) for the year, aligning closely with 2024 results of £193.3m. The Board is optimistic about 2026, driven by the launch of new products, expansion in key accounts and planned operational efficiencies.

As part of its comprehensive review, the Directors have evaluated the Group's financial forecasts, borrowing levels, leverage, and capital expenditure through to 30 June 2027. In doing so, the Board has explicitly considered the current macroeconomic and geopolitical environment, including heightened uncertainty arising from recent geopolitical tensions in the Middle East.

The Board assessed the potential impact of these uncertainties on the Group's trading performance, cost base, liquidity and supply chain. Based on current trading conditions, operational resilience and cost visibility, the Directors concluded that these factors do not, at present, represent a material risk to the Group's forecasts or going concern assumptions.

HSBC, the Group's principal lender, has formally waived its right to accelerate or recall the Group's term loan and revolving credit facilities as a result of the change of control after the balance sheet date (see note 38).

The change of control has not resulted in any changes to the Group's governance arrangements, operating model or management team, and the Board continues to retain day-to-day operational and strategic control of the business. The Offer Document issued to shareholders on 23 February 2026 confirms the acquiring party's intention to support the Group's existing business model and long-term strategy, retain the current management team and employees, and continue the operational plans developed by existing management.

The financial forecasts and business plans underpinning the Group's going concern assessment are consistent with those provided to the acquiring party in completing the acquisition.

The Directors have therefore concluded that the change of control does not give rise to a material uncertainty in relation to the Group's ability to continue as a going concern.

Notwithstanding this conclusion, recognising the inherent uncertainty in the external environment, the Board considered a range of scenarios to assess the Group's resilience under adverse conditions.

To assess the impact of current economic uncertainties and the evolving geopolitical landscape, the Board considered the following scenarios:

Base Case

- The Base Case reflects the Board-approved budget including all transaction costs, updated with actual trading data up to 31 March 2026.
- The Group has secured forward orders covering approximately three months of sales to key account customers through to June 2026.
- Market conditions remain resilient, with trading aligning with expectations.
- The Group maintains its budgeted margin throughout 2026.

No covenant breaches or liquidity challenges are expected under this scenario.

Severe but Plausible Downside Scenario

- This scenario assumes a 8.4% revenue reduction from May 2026 onward.
- The Directors believe the 8.4% reduction represents a substantial and prudent allowance, given the current trading position.
- The model incorporates cost-saving measures, including reductions in employee bonuses, commissions, and discretionary operational spending.

No covenant breaches or liquidity challenges are anticipated.

Reverse Stress Test

- This scenario models a 17.6% decline in forecast revenue from May 2026, with gross margins maintained.
- Such a decline would significantly surpass historical reductions and result in a Leverage and Debt Service Cover breach in June 2027.
- The analysis focused on covenant compliance risks rather than liquidity constraints, as the Group would breach covenants before encountering cash flow shortfalls.
- In the event of a severe revenue decline, the Group could implement additional cost-saving initiatives and explore covenant amendments or waivers with its banking partners.
- Cost-saving measures would include reductions in employee expenses, headcount, and discretionary operating costs.

Given current business momentum, the Directors consider this scenario to be highly unlikely.

As at 31 December 2025, the Group had borrowings of £48.3m (including invoice financing, excluding leases) and a net debt position of £32.3m (excluding leases). These borrowings are subject to three key covenants: Leverage, Cashflow Cover, and Interest Cover ratios, assessed on a 12-month rolling basis for each relevant period. The financing facilities have a three-year term and are set to mature in December 2027, with two further one-year extension options subject to bank consent.

Based on these assessments, the Board has a reasonable expectation that the Group and Company have sufficient resources to continue operating as a Going Concern through 30 June 2027. Accordingly, the Directors have adopted the going concern basis in preparing the financial statements.

Post balance sheet events

On 13 March 2026, Bidco 1125 Limited (“Bidco”) declared that its offer to INSPECS shareholders was unconditional. In accordance with rule 17 of the takeover code Bidco confirmed that as at 1pm on 16 March 2026 it had exceeded acceptances for more than 50% of the issued share capital of INSPECS Group Plc. As a result of this change in control, the Group’s share option agreements have lapsed.

Since the balance sheet date, but before these Financial Statements were approved, there were no further events that the Directors consider material to the users of these Financial Statements.

Future developments

The Board intends to continue to pursue the business strategy as outlined in the Strategic Report on pages 5 to 45.

Stakeholder involvement policies

The Directors believe that the involvement of employees, customers and suppliers is an important part of the business culture and contributes to the successes achieved to date (see our ESG Report on pages 28 to 33).

Equal opportunities

The Group is committed to eliminating discrimination and encouraging diversity. Its aim is that its people will be truly representative of all sections of society and that each person feels respected and is able to perform to the best of their ability. The Group aims for its people to reflect the business’s diverse customer base.

The Group will not make assumptions about a person’s ability to carry out their work, for example based on their ethnic origin, gender, sexual orientation, marital status, religion or other philosophical beliefs, age or disability. Likewise, it will not make general assumptions about capabilities, characteristics and interests of particular groups that may influence the treatment of individuals, the assessment of their abilities and their access to opportunities for training, development and promotion.

Ethical business practices

The Group has a zero tolerance to bribery and corruption and is committed to ensure that it has appropriate procedures in place to counter this risk. A formal policy is in place and continual training is undertaken. The anti-bribery and whistleblowing policy is reviewed annually by the Audit and Risk Committee.

SECR

Our Streamlined Energy and Carbon Reporting ('SECR') framework can be found on pages 28 to 31.

Auditor reappointment

The auditor, Grant Thornton, has indicated its willingness to be reappointed and, in accordance with section 489 of the Companies Act 2006, a resolution for reappointment will be proposed at the AGM.

Annual General Meeting

The date of the Annual General Meeting will be communicated in due course. The ordinary business comprises receipt of the Directors' Report and audited financial statements for the year ended 31 December 2025, the re-election of Directors, the reappointment of Grant Thornton as auditor and authorisation of the Directors to determine the auditor's remuneration.

Special resolutions are also proposed to authorise the Directors, to a limited extent consistent with pre-emption Group guidelines, to allot new shares, to disapply statutory pre-emptions rights and to make market purchases of the Group's shares. The Notice of Annual General Meeting sets out the ordinary and special resolutions to be put to the meeting.

Approval

This Directors' Report was approved on behalf of the Board on 12 May 2026.

Richard Peck

Chief Executive Officer

12 May 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK adopted international accounting standards, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework'), and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Parent Company Financial Statements, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmation

The Directors consider that the Annual Report and Accounts, taken as a whole are fair, balanced and understandable. They provide the information necessary for shareholders to assess the Group and Parent Company's position and performance, business model and strategy.

On behalf of the Board

Richard Peck
Chief Executive Officer

12 May 2026

Independent auditor's report to the members of INSPECS Group plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of INSPECS Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025, which comprise:

Group	Parent Company
Consolidated income statement	Company balance sheet
Consolidated statement of other comprehensive income	Company statement of changes in equity
Consolidated statement of financial position	Notes to the company financial statements, including material accounting policy information
Consolidated statement of changes in equity	
Consolidated statement of cash flows	
Notes to the consolidated financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.



A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the Key Audit Matters section of our report.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

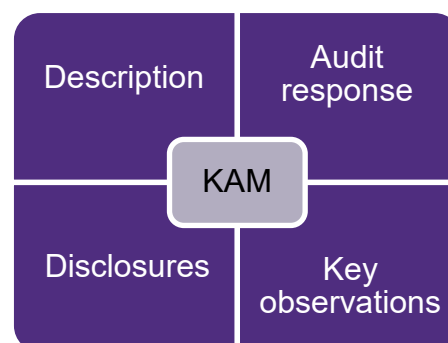
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

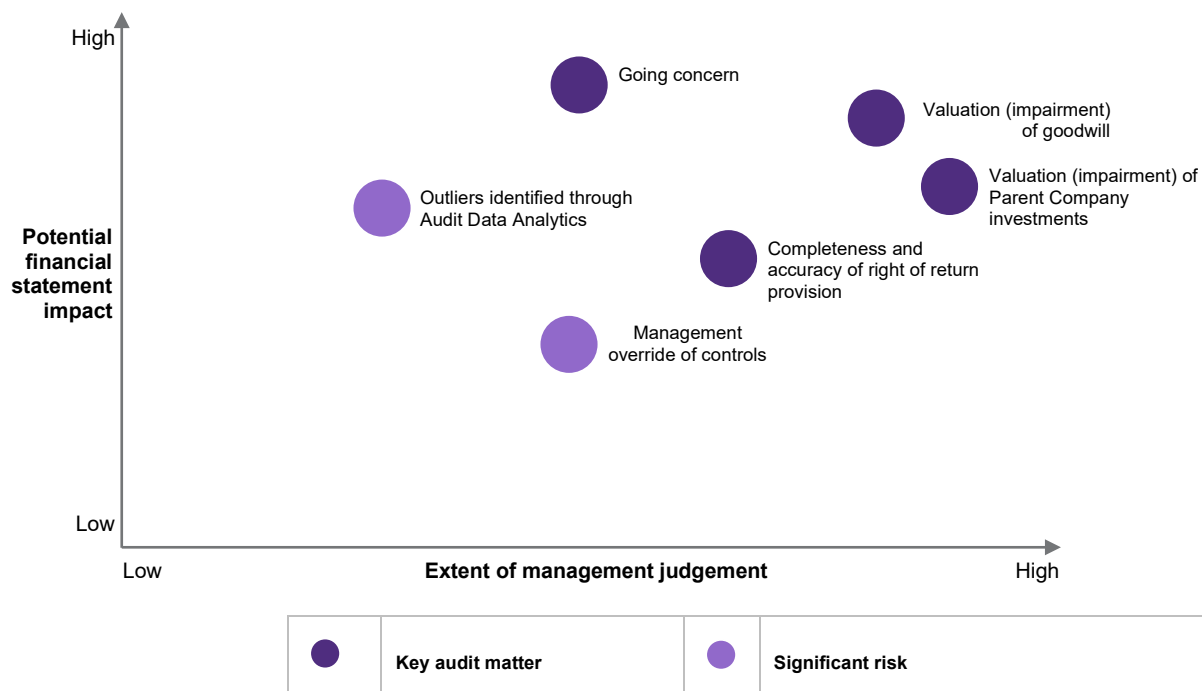
 	Overview of our audit approach
	<p>Overall materiality:</p> <p>Group: £1,464,000, which represents approximately 0.75% of the Group's revenue.</p> <p>Parent Company: £1,336,000, which represents approximately 1% of the Parent Company's total assets at planning stage.</p>
	<p>Key audit matters were identified as:</p> <ul style="list-style-type: none"> • Completeness and accuracy of the right of return provision; • Valuation (impairment) of goodwill; • Going concern; and • Valuation (impairment) of Parent Company investments.
	<p>We performed audit procedures on the entire financial information (full-scope audit) of one component in the United Kingdom, one component in Germany and one component in the United States of America. We performed audits of one or more classes of transactions including specified, risk focused audit procedures (specific scope procedures) for three components in the United Kingdom, two components in China, one component in Vietnam, one component in Germany and one component in the United States of America. We or the component auditors performed analytical procedures on the financial information of all the remaining components which are based in a number of countries across Europe and Asia.</p>

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.



Key Audit Matter – Group

Valuation (impairment) of goodwill

We identified valuation (impairment) of goodwill as one of the most significant assessed risks of material misstatement due to error.

The management assessment of valuation (impairment) of goodwill makes use of complex models with a high level of management judgment applied and entails estimates that are subject to a high degree of estimation uncertainty.

When carrying out the impairment review, determining the recoverable amount for each cash-generating unit ('CGU') required management to make judgements over several key inputs in the value-in-use discounted cash flow models. These include revenue growth, discount rates, long-term growth rates and the key assumption of margin growth.

Due to the significant level of estimation uncertainty present in the impairment test, together with the challenging economic environment the Group continues to operate in and the sensitivity of the related assumptions used in the models, we identified the valuation (impairment) of goodwill as a key audit matter.

How our scope addressed the matter – Group

In responding to the key audit matter, we performed the following audit procedures:

- obtained and assessed management's assessment of CGUs against the definition set out in IAS 36. The assessment underpins management's impairment paper which includes consideration of the carrying value of all non-current assets, not only goodwill;
- tested the mathematical accuracy of management's value-in-use models;
- considered the wider economic environment each CGU operates in, identifying market share, key customers and costs, to identify which CGUs were more sensitive to external factors;
- challenged management on their cashflow forecasts, in particular whether they appropriately factored in the impact of ongoing macroeconomic and supply chain pressures and corroborated to relevant evidence such as external market data to support key assumptions;
- checked whether forecasts used are board approved, as required by IAS 36, and are consistent with other forecasts provided and used in other areas of the audit;
- assessed management's historical forecasting accuracy by reference to actual results against forecasts;
- engaged an auditor expert to assess management's assumptions used in

Key Audit Matter – Group

How our scope addressed the matter – Group

- calculating the discount rates and long-term growth rates used in the value-in-use calculation;
- assessed management's medium-term growth rates used in the forecast, through comparison to economic and industry forecasts where appropriate;
- assessed whether there is any corroboratory or contradictory evidence as to the value-in-use assessments when compared to the year-end market capitalisation of the Group and whether any purchase offers received provided substantive evidence to support the carrying value of any CGUs;
- performed sensitivity analysis in respect of the key assumptions, such as discount and growth rates, to consider the level of headroom in management's calculation; and
- evaluated the accuracy and sufficiency of the disclosures within the financial statements against the requirements of IAS 1 and IAS 36.

Relevant disclosures in the Annual Report and Accounts

- Financial statements: Note 3, Critical accounting judgements and key sources of estimation uncertainty; Financial statements: Note 13, Goodwill

Our results

Based on our audit work, no material errors over the valuation (impairment) of goodwill were identified as a result of our audit procedures.

Completeness and accuracy of the right of return provision

We identified the completeness and accuracy of the right of return provision as one of the most significant assessed risks of material misstatement due to fraud and error.

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. Under IFRS 15: 'Revenue from Contracts with Customers', a liability at the expected sales value of goods to be returned, and a corresponding asset to represent to recoverable cost of the underlying inventory should be recognised in relation to estimated future returns.

The Group holds a total right of return provision of £15.7m (2024 restated: £16.7m) to reflect the estimated value of refunds expected to be issued to customers in respect of sales made prior to the year-end. When determining the year-end provision, management are required to make several key judgements and estimates including expected future return patterns and the recoverability of returned inventory.

Given the significance of these judgements, the size of the provision and the degree of estimation uncertainty, we determined the accuracy and completeness of the right of return provision to be a key audit matter.

In responding to the key audit matter, we performed the following audit procedures:

- Obtained management's assessment in respect of the right of return arrangements, including historical commercial practices and return policies across the Group;
- Evaluated management's methodology applied in estimating the provision against IFRS 15, including the basis for determining historic return rates and the process for assessing the expected recoverable amount of inventory returned;
- Checked the mathematical accuracy of the return calculations by performing our own recalculation;
- Tested the accuracy of the underlying data by agreeing a sample of credit notes back to supporting documentation including the credit note issued and details of the related sale;
- Assessed the completeness of the data used by management, by reconciling the total credit notes used in the calculation back to the general ledger;
- Evaluated the ageing and categorisation of credit notes across several years to assess

Key Audit Matter – Group

How our scope addressed the matter – Group

- whether return patterns were consistent with management's assumptions;
- Compared post year end returns activity to the provisions held at year end to consider whether they supported the reasonableness of the liabilities recorded:
- Held discussions with employees outside of finance to understand whether there were any instances of customer returns behaviours that would require specific consideration in the estimates applied to the provision;
- Challenged key assumptions applied by management to determine whether these were reflective of expected future returns, with consideration to both contractual and constructive obligations based on commercial practices; and
- Assessed the historical forecasting accuracy of management by comparing the prior year provision against actual credit notes issued.

Relevant disclosures in the Annual Report and Accounts

- Financial statements: Note 3, Critical accounting judgements and key sources of estimation uncertainty; Note 5, Revenue; Note 36, Prior year adjustments

Key observations

As a result of our audit challenge, management recorded a material adjustment to increase the right of return provision. We have not identified any further material misstatements in the completeness and accuracy of the right of return provision.

Going concern

We identified the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements as one of the most significant assessed risks of material misstatement due to error.

Our risk assessment was based on consideration of the following factors:

- The wider macroeconomic environment the Group is operating in, including cost pressures from inflation and tariffs leading to a reduction in consumer spending;
- The loss before income tax (from continuing operations) generated by the Group in the 2025 financial year; and
- The financing arrangements in the Group and the associated covenants, one of which was breached in March 2025 due to accelerated payments to suppliers. We note that the bank provided a waiver for the breach in April 2025 and no subsequent breaches have been reported.

Management makes significant judgements in respect of assessing the going concern assumption, including forecasting future cash flows amidst wider estimation uncertainty. This includes a base case assessment, reasonably

In responding to the key audit matter, we performed the following audit procedures:

- obtained management's forecasts covering the period to 30 June 2027, which include a base case assessment, reasonably possible downside scenario and a reverse stress test. These forecasts were evaluated to confirm the mathematical accuracy of the model;
- obtained and considered the appropriateness of management's assessment in support of the going concern assumption including the following:
 - the rationale for the selection of an appropriate going concern period;
 - consideration of the economic conditions relevant to the industry in which the Group operates; and
 - consideration of events outside the going concern period.
- tested the mathematical accuracy of management's forecasts, including agreeing the cash position to the closing balances at 31 March 2026;
- checked the minutes of board meetings up to the date of our report to assess

Key Audit Matter – Group

possible downside scenario and a reverse stress test .

Due to the factors mentioned above, we identified the going concern assumption as a key audit matter.

How our scope addressed the matter – Group

- whether there was any contradictory evidence in relation to management's covenant compliance models included in management's going concern scenarios;
- considered whether management's assessment of the impact of the change of control in March 2026 was reasonable by reading the published Offer Document and stated intentions of the acquiring party;
 - obtained and compared analyst reports and industry data with management's estimates and considered whether the data provided corroborative or contradictory evidence in relation to management's assumptions;
 - considered the inherent risks associated with the Group's business model including effects arising from macro-uncertainties (such as interest and inflationary pressures) on the forecasting period;
 - compared management's forecasting to historical financial information for the past three financial year-ends and post year-end for January to March 2026, to assess the accuracy of that forecasting;
 - challenged the mitigating actions in management's downside scenario and reverse stress test and obtained supporting data to evidence that the cost reductions were within the control of management and modelled on a reasonable basis;
 - assessed the information obtained from our procedures described above against management's downside scenario and reverse stress test and evaluated whether this evidence indicated the reverse stress test as being implausible; and
 - evaluated the Group's disclosures on going concern for compliance with the requirements of IAS 1 'Presentation of Financial Statements'.

Relevant disclosures in the Annual Report and Accounts

- **Directors' report: pages 68 to 72**
- **Financial statements: Accounting policies, basis of preparation**

Our results

Based on our audit work, we are satisfied that the going concern assumption adopted in the preparation of the financial statements is appropriate.

Key Audit Matter – Parent Company

How our scope addressed the matter– Parent Company

Valuation (impairment) of Parent Company investments

We identified valuation (impairment) of Parent Company investments as one of the most significant assessed risks of material misstatement due to error.

The carrying amount of the Parent Company investment (£58.7m before current year impairment) is a significant proportion of the Parent Company's total assets. In prior periods, the enterprise value derived from the market capitalisation has fallen below the value of the investment, which was appropriately considered to be an indicator of impairment, and therefore the recoverable amount was considered with reference to discounted forecast future cash flows.

The impairment assessment involves making judgements over certain key inputs in value-in-use discounted cash flow models. These assumptions include revenue growth, profitability, discount rates, short-term, medium-term and long-term growth rates.

Due to the high level of estimation uncertainty present in the impairment test and the sensitivity of the related assumptions in management's model (as disclosed in the prior year), we have identified the valuation of the investment in the Parent Company financial statements as a key audit matter.

In responding to the key audit matter, we performed the following audit procedures:

- obtained management's supporting cash flow forecasts and evaluated whether the methodology applied in the calculations is in accordance with the requirements of IAS 36;
- evaluated the mathematical accuracy of management's model;
- assessed whether there is any corroboratory or contradictory evidence as to the value-in-use assessments when compared to the year-end market capitalisation of the Group and whether any purchase offers received provided substantive evidence to support the carrying value of the Group's investments;
- performed a comparison of the forecasts and related assumptions to those used in other areas of the financial statements such as impairment testing for goodwill and going concern forecasting, challenging any variances identified;
- challenged management on its cash flow forecast, particularly around whether it appropriately factored in the impact of the wider macroeconomic environment and accuracy of recent forecasting. We corroborated management's responses to relevant evidence or external market data such as economic and industry forecasts to support key assumptions; and
- evaluated the accuracy and sufficiency of the disclosures within the annual report to determine compliance with the requirements of IAS 36.

Relevant disclosures in the Annual Report

- Parent Company financial statements: Note 2, Critical accounting judgements and key sources of estimation uncertainty; Note 3, Investments

Key observations

As a result of our audit challenge, management recorded a material adjustment to recognise an impairment of investments in the Parent Company financial statements. We have not identified any further material misstatements in the valuation (impairment) of Parent Company investments.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

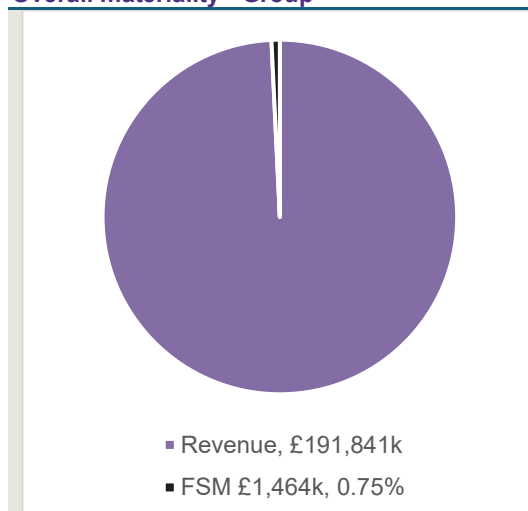
Materiality was determined as follows:

Materiality measure	Group	Parent Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£1,464,000, which represents approximately 0.75% of the Group's revenue.	£1,336,000, which represents approximately 1% of Parent Company's total assets at the planning stage.
Significant judgements made by auditor in determining materiality	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> revenue is a key performance indicator for the Group, is a key area of focus for stakeholders and was the primary benchmark and key performance indicator highlighted in our analysis of comparator businesses; and the measurement percentage we have applied to the revenue benchmark is consistent with that used in prior years. <p>Materiality for the current year is lower than the level that was determined for the year ended 31 December 2024.</p>	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> total assets is considered to be the most appropriate benchmark as it reflects the Parent Company's status as a non-trading holding company; and we have restricted our materiality benchmark to 1% to the company's listing and the related diversity of ownership percentages. <p>Materiality for the current year is higher than the level that was determined for the year ended 31 December 2024.</p> <p>The Parent Company materiality is for the purposes of the Parent Company only financial statement audit.</p>
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	<p>£1,024,000, which is 70% of financial statement materiality.</p> <p>The range of component performance materialities used across the Group was £0.56m to £0.72m.</p>	<p>£935,000, which is 70% of financial statement materiality.</p> <p>Parent Company component performance materiality has been capped at an amount less than Group performance materiality for Group audit purposes.</p>
Significant judgements made by auditor in determining performance materiality	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> having considered the level of misstatements identified in the prior period, the overall control environment, the fact that there were no significant changes in business objectives / strategy and the fact that it was our first 	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> having considered the level of misstatements identified in the prior period, the overall control environment, the fact that there were no significant changes in business objectives / strategy and the fact that it was our first

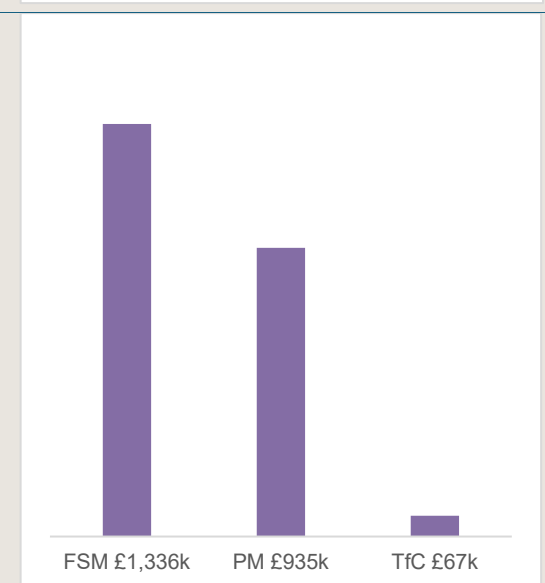
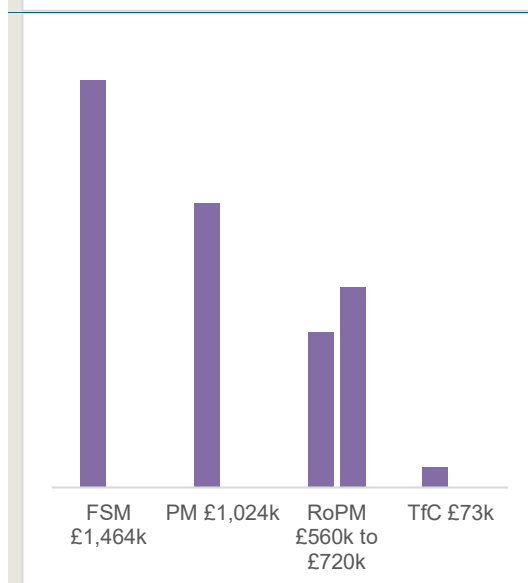
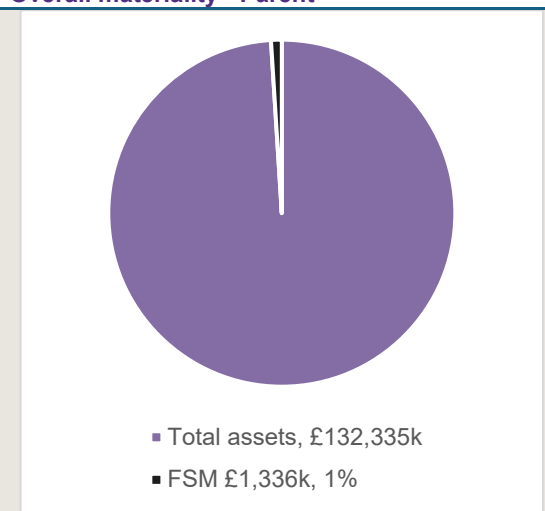
Materiality measure	Group	Parent Company
	<p>year as auditor of the Group, we determined that a performance materiality threshold of 70% is applicable.</p> <p>In determining component performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> • Extent of disaggregation of financial information across components, including the relative risk and size of a component to the Group. <p>For each component in scope for our Group audit, we allocated a performance materiality that is less than our overall Group performance materiality.</p>	<p>year as auditor of the Group, we determined that a performance materiality threshold of 70% is applicable.</p>
Specific materiality	<p>We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.</p>	
Specific materiality	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> • directors' remuneration disclosures; and • identified related party transactions outside of the normal course of business. 	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> • directors' remuneration disclosures; and • identified related party transactions outside of the normal course of business.
Communication of misstatements to the audit committee	<p>We determine a threshold for reporting unadjusted differences to the audit committee.</p>	
Threshold for communication	<p>£73,200, which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.</p>	<p>£66,800, which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.</p>

The graph below illustrates how performance materiality and the range of component performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.

Overall materiality - Group



Overall materiality - Parent



FSM: Financial statement materiality, PM: Performance materiality, Rom: range of performance materiality, TF: Threshold for communication to the audit committee

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the Parent Company's business and in particular matters related to:

Understanding the Group, its components, their environments, and its system of internal control including common controls

Our audit approach was a risk based approach founded on a thorough understanding of the Group's and Parent Company's business, its environment and risk profile. The Group's accounting process is primarily resourced through a central function within the UK, with local finance functions in the United States of America, Germany and China. Each local finance function reports into the central Group finance function based at the Group's head office. The Group auditor obtained an understanding of the Group and its environment, including Group common controls, and assessed the risks of material misstatement at the Group level.

In our identification of components we considered our evaluation of:

- the Group's operational structure
- the existence of common information systems
- the existence of common management across entities
- the existence of common risk profiles across entities

- geographical location; and
- our ability to perform audit procedures centrally

We obtained an understanding of the business processes for all significant classes of transactions, including significant risks, in order to enhance our understanding of the control environment across the Group.

For full scope audits and specific scope procedures, the group and component auditors obtained an understanding of the relevant controls over the entity specific financial reporting systems identified as well as the centralised financial reporting system as part of our assessment.

We documented and assessed the design and implementation of controls related to key audit matters and other significant risks communicated in this report.

Identifying components at which to perform audit procedures

We determined the components at which to perform further audit procedures, by considering the following:

- components in scope for further audit procedures due to individually including a risk of material misstatement to the Group financial statements due to the component's nature or circumstances;
- components in scope for further audit procedures due to the nature and size of assets, liabilities and transactions at the component (being of financial significance to one or more scoped items that it is required to be in scope); and
- components in scope for further audit procedures to obtain sufficient appropriate audit evidence for significant classes of transactions, account balances and disclosures, or for unpredictability.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- Full-scope audit procedures on the financial information of three components, being Eschenbach Optik GmbH, Inspects Limited and Tura Inc. These full-scope audits included the work on the identified key audit matters described above;
- Specific scope procedures on certain financial statement line items in components in China, Vietnam, the United Kingdom, United States of America and Germany to ensure we achieved sufficient coverage;
- Analytical procedures using Group materiality on the financial information of all remaining components which are based in a number of countries across North America, Europe and Asia. Component auditors performed the analytical procedures for sub-consolidations in Germany and Hong Kong and the Group auditor performed analytical procedures for all other components; and
- The work performed on the Parent Company including the work on the identified key audit matter, specific scope procedures on components in the United Kingdom and the analytical procedures performed on the remaining components were performed by the Group auditor.

Performance of our audit

- In addition to the above information on the type of work performed on the components, please also refer to the table below regarding the total percentage coverage achieved through full-scope audits, specific scope procedures, and analytical procedures, as measured against the noted benchmarks.

Further audit procedures performed on components subject to specific scope and specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the Group auditor, considered had the potential for the greatest impact on the Group financial statements either due to risk, size or coverage.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage Revenue	% coverage Right of return	% coverage Total assets
Full-scope audit	3	67%	86%	45%

Specific scope procedures	8	14%	0%	38%
Analytical procedures	33	19%	14%	17%
Total	44	100	100	100

Communications with component auditors

As part of establishing the overall Group audit strategy and plan, we conducted risk assessment and planning discussion meetings with component auditors to discuss risks of material misstatement at Group level relevant to the components, including the key audit matter in respect of completeness and accuracy of right of return provision.

Component auditors were issued with detailed audit instructions, highlighting the relevant significant risks and Group reporting requirements. These instructions highlighted the significant risks that needed to be addressed through the audit procedures and specified the information that we required to be reported to the Group auditor.

Where component auditors were instructed to perform specific-scope procedures, detailed instructions were issued highlighting the specific testing requirements and the information that we required to be reported to the Group auditor.

Throughout the planning, fieldwork, and concluding stages of the Group audit, the Group auditor communicated with all component auditors and conducted a review of their work. Key working papers were prepared by the Group auditor to summarise the review of component auditor files.

We visited the component auditors of all full-scope components in the United Kingdom, the United States of America and Germany on multiple occasions during the audit. Virtual meetings were also held on a regular basis during each phase of the audit with all component auditors. At the visits and meetings, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further work required by us was then performed by the component auditors.

Across the Group audit, the Group auditor and all component auditors carried out the majority of work performed in person with the respective finance teams. We held detailed discussions with the component audit teams, including remote and in-person reviews of the work performed, update calls on the progress of their fieldwork and by attending the component audit clearance meetings with component management; and

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

Other information

The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 73, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Through the understanding that we obtained, we determined the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements to be those related to the financial reporting framework, being UK adopted international accounting standards and the Companies Act 2006, together with the AIM Rules for Companies, and the relevant taxation regulations in the significant jurisdictions in which the Parent Company and Group operate.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Parent Company and the Group and sector in which they operate and how the Parent Company and the Group are complying with those legal and regulatory frameworks, through our commercial and sector experience, making enquiries of management and those charged with governance, and inspection of the Parent Company's and the Group's key external correspondence. We corroborated our enquiries through our inspection of board minutes and other information obtained during the course of the audit.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur by meeting with management from different parts of the business to understand where it is considered there was a susceptibility of fraud. We also considered

performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programs and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. Our audit procedures involved:

- journal entry testing, with a focus on consolidation journals and journals indicating large or unusual transactions based on our understanding of the business;
 - enquiries of group management, internal controls and risk teams and component management at locations where full scope audit procedures and specified audit procedures were performed.
 - In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
 - The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the Group engagement team included consideration of the Group engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the Parent Company and the Group operate;
 - Understanding of the legal and regulatory requirements specific to the Parent Company and the Group;
 - The previous experience with or knowledge of the component auditor;
 - The component auditor's knowledge of the industry in which the client operates; and
 - The degree to which Group and component auditors are subject to a common system of quality control.
 - Communications within the engagement team in respect of potential non-compliance with laws and regulations and fraud included the areas of estimation and judgemental areas with a risk of fraud, including potential management bias, outliers identified through Audit Data Analytics, completeness and accuracy of right of return provision, and through management override of controls in the preparation of the financial statements.
 - For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the Group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Turner FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

12 May 2026

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2025

	Notes	2025 £'000	2024 (Re-presented ¹) £'000
Revenue	5	191,701	193,345
Cost of sales		(92,525)	(91,963)
Gross profit		99,176	101,382
Distribution costs		(5,239)	(5,388)
Administrative and selling expenses		(88,252)	(90,091)
Operating profit before non-underlying items		5,685	5,903
Non-underlying costs (net)	8	(2,944)	(608)
Exchange adjustment on borrowings	33	41	97
Finance costs	9	(3,145)	(3,997)
Finance income	9	139	201
Share of loss of associate and joint venture	16	(17)	(29)
(Loss)/profit before income tax		(241)	1,567
Income tax charge	11	(3,049)	(3,585)
Loss for the year – Continuing Operations		(3,290)	(2,018)
Loss for the year – Discontinued Operations	35	(6,268)	(2,590)
Loss for the year		(9,558)	(4,608)
Attributable to:			
Equity holders of the Parent		(9,558)	(4,608)
Loss per share from continuing operations			
Basic loss per share attributable to the equity holders of the Parent	12	(3.24)p	(1.99)p
Diluted loss per share attributable to the equity holders of the Parent	12	(3.24)p	(1.99)p
Loss per share			
Basic loss per share attributable to the equity holders of the Parent	12	(9.40)p	(4.53)p
Diluted loss per share attributable to the equity holders of the Parent	12	(9.40)p	(4.53)p

(1) The results for the year ended 31 December 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

	2025 £'000	2024 (Restated) £'000
Loss for the year	(9,558)	(4,608)
Other comprehensive loss		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(3,959)	(1,369)
Other comprehensive loss for the year, net of income tax	(3,959)	(1,369)
Total comprehensive loss for the year	(13,517)	(5,977)
Attributable to: Equity holders of the Parent	(13,517)	(5,977)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2025 £'000	As at 31 December 2024 (Restated) £'000	As at 1 January 2024 (Restated) £'000
Assets				
Non-current assets				
Goodwill	13	56,832	57,713	58,227
Intangible assets	14	16,848	23,406	29,813
Property, plant and equipment	15	13,907	18,276	19,001
Right-of-use assets	26	10,346	14,372	16,599
Investments in associate and joint venture	16	54	70	98
Deferred tax assets	29	1,736	3,450	4,542
		99,723	117,287	128,280
Current assets				
Inventories	17	47,225	45,939	44,284
Trade and other receivables	18	37,465	38,461	34,511
Tax receivables	30	887	107	386
Cash and cash equivalents	19	15,986	23,960	20,070
		101,563	108,467	99,251
Assets held for sale	20	944	–	832
Total assets		202,230	225,754	228,363
Equity				
Shareholders' equity				
Called up share capital	21	1,017	1,017	1,017
Share premium	22	89,508	89,508	89,508
Foreign currency translation reserve	22	(954)	3,005	4,374
Share option reserve	22	3,755	3,570	3,222
Merger reserve	22	5,340	5,340	5,340
Accumulated losses	22	(18,950)	(9,392)	(4,807)
Total equity		79,716	93,048	98,654
Liabilities				
Non-current liabilities				
Financial liabilities – borrowings				
Interest-bearing loans and borrowings	25	44,414	44,505	48,234
Deferred consideration		-	-	652
Deferred tax liabilities	29	1,425	1,968	3,668
		45,839	46,473	52,554
Current liabilities				
Trade and other payables	23	40,522	42,944	38,317
Right of return liabilities	5	15,655	16,654	16,677
Warranty provision	24	2,868	3,423	3,977
Financial liabilities – borrowings				
Interest-bearing loans and borrowings	25	13,782	16,185	13,000

Invoice discounting	25	1,580	1,777	887
Deferred and contingent consideration	28	–	1,873	2,111
Tax payable	30	2,268	3,377	2,186
		76,675	86,233	77,155
Total liabilities		122,514	132,706	129,709
Total equity and liabilities		202,230	225,754	228,363

The notes on pages 94 to 142 form part of these Financial Statements.
Registered Company number: 11963910.

The Financial Statements were approved by the Board of Directors on 12 May 2026 and were signed on its behalf by:

R Peck
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Notes	Called up share capital £'000	Share premium £'000	Foreign currency translation reserve £'000	Share option reserve £'000	Accumulated losses £'000	Merger reserve £'000	Total equity £'000
At 1 January 2024 (as previously stated)		1,017	89,508	5,435	3,222	(1,005)	5,340	103,517
Restatement	36	–	–	(1,061)	–	(3,802)	–	(4,863)
At 1 January 2024 (restated)		1,017	89,508	4,374	3,222	(4,807)	5,340	98,654
Changes in equity								
Loss for the year		–	–	–	–	(4,608)	–	(4,608)
Other comprehensive loss (restated)	22	–	–	(1,369)	–	–	–	(1,369)
Total comprehensive loss (restated)		–	–	(1,369)	–	(4,608)	–	(5,977)
Share-based payments	22	–	–	–	371	–	–	371
Share options forfeited	22	–	–	–	(23)	23	–	–
At 31 December 2024 (restated)		1,017	89,508	3,005	3,570	(9,392)	5,340	93,048
At 31 December 2024 (as previously stated)		1,017	89,508	4,841	3,570	(5,590)	5,340	98,686
Restatement	36	–	–	(1,836)	–	(3,802)	–	(5,638)
At 31 December 2024 (restated)		1,017	89,508	3,005	3,570	(9,392)	5,340	93,048
Changes in equity								
Loss for the year		–	–	–	–	(9,558)	–	(9,558)
Other comprehensive loss	22	–	–	(3,959)	–	–	–	(3,959)
Total comprehensive loss		–	–	(3,959)	–	(9,558)	–	(13,517)
Share-based payments	22	–	–	–	185	–	–	185
Share options forfeited	22	–	–	–	–	–	–	–
At 31 December 2025		1,017	89,508	(954)	3,755	(18,950)	5,340	79,716

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	Notes	2025 £'000	2024 (Re-presented ¹) £'000
Cash flows from operating activities	27	8,572	15,799
Interest paid		(2,589)	(3,866)
Tax paid		(3,459)	(2,898)
Cash outflows from discontinued operations		(2,431)	(1,915)
Net cash from operating activities		93	7,120
Cash flows from investing activities			
Purchase of intangible fixed assets		(934)	(961)
Purchase of property, plant and equipment		(1,417)	(1,623)
Acquisition of subsidiaries, including overdraft acquired	34	–	(124)
Cash paid in relation to deferred consideration	28	(700)	(700)
Interest received	9	139	201
Cash inflows from discontinued operations		259	689
Net cash used in investing activities		(2,653)	(2,518)
Cash flow from financing activities			
New bank loans in the year	25	1,721	39,451
Bank loan principal repayments in year	25	(2,127)	(36,890)
Transaction costs on debt refinancing		(562)	(275)
Movement in invoice discounting facility	25	(197)	890
Principal payments on leases		(3,591)	(3,595)
Cash outflows from discontinued operations		(95)	(7)
Net cash used in financing activities		(4,851)	(426)
Increase/(decrease) in cash and cash equivalents		(7,411)	4,176
Cash and cash equivalents at beginning of the year		23,960	20,070
Foreign exchange rate loss		(563)	(286)
Cash and cash equivalents at end of the year	19	15,986	23,960

(1) The cashflows for the period year 31 December 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

1. General information

INSPECS Group plc is a public company limited by shares and is incorporated in England and Wales (company number 11963910). The address of the Company's principal place of business is 7-10 Kelso Place, Upper Bristol Road, Bath BA1 3AU.

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

2. Accounting policies

Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with UK adopted international accounting standards, and those parts of the Companies Act 2006 applicable to companies reporting under UK adopted international accounting standards.

The Consolidated Financial Statements have been prepared on a historical cost basis, except where fair value measurement is required under IFRS as described below in the accounting policies.

Going concern

As part of its comprehensive review, the Directors have evaluated the Group's financial forecasts, borrowing levels, leverage and capital expenditure through to 30 June 2027. In doing so, the Board has explicitly considered the current macroeconomic and geopolitical environment, including heightened uncertainty arising from recent geopolitical tensions in the Middle East.

The Board assessed the potential impact of these uncertainties on the Group's trading performance, cost base, liquidity and supply chain. Based on current trading conditions, operational resilience and cost visibility, the Directors concluded that these factors do not, at present, represent a material risk to the Group's forecasts or going concern assumptions.

HSBC, the Group's principal lender, has formally waived its right to accelerate or recall the Group's term loan and revolving credit facilities as a result of the change of control after the balance sheet date (see note 38).

The change of control has not resulted in any changes to the Group's governance arrangements, operating model or management team, and the Board continues to retain day-to-day operational and strategic control of the business. The Offer Document issued to shareholders on 23 February 2026 confirms the acquiring party's intention to support the Group's existing business model and long-term strategy, retain the current management team and employees, and continue the operational plans developed by existing management.

The financial forecasts and business plans underpinning the Group's going concern assessment are consistent with those provided to the acquiring party in completing the acquisition.

The Directors have therefore concluded that the change of control does not give rise to a material uncertainty in relation to the Group's ability to continue as a going concern.

Notwithstanding this conclusion, recognising the inherent uncertainty in the external environment, the Board considered a range of scenarios to assess the Group's resilience under adverse conditions.

To assess the impact of current economic uncertainties and the evolving geopolitical landscape, the Board considered the following scenarios:

Base Case

- The Base Case reflects the Board-approved budget including all transaction costs, updated

with actual trading data up to 31 March 2026.

- The Group has secured forward orders covering approximately three months of sales to key account customers through to June 2026.
- Market conditions remain resilient, with trading aligning with expectations.
- The Group maintains its budgeted margin throughout 2026.

No covenant breaches or liquidity challenges are expected under this scenario.

Severe but Plausible Downside Scenario

- This scenario assumes a 8.4% revenue reduction from May 2026 onward.
- The Directors consider this 8.4% reduction appropriately conservative, given the current trading position.
- The model incorporates cost-saving measures, including reductions in employee bonuses, commissions, and discretionary operational spending.

No covenant breaches or liquidity challenges are anticipated.

Reverse Stress Test

- This scenario models a 17.6% revenue reduction relative to the base case from May 2026, with gross margins maintained.
- Such a decline would significantly surpass historical reductions and result in a Leverage and Debt Service Cover breach in June 2027.
- The analysis focused on covenant compliance risks rather than liquidity constraints, as the Group would breach covenants before encountering cash flow shortfalls.
- In the event of a severe revenue decline, the Group could implement additional cost-saving initiatives and explore covenant amendments or waivers with its banking partners.
- Cost-saving measures would include reductions in employee expenses, headcount, and discretionary operating costs.

Given current business momentum, the Directors consider this scenario to be highly unlikely.

As at 31 December 2025, the Group held borrowings of £48.3m (including invoice financing), and a net debt position of £32.3m (excluding leases). These borrowings are subject to three key covenants: Leverage, Cashflow Cover, and Interest Cover ratios, assessed on a 12-month rolling basis for each relevant period. The financing facilities have a three-year term and are set to mature in December 2027, with two further one-year extension options subject to bank consent.

Based on these assessments, the Board has a reasonable expectation that the Group and Company have sufficient resources to continue operating as a Going Concern through 30 June 2027. Accordingly, the Directors have adopted the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial information incorporates the Financial Statements of the Group and all of its subsidiary undertakings. A subsidiary is defined as an entity over which the Group has control. Control exists when the Company has power over the investee, the Company is exposed, or has rights to variable returns from its involvement with the subsidiary and the Company has the ability to use its power over the investee to affect the amount of the investor's returns. The Financial Statements of all Group companies are adjusted, where necessary, to ensure the use of consistent accounting policies. Acquisitions are accounted for under the acquisition method from the date control passes to the Group. On acquisition, the assets and liabilities of a subsidiary are measured at their fair values. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recorded as goodwill.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and classified as non-underlying costs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ('CGUs') that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Investments in associate and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies. A joint venture is a joint arrangement whereby the Group has joint control of the arrangement and has rights to the net assets of the arrangement.

The considerations made in determining significant influence or joint controls are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investments in associate and joint venture are initially recognised at cost. The carrying amount of the investments are adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The income statement reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income ('OCI') of those investees is presented as part of the Group's OCI.

Current and non-current classifications

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is considered current when it is:

- expected to be realised or intended to be sold or consumed within the usual parameters of trading activity or as a minimum within 12 months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- it is expected to be settled in the normal parameters of trading activity or
- as a minimum is due to be settled within 12 months after the reporting period, or
- the entity does not have a right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue recognition

The Group's primary revenue stream is the sale of eyewear solutions and low vision aids to the global eyewear market. Revenue from contracts with customers is recognised as the Group satisfies its performance obligations, which is typically when control of the goods is transferred to the customer in accordance with the contractual terms.

Revenue is measured at the transaction price, representing the amount of consideration the Group expects to receive in exchange for transferring goods, net of VAT and other taxes, and adjusted for any

variable consideration such as trade discounts, settlement discounts, volume rebates, and rights of return.

Variable consideration is estimated based on historical experience and the specific terms of customer contracts. Revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is resolved. Variable consideration is estimated using the expected value method.

Rights of return

Under IFRS 15 a sale with right of return is recognised if the customer receives any combination of the following:

- a full or partial refund of any consideration paid;
- a credit that can be applied against amounts owed, or that will be owed, to the entity; and
- another product in exchange (except for in cases of a defective product being returned, or the exchanged item is of the same type, quality, condition and price).

The Group recognises a liability where it has historically accepted a right of return. The Group estimates the impact of potential returns from customers based on historical data on returns. A refund liability is recognised for the goods that are expected to be returned.

A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer, to the extent that these goods are not considered impaired. The asset is measured at the former carrying value of the inventory, adjusted for expected recovery costs and any reduction in value arising from the condition of the returned items.

The right of return liability is classified as current as the timing of returns is not controlled by the Group. At each reporting date, the refund liability and associated right of return asset are reassessed and remeasured to reflect changes in the Group's expectations about the level and timing of future returns. Any changes in estimates relating to the refund liability are recognised as adjustments to revenue in the period in which the change in expectation arises, with a corresponding adjustment to the liability. Movements in the associated right of return asset are recognised through cost of sales, reflecting changes in the estimated inventory expected to be returned.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over their useful economic life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Patents and licences	Over the period of the patent or licence
Computer software	3 years
Trademarks	5–10 years
Customer relationships	8–20 years

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is charged to profit or loss in the period in which it is incurred. In situations when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably then the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold property	33 years
Leasehold improvements	Over the lease term
Fixtures and fittings	5 years
Computer equipment	3–5 years
Plant and machinery	3–7 years

Construction in progress is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

The Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognises right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments.

Right-of-use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold property	Over the lease term
Plant and machinery	3–7 years
Motor vehicles	3 years

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. They also include any amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing loans and borrowings.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell after making due allowance for obsolete and slow-moving items. Inventories are recognised as an expense in the period in which the related revenue is generated.

Cost is determined on an average cost basis. Cost includes the purchase price and other directly attributable costs to bring the inventory to its present location and condition.

At the end of each period, inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the income statement.

Royalties

Royalties payable reflect balances owed to brand owners for the right to use the brand name. The royalty is payable based on a pre-agreed percentage of sales volumes, with some arrangements also having minimum royalty payments for specific periods. Royalties payable are recognised on delivery of the products covered by such arrangements, with an additional accrual made where it is considered that the sales level required to meet the minimum payment will not be met.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. An interest rate hedge is held by the Group, with this being held at fair value through profit and loss, with the fair value of the asset or liability included within trade and other receivables or trade and other payables accordingly.

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, the financial assets of the Group are classified as financial assets at amortised cost (debt instruments).

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest ('EIR') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables, other receivables and loans to Group undertakings.

The Group does not have any financial assets at fair value through OCI or financial assets at fair value through profit or loss.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows expire or when the asset is transferred and the transfer qualifies for derecognition. For transfers (including pass-through arrangements), the Group assesses whether substantially all risks and rewards of ownership have been transferred. If neither substantially all risks and rewards are transferred nor retained, the Group assesses whether control has been transferred. Where the Group retains continuing involvement, it continues to recognise the asset to the extent of that involvement and recognises a corresponding liability for the consideration received.

The Group utilises invoice factoring and discounting facilities. Where substantially all risks and rewards of ownership of trade receivables are transferred under factoring arrangements, the receivables are derecognised. Where risks and rewards are retained (including invoice discounting), receivables remain recognised and amounts borrowed under the facility are recorded as borrowings. Fees and interest are expensed as incurred.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost (loans and borrowings).

As at 31 December 2025 and 31 December 2024 the Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Refinancing

Where a loan arrangement is replaced with a subsequent facility which is materially different in relation to repayment structure or interest rate, or a loan arrangement is repaid and a new loan entered, any capitalised loan arrangement fees in respect of the previous loan are expensed, with transaction costs relating to the new loan capitalised and held against the value of the related liability.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ('ECLs') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and cash equivalents

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, that are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the Consolidated Statement of Financial Position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Classification of shares as debt or equity instruments

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability. An equity instrument is a contract that evidences a residual interest in assets or an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- the instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

Costs associated with the issue or sale of equity instruments are allocated against equity to the extent that the issue is a new issue, or expensed to the profit and loss for existing equity instruments.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in the detailed notes to the accounts. That cost is recognised in employee benefits expense together with a corresponding increase in share option reserve, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met. Where awards include a non-vesting condition, the transactions are treated as vested

irrespective of whether the non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. If the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, to the extent that they are dilutive.

Deferred and contingent consideration in relation to acquisitions

Deferred consideration to the previous owners arising on acquisitions are treated as part of the consideration for the acquisition, with the liability recognised on the statement of financial position at the date of the acquisition. Where the consideration is contingent on continuing employment within the Group, the charge is recognised through the income statement over the period to which it relates.

Taxation

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. Uncertainties regarding availability of tax losses, in respect of enquiries raised and additional tax measurements issued, may be measured using the expected value method or single best estimate approach, depending on the nature of the uncertainty. Tax provisions are based on management's interpretation of country-specific tax law and the likelihood of settlement. Management uses professional firms and previous experience when assessing tax risks.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, nor give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryover of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, nor give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of

each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity and the same taxation authority or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign currencies

These Financial Statements are presented in GBP, which is the Group's presentational currency. Each entity in the Group determines its own functional currency and items included in the Financial Statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e. translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currency of INSPECS Group plc is GBP. The functional currencies of certain overseas subsidiaries are currencies other than the GBP. At the end of the reporting period, the assets and liabilities of these entities are translated into GBP at the exchange rates prevailing at the end of the reporting period and their income statements are translated into GBP at the average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the Consolidated Statement of Cash Flows, the cash flows of overseas subsidiaries are translated at the average exchange rates for the year.

Pensions and other post-employment benefits

The Group operates defined contribution pension schemes, where the amounts charged to the statement of comprehensive income are the contributions payable in the year. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments.

Provisions

A provision is required when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period. Warranty provisions are presented separately from right of return liabilities, as they

represent obligations to repair or replace defective products rather than refund liabilities under IFRS 15, and are classified as current liabilities.

Non-underlying costs

Non-underlying costs are those that in the Directors' view should be separately disclosed due to their nature to enable a full understanding of the Group's underlying financial performance. These include income and expenditure that is considered outside of the usual course of business and therefore is separately identified to allow the users of the Financial Statements comparability versus prior periods. The main categories of costs disclosed as non-underlying are impairment charges, offer related costs, restructuring costs and withholding tax income/charges.

Non-current assets held for sale and discontinued operations

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Such assets are measured at the lower of their carrying amount and fair value less costs to sell, except for assets which are scoped out of the measurement requirements of IFRS 5. Where the carrying amount of a non-current asset held for sale exceeds its fair value less costs to sell, a loss is recognised.

A component of the Group that is held for sale or has been disposed of is classified as a discontinued operation where it is a subsidiary acquired exclusively with a view to resale; or forms part of a coordinated plan to dispose of a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the Group income statement and the comparative information is restated.

Prior year adjustments

Material prior period errors are corrected retrospectively in the first set of Financial Statements authorised for issue after their discovery by restating the comparative amounts for the prior periods presented. A reconciliation between the corrected figures and those reported for key statements is also provided. During the year, prior year errors have been identified in relation to three items (note 36).

New and amended standards and interpretations

The following standards have been published and are mandatory for accounting periods beginning after 1 January 2025:

- Amendments to IAS 21: Lack of exchangeability

The above standard has not given rise to a significant change in the reported results or financial position of the Group or Company.

The following standards have been published but are not mandatory for the year ended 31 December 2025 and have not been early adopted by the Group:

- IFRS 18: Presentation and Disclosure in Financial Statements
- IFRS 19: Subsidiaries without Public Accountability: Disclosures

The Group is currently reviewing the impact of the new standards not yet in issue which are expected to change the structure and presentation of the Group's Financial Statements.

3. Critical accounting judgements and key sources of estimation uncertainty

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

Estimates involve the determination of the quantum of accounting balances to be recognised. Judgements typically involve decisions such as whether to recognise an asset or liability.

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

Right of return

Management applies assumptions in determining the right of return liability and the associated right of return asset. These assumptions are based on analysis of historical data trends but require estimation of appropriate time periods and expected return rates. The valuation of the asset, estimation is required in relation to the expected condition of the returned item.

The right of return liability at the period end is £15,655,000 (2024 restated: £16,654,000) with an associated right of return asset (held within inventory) of £2,495,000 (2024 restated: £2,647,000). If the return rate were to increase by 5%, the right of return liability would increase by £797,000 (2024 restated: £817,000), and the right of return asset would increase by £128,000 (2024 restated: £132,000), giving rise to a £669,000 debit to the income statement (2024 restated: £685,000). If the return rate were to decrease by 5%, the right of return liability would decrease by £797,000 (2024 restated: £817,000), and the right of return asset would decrease by £128,000 (2024 restated: £132,000), giving rise to a £669,000 credit to the income statement (2024 restated: £685,000). See note 5 for further details.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGUs to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was £56,832,000 (2024: £57,713,000). No provision for impairment of goodwill was made as at the end of the reporting period. See note 13 for further details.

In relation to the Tura Inc CGU goodwill impairment review, it is considered that a reasonably possible change in performance versus the 2026 budget could give rise to an impairment. The value in use model completed as at 31 December 2025 gives headroom of £4,953,000, using the assumptions referenced in note 13. The 2026 budget includes a 0.4% growth rate expectation for revenue versus 2025. Assuming all other assumptions remained unchanged, revenue for 2026 alone would need to decrease by 2.5% versus 2025 before an impairment would be recognised.

In relation to the Twenty20 Limited CGU goodwill impairment review, it is considered that a reasonably possible change in performance versus the 2026 budget could give rise to an impairment. The value in use model completed as at 31 December 2025 gives headroom of £15,007,000, using the assumptions referenced in note 13. The 2026 budget includes a 9.8% growth rate expectation for revenue versus 2025, with forecast growth in revenue of 10% in 2027 and 5% in each of 2028 and 2029. Assuming all other assumptions remained unchanged, revenue growth for 2026 to 2029 alone would need to drop below 3.4% per annum before an impairment would be recognised.

Judgements made by management which are considered to have a material impact on the Financial Statements are as follows:

Uncertain tax positions

Tax authorities could challenge and investigate the Group's transfer pricing or tax domicile arrangements. As a growing, international business, there is an inherent risk that local tax authorities around the world could challenge either historical transfer pricing arrangements between other entities within the Group and subsidiaries or branches in those local jurisdictions, or the tax domicile of subsidiaries or branches that operate in those local jurisdictions. Judgement is therefore required in determining the completeness of all uncertain tax positions identified. Further details are given in note 30.

Intangible Assets

On an annual basis, the Group assesses its intangible assets for indicators of impairment using both external and internal sources of information. If an indicator of impairment is identified, the Group

estimates the recoverable amount of the asset. The judgements made by management in determining whether there are any indicators of impairment can have a material impact on the Financial Statements. As of 31 December 2025, indicators of impairment were noted in relation to three customer relationship assets and one trademark asset. Value in use calculations were therefore performed in relation to these assets, with an impairment charge of £1,455,000 (2024: £nil) being recognised as a result. The carrying amount of intangible assets as at 31 December 2025 was £16,848,000 (2024: £23,406,000). See note 14 for further details.

Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. See note 29 for further details.

4. Non-statutory measures

When reviewing performance, the Directors use alternative performance measures in order to give meaningful year on year comparison. These alternative performance measures are:

- Operating profit before non-underlying items
- EBITDA
- Underlying EBITDA
- Underlying Profit Before Tax
- Underlying Profit After Tax
- Underlying operating expenses
- Underlying earnings per share
- Revenue on a constant exchange rate basis

Whilst we recognise that the measures used are alternative (non-Generally Accepted Accounting Principles) performance measures which are not defined within IFRS, these measures are important and should be considered alongside the IFRS measures.

A reconciliation to these non-GAAP performance measures is shown below:

	2025 £'000	2024 (Re-presented ¹) £'000
Operating profit before non-underlying items	5,685	5,903
Add back: Amortisation	6,197	6,785
Add back: Depreciation	5,608	5,465
EBITDA	17,490	18,153
Add back: Share-based payment expense	185	371
Add back: Earnout on acquisition	–	981
Underlying EBITDA	17,675	19,505
Less: Depreciation	(5,608)	(5,465)
Less: Interest (excluding amortisation of loan arrangement fees)	(2,789)	(3,562)
Underlying Profit Before Tax	9,278	10,478
Less: Current tax expense	(1,878)	(4,176)
Underlying Profit After Tax	7,400	6,302
Less: Amortisation of loan arrangement fees	(217)	(234)
Less: Amortisation	(6,197)	(6,785)
Less: Share-based payment expense	(185)	(371)
Less: Earnout on acquisition	–	(981)
Less: Non-underlying costs (net)	(2,944)	(608)
Less: Share of loss of associate and joint venture	(17)	(29)
Less Deferred tax (expense)/income	(1,171)	591
Add: Exchange adjustment on borrowings	41	97
Loss for the year – Continuing Operations	(3,290)	(2,018)

(1) The results for the year ended 31 December 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.

Underlying Profit After Tax is used to calculate basic and diluted continuing Underlying earnings per share as per note 12. Underlying operating expenses, as referenced on page 15, is calculated as the difference between gross profit and Underlying EBITDA.

In addition, the Directors consider the revenue of the Group on a constant exchange rate basis. This is calculated using the average exchange rates in effect for the corresponding comparative period for the translation of its overseas operations. The table below shows exchange rate movements for our key operations.

	Annual average rate in 2025	Annual average rate in 2024
Euro (£1 = EUR)	1.167	1.181
US Dollar (£1 = USD)	1.317	1.278

5. Revenue

The revenue of the Group is attributable to the one principal activity of the Group.

a) Geographical analysis

The Group's revenue by destination is split in the following geographic areas:

	2025	2024
	£'000	(Re-presented) £'000
United Kingdom	19,224	19,516
Europe (excluding UK)	87,516	87,486
North America	72,117	71,963
South America	2,053	1,711
Asia	4,090	3,763
Africa	268	354
Australia	6,433	8,552
	191,701	193,345

The Group had no customers which accounted for more than 10% of the Group's revenue.

For the year ended 31 December 2025 the Group had revenues attributed to two foreign countries which accounted for more than 10% of the Group's revenue. These countries were the United States of America with revenues of £66,364,000 (2024: £67,316,000) and Germany with revenues of £55,944,000 (2024 restated: £56,831,000).

b) Right of return assets and liabilities

	2025	2024
	£'000	(Restated) £'000
Right of return asset	2,495	2,647
Right of return liability	(15,655)	(16,654)

The right of return asset is presented as a component of inventory (note 17) and the right of return liability is presented separately on the face of the statement of financial position. The right of return liability is classified as current as the timing of returns is not controlled by the Group.

6. Segment information

Historically the Group has operated in three operating segments. However, following the classification of the lenses operating segment as a discontinued operation, the Group now operates in two operating segments, which results in the below two reporting segments:

- Frames and Optics product distribution
- Manufacturing – being OEM and manufacturing distribution

The criteria applied to identify the operating segments are consistent with the way the Group is managed. In particular, the disclosures are consistent with the information regularly reviewed by the Executive Directors in their role as Chief Operating Decision Makers, to make decisions about resources to be allocated to the segments and to assess their performance.

The Frames and Optics segment comprises legal entities primarily in Europe, North America and the UK whose operations involve the design and distribution of optical frames, sunglasses and low vision products. The Manufacturing operating segment comprises legal entities with factories primarily in

Vietnam and China whose operations involve the manufacturing and distribution of optical frames and sunglasses.

Segment results as reviewed by the Chief Operating Decision Maker:

The operating and reportable segments subject to disclosure are consistent with the organisational model adopted by the Group during the financial year ended 31 December 2025 and are as follows:

	Frames and Optics £'000	Manufacturing £'000	Total before adjustments and eliminations £'000	Adjustments and eliminations £'000	Total £'000
Revenue	175,441	21,937	197,378	(5,677)	191,701
Cost of sales	(85,207)	(12,747)	(97,954)	5,429	(92,525)
Gross profit	90,234	9,190	99,424	(248)	99,176
Distribution costs	(4,775)	(464)	(5,239)	-	(5,239)
Underlying administrative and selling expenses	(67,972)	(5,484)	(73,456)	(2,806)	(76,262)
Underlying EBITDA	17,487	3,242	20,729	(3,054)	17,675

The operating and reportable segments subject to disclosure are consistent with the organisational model adopted by the Group during the financial year ended 31 December 2024 and are as follows:

	Frames and Optics £'000	Manufacturing £'000	Total before adjustments and eliminations £'000	Adjustments and eliminations £'000	Total £'000
Revenue	175,994	22,213	198,207	(4,862)	193,345
Cost of sales	(85,851)	(11,097)	(96,948)	4,985	(91,963)
Gross profit	90,143	11,116	101,259	123	101,382
Distribution costs	(4,977)	(412)	(5,389)	1	(5,388)
Underlying administrative and selling expenses	(68,538)	(4,814)	(73,352)	(3,137)	(76,489)
Underlying EBITDA	16,628	5,890	22,518	(3,013)	19,505

Please refer to note 4 for a reconciliation between the Group's Underlying EBITDA and the Group's Loss for the year – Continuing Operations. No other costs are allocated to a specific segment for the internal reporting reviewed by the CODM. Adjusted items relate to elimination of all intra-group items including any profit adjustments on intra-group sales that are eliminated on consolidation, along with the profit and loss items of the Parent Company.

Material items included within Underlying EBITDA

The table below sets out material items included within Underlying EBITDA during the financial year ended 31 December 2025 that are not separately disclosed in the table above.

	Frames and Optics £'000	Manufacturing £'000	Total before adjustments and eliminations £'000	Adjustments and eliminations £'000	Total £'000
Cost of inventories recognised as expense	65,323	8,570	73,893	(5,503)	68,390

Employee costs	46,047	7,756	53,803	2,627	56,430
Royalty	9,533	-	9,533	-	9,533
Third party sales agents	8,022	-	8,022	-	8,022
Marketing	6,674	114	6,788	14	6,802

The table below sets out material items included within Underlying EBITDA during the financial year ended 31 December 2024 that are not separately disclosed in the table above.

	Frames and Optics £'000	Manufacturing £'000	Total before adjustments and eliminations £'000	Adjustments and eliminations £'000	Total £'000
Cost of inventories recognised as expense	65,319	6,975	72,294	(5,050)	67,244
Employee costs	45,734	7,448	53,182	2,655	55,837
Royalty	9,695	-	9,695	-	9,695
Third party sales agents	8,862	-	8,862	-	8,862
Marketing	7,137	-	7,137	28	7,165

Non-current operating assets

	2025 £'000	2024 (Restated) £'000
United Kingdom	2,870	7,206
Europe	46,873	50,442
North America	23,697	29,084
Asia	24,494	27,036
	97,934	113,768

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, goodwill and intangible assets.

The decrease in United Kingdom non-current operating assets primarily reflects the classification of Norville (20/20) Limited as a discontinued operation, including the reclassification of its assets as held for sale and related impairments, together with a re-measurement of the right-of-use asset following the decision not to exercise the purchase option.

In relation to non-current assets located in material individual foreign countries, the Group has determined that the necessary information is not readily available and that the costs of developing such information would be disproportionate.

7. Employees and Directors

	2025 £'000	2024 (Re-presented) £'000
Wages and salaries	48,213	47,515
Social security costs	7,456	7,384
Pension costs	579	569
Share-based payment expense	183	371
	56,431	55,839

The average number of employees during the year by operating segment was as follows:

	2025	2024 (Re-presented)
Frames and Optics	655	663
Manufacturing	980	894
Parent company	21	18
	1,656	1,575

Directors' remuneration during the year was as follows:

	2025 £'000	2024 £'000
Directors' salaries	898	1,043
Directors' pension contributions	12	12
Share options	196	–
	1,106	1,055

Information regarding the highest paid Director is as follows:

	2025 £'000	2024 £'000
Salary	286	286
Pension contributions	4	4
Share options	196	–
Total remuneration	486	290

The number of Directors to whom employer pension contributions were made by the Group during the year is three (2024: three). This was in the form of a defined contribution pension scheme.

Remuneration of key management personnel has been disclosed in note 31. For more information on Director pay, please refer to the Remuneration and Nomination Committee Report on pages 61 to 65.

8. Non-underlying costs (net)

Non-underlying costs (net) are those that in the Directors' view should be separately disclosed by virtue of their size, nature or incidence to enable a full understanding of the Group's financial performance in the year and business trends over time. Non-underlying costs (net) incurred during the year are as follows:

	2025 £'000	2024 (Re-presented) £'000
Impairment charge	1,455	–
Offer related costs	1,102	–
Requisition of General Meeting	212	–
Restructuring	206	282
Board recruitment costs	197	–
Audit tender	77	–
Acquisition costs	–	24
Withholding tax provision (income)/charge	(305)	302
	2,944	608

Impairment charges of £1,455,000 (2024: £nil) primarily relates to the write down of customer relationships following the amalgamation of our German eyewear businesses and the integration of Ego Eyewear Limited into INSPECS Limited. It also includes an impairment charge of £417,000 in relation to a customer relationship held by our Asian manufacturing business. Offer related costs of £1,102,000 (2024: £nil) were incurred with respect to the offer proposals received by the Group. Requisition of General Meeting costs of £212,000 (2024: £nil) were incurred responding to the requisition calling for Board changes received by the Group. Restructuring costs of £206,000 (2024: £282,000) were incurred in relation to the integration of BoDe Design GmbH into Eschenbach along with Ego Eyewear Limited into INSPECS Limited. Board recruitment costs of £197,000 (2024: £nil) were incurred as a result of the search for a new Chair and CFO. Audit tender costs of £77,000 (2024: £nil) relate to the costs charged by Group's previous auditor in respect of their aborted 2025 audit. A provision release of £305,000 (2024: £302,000) has been recognised through non-underlying costs in relation to a pre-acquisition withholding tax provision release on one of the Group's subsidiaries.

9. Finance costs and finance income

	2025 £'000	2024 (Re-presented) £'000
Finance costs		
Bank loan interest	2,398	3,102
Invoice discounting interest and charges	185	264
Loan transaction costs	217	233
Lease interest	345	350
Unwinding of the discount on provisions	-	48
Total finance costs	3,145	3,997
Finance income		
Interest receivable	139	201

10. (Loss)/profit before income tax

The (loss)/profit before income tax is stated after charging:

	2025 £'000	2024 (Re-presented) £'000
Cost of inventories recognised as expense	68,077	67,248
Employee costs	56,636	55,837
Royalty	9,533	9,695
Third party sales agents	8,022	8,862
Marketing	6,801	7,311
Amortisation – intangibles (note 14)	6,197	6,785
Depreciation – right-of-use assets (note 26)	3,549	3,552
Depreciation – owned assets (note 15)	2,059	1,914
Short-term leases	294	285
	2025 £'000	2024 £'000
Fees payable to the Company's auditor for audit services:		
Audit of the Company and Group accounts	514	843
Audit of the subsidiaries	344	701

Total audit fees	858	1,544
Other assurance services	–	–
Total non-audit fees	–	–
Total auditor's remuneration	858	1,544

11. Income tax

Analysis of tax expense:

	2025	2024
	£'000	(Re-presented) £'000
Current tax:		
Current tax on profits for the year	302	407
Overseas current tax expense	1,543	3,710
Adjustment in respect of prior years	33	59
Total current tax	1,878	4,176
Deferred tax: (see note 29)		
Deferred tax income relating to the origination and reversal of timing differences	1,171	(578)
Adjustment in respect of prior years	–	(13)
Total deferred tax	1,171	(591)
Total tax charge reported in the consolidated income statement	3,049	3,585

Factors affecting the tax charge

The tax charge assessed for the year is higher than the standard rate of corporation tax in the UK.

The difference is explained below:

	2025	2024
	£'000	(Re-presented) £'000
(Loss)/profit before income tax	(241)	1,567
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 25.0% (2024: 25.0%)	(61)	392
Effects of:		
Non-deductible expenses	138	154
(Decrease)/increase in provision for uncertain tax liabilities	(208)	552
Share-based payment	11	20
Different tax rate for overseas subsidiaries	(564)	3
Overseas tax charges	4	3
Amounts not recognised for deferred tax	3,395	2,027
Effects of Controlled Foreign Companies regime	301	388
Adjustments in respect of prior year	33	46
Tax charge	3,049	3,585

Movements in other comprehensive income relating to foreign exchange on consolidation are not taxable.

Pillar Two legislation has been enacted in certain jurisdictions in which the Group operates. However, this legislation does not apply to the Group as its consolidated revenue is lower than €750m.

12. Loss per share ('LPS')

Basic LPS is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Parent by the weighted average number of Ordinary Shares outstanding during the year.

Diluted LPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the Parent by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would be issued on conversion of all the dilutive potential Ordinary Shares into Ordinary Shares, to the extent that the inclusion of such shares is not anti-dilutive. A loss has been made in the year to 31 December 2025 and the comparative period. In accordance with IAS 33, potential Ordinary Shares shall be treated as dilutive when, and only when, their conversion to Ordinary Shares would decrease earnings per share or increase loss per share from continuing operations. As a loss is made, including the dilution of potential Ordinary Shares reduces the loss per share and therefore the outstanding options should not be treated as dilutive when calculating LPS.

Basic continuing underlying earnings per share figures are calculated by dividing Underlying Profit After Tax for the year by the weighted average number of Ordinary Shares outstanding during the year. Diluted continuing underlying earnings per share figures are calculated by dividing Underlying Profit After Tax for the year by the weighted average number of Ordinary Shares plus the weighted average number of Ordinary Shares that would be issued on the conversion of all dilutive potential Ordinary Shares into Ordinary Shares. A reconciliation to Underlying Profit After Tax can be found in note 4.

The following table reflects the income and share data used in the basic and diluted LPS calculations:

	Basic weighted average number of Ordinary Shares (‘000)	Total (loss)/earnin gs (Re- presented) (£‘000)	(Loss)/earnin gs per share (pence)
Year ended 31 December 2025			
Basic loss per share	101,672	(9,558)	(9.40)
Diluted loss per share	101,672	(9,558)	(9.40)
Basic loss per share from continuing operations	101,672	(3,290)	(3.24)
Diluted loss per share from continuing operations	101,672	(3,290)	(3.24)
Basic continuing underlying earnings per share	101,672	7,400	7.28
Diluted continuing underlying earnings per share	107,749	7,400	6.87

	Basic weighted average number of Ordinary Shares (‘000)	Total (loss)/earnin gs (Re- presented) (£‘000)	(Loss)/earnin gs per share (pence)
Year ended 31 December 2024			
Basic loss per share	101,672	(4,608)	(4.53)
Diluted loss per share	101,672	(4,608)	(4.53)
Basic loss per share from continuing operations	101,672	(2,018)	(1.99)
Diluted loss per share from continuing operations	101,672	(2,018)	(1.99)
Basic continuing underlying earnings per share	101,672	6,302	6.20
Diluted continuing underlying earnings per share	106,824	6,302	5.90

Refer to note 21 for details in relation to the shares in issue and their rights.

13. Goodwill

	£'000
Cost	
At 1 January 2025 (Restated)	57,713
Exchange adjustment	(881)
At 31 December 2025	56,832
Net Book Value	
At 31 December 2025	56,832
	£'000
Cost	
At 1 January 2024 (Restated)	58,227
Additions	163
Exchange adjustment	(677)
At 31 December 2024 (Restated)	57,713
Net Book Value	
At 31 December 2024 (Restated)	57,713

The following table reflects how the goodwill acquired through business combinations has been allocated to cash-generating units ('CGU's'):

	2025 £'000	2024 (Restated) £'000
Eschenbach Group GmbH	26,340	24,230
Tura Inc	19,148	20,533
Twenty20 Limited	8,840	9,489
Ego Eyewear Limited	-	2,330
BoDe Design GmbH	-	786
INSPECS Limited	2,344	173
A-Optikk AS	160	152
INSPECS USA	-	20
	56,832	57,713

During the period, the operations of Ego Eyewear Limited were transferred into INSPECS Limited, and the operations of BoDe Design GmbH were transferred into Eschenbach Group GmbH, with the legal transfer of assets occurring after the year end. The restructuring involved the movement of operations between entities controlled indirectly by the same ultimate parent entity, being INSPECS Group Plc. Therefore, goodwill has been transferred between these group entities under common control, with impairment testing performed against this new CGU structure.

Impairment testing of goodwill

The recoverable amount of each CGU has been determined based on individual value in use calculations using cash flow projections covering a five-year period approved by senior management. The forecasts for 2026 have been prepared based on Board approved budgets for 2026. Financial years 2027 to 2030 were forecasted based on specific growth rates for each CGU. From 2031 onwards we have assumed a 2.1% (2024: 2.0%) terminal growth rate.

As part of our goodwill impairment assessments, we consider the financial impact of climate-related risks and opportunities and our committed transition targets on the Group's cash flow projections. In the

medium term (defined as until 2030) we do not expect climate-related risks or opportunities to have a significant impact on the Group's financial projections. Costs to meet our climate-related targets are built into local entity budgets with efficiency savings largely expected to off-set any costs. The long-term impacts of climate change are a lot more uncertain; INSPECS' financial modelling of these risks and opportunities remains ongoing. We have used market CAGR rates for our long-term growth projections which include the market's assessments of all future risks.

We deem this to be appropriate as from our assessment INSPECS is not more susceptible to climate risks than the market average.

The discount rates used are before tax and reflect specific risks where required relating to the cash-generating unit. For material goodwill balances, discount rates used for each value in use calculation along with supplementary sensitivity analyses are detailed as follows:

Eschenbach Holdings GmbH

Following the transfer of operations of BoDe Design GmbH into Eschenbach during the period, goodwill associated with the new combined CGU of Eschenbach Group GmbH has been tested for impairment. The discount rate applied to the cash flow projections was 11.0% (2024: 13.3%). For the period 2027 to 2030, the following assumptions have been used: 2.2% per annum revenue growth, flat gross profit margin and 2.0% per annum increase in administrative expenses. Based on management's assessment, there is no impairment adjustment required on goodwill.

To recognise an impairment on the discount rate alone, the pre-tax discount rate would need to exceed 14.1% (11.0% used for base case). To recognise an impairment on the revenue growth rate 2027-2030 alone, the revenue growth rate would need to drop below 1.4% per year (2.2% used for base case). To recognise an impairment on the terminal growth rate alone, the terminal growth rate would need to drop lower than minus 2.6% per year (+2.1% used for base case).

Tura Inc

The discount rate applied to the cash flow projections was 15.2% (2024: 14.4%). For the period 2027 to 2030, the following assumptions have been used: 3.2% per annum revenue growth, flat gross profit margin and 2.0% per annum increase in administrative expenses. Based on management's assessment, there is no impairment adjustment required on goodwill.

To recognise an impairment on the discount rate alone, the discount rate would need to exceed 17.1% (15.2% used for base case). To recognise an impairment on the revenue growth rate 2027-2030 alone, revenue growth would need to drop to 2.0% per year (3.2% used for base case).

Reasonably possible changes in forecast assumptions that could give rise to impairment have been included in note 3.

Twenty20 Limited

The discount rate applied to the cash flow projections was 12.3% (2024: 11.9%). For the period 2027 to 2030, the following assumptions have been used: revenue growth of 10% in 2027, followed by 5% in each of 2028 and 2029, and 3.4% growth in 2030, with the above market growth expectation as a result of additional expected revenue generated by the new factory. In addition, flat gross profit margin and 4.0% per annum increase in administrative expenses have been assumed. Based on management's assessment, there is no impairment adjustment required on goodwill.

To recognise an impairment on the discount rate alone, the discount rate would need to exceed 17.4% (12.3% used for base case). If the terminal growth rate was decreased to 1.0%, the discount rate applied to the cash flow projections would need to exceed 16.7% before an impairment would be recognised. To recognise an impairment on the revenue movement 2027-2030 alone, revenue growth would need to drop below 1.2% per year. If the gross profit margin were to remain at the level seen in 2025, the discount rate would need to exceed 14.7% before an impairment would be recognised.

Reasonably possible changes in forecast assumptions that could give rise to impairment have been included in note 3.

INSPECS Limited

Following the transfer of the Ego Eyewear Limited operation into INSPECS Limited during the period, goodwill associated with the new combined CGU of INSPECS Limited has been tested for impairment.

The discount rate applied to the cash flow projections was 15.0%. For the period 2027 to 2030, the following assumptions have been used: 2.3% per annum revenue growth and a 2.0% per annum increase in administrative expenses. Based on management's assessment, there is no impairment adjustment required on goodwill.

To recognise an impairment on the discount rate alone, the discount rate would need to exceed 50.1%. To recognise an impairment on the revenue movement 2027-2030 alone, revenue would need to decrease by more than 2.6% per year.

14. Intangible assets

	Patents and licences £'000	Customer relationships £'000	Trademarks £'000	Computer software £'000	Construction in progress £'000	Total £'000
Cost						
At 1 January 2025	686	36,395	13,489	4,993	20	55,583
Additions	130	–	2	564	253	949
Transfers	255	–	–	–	(255)	–
Exchange differences	(6)	293	688	(531)	(6)	438
At 31 December 2025	1,065	36,688	14,179	5,026	12	56,970
Amortisation						
At 1 January 2025	290	17,455	10,978	3,454	–	32,177
Charge for the year - continuing operations	181	2,760	2,446	810	–	6,197
Charge for the year - discontinued operations	–	–	–	22	–	22
Impairment	–	1,315	140	–	–	1,455
Exchange differences	(28)	144	601	(446)	–	271
At 31 December 2025	443	21,674	14,165	3,840	–	40,122
Net Book Value						
At 31 December 2025	621	15,014	14	1,186	12	16,848

Impairment charges of £1,455,000 (2024: £nil) primarily relate to the write down of customer relationships within the Frames and Optics segment of £1,038,000 following the amalgamation of our German eyewear businesses and the integration of Ego Eyewear Limited into INSPECS Limited. It also includes an impairment charge of £417,000 in relation to a customer relationship held by our Manufacturing operating segment. The recoverable amount of these assets was determined to be £nil based on their value in use and were therefore impaired in full.

	Patents and licences £'000	Customer relationships £'000	Trademark s £'000	Computer software £'000	Constructio n in progress £'000	£'000
Cost						
At 1 January 2024	320	36,934	14,094	4,154	212	55,714
Additions	53	–	–	742	169	964
Disposals	(17)	–	–	(38)	–	(55)
Transfers	327	–	–	28	(355)	–
Exchange differences	3	(539)	(605)	107	(6)	(1,040)
At 31 December 2024	686	36,395	13,489	4,993	20	55,583

Amortisation						
At 1 January 2024	244	14,672	8,768	2,217	–	25,901
Charge for the year - continuing operations	43	2,970	2,632	1,140	–	6,785
Charge for the year - discontinued operations	–	–	–	21	–	21
Disposals	(17)	–	–	(38)	–	(55)
Exchange differences	20	(187)	(422)	114	–	(475)
At 31 December 2024	290	17,455	10,978	3,454	–	32,177
Net Book Value						
At 31 December 2024	396	18,940	2,511	1,539	20	23,406

The individual intangible assets, excluding goodwill, which exceed 10% of the net book value of intangible assets, excluding goodwill, are

Intangible asset	2025		2024	
	£'000	Remaining amortisation period (years)	£'000	Remaining amortisation period (years)
Eschenbach customer relationship with independents	4,151	5	4,738	6
Tura customer relationship with independents	2,366	5	2,843	6
EGO customer relationship with a single customer	2,552	4	3,359	5

15. Property, plant and equipment

Some of the Group's property, plant and equipment are subject to a charge to secure against the Group's bank loans.

	Freehold property £'000	Leasehold improvement £'000	Plant & machinery £'000	Fixtures & fittings £'000	Computer equipment £'000	Construction in progress £'000	Total £'000
Cost							
At 1 January 2025	13,436	616	11,712	3,886	1,205	72	30,927
Additions	304	7	442	238	278	152	1,421
Disposals	(257)	(21)	(33)	(86)	(166)	–	(563)
Transfers	(1,303)	1,303	149	–	–	(149)	–
Assets held for sale	(222)	(1,303)	(2,887)	–	(306)	–	(4,718)
Exchange differences	(599)	44	(581)	(58)	51	4	(1,139)
At 31 December 2025	11,359	646	8,802	3,980	1,062	79	25,928
Depreciation							
At 1 January 2025	2,361	304	6,701	2,454	831	–	12,651
Charge for the year – continuing operations	627	73	713	456	190	–	2,059
Charge for the year – discontinued operations	47	–	313	–	27	–	387
Disposals	(31)	(21)	(16)	(86)	(164)	–	(318)
Transfers	(193)	193	–	–	–	–	–
Assets held for sale	–	(193)	(1,687)	–	(248)	–	(2,128)
Exchange differences	(135)	(10)	(452)	(61)	28	–	(630)
At 31 December 2025	2,676	346	5,572	2,763	664	–	12,021

Net Book Value							
At 31 December 2025	8,683	300	3,230	1,217	398	79	13,907
Transfers relate to £1,110,000 (2024: £nil) of leasehold improvements which were previously classified as freehold property.							
	Freehold property £'000	Leasehold improvement £'000	Plant & machinery £'000	Fixtures & fittings £'000	Computer equipment £'000	Construction in progress £'000	Total £'000
Cost							
At 1 January 2024	10,479	630	10,182	3,817	1,137	3,491	29,736
Additions	170	35	559	326	171	695	1,956
Disposals	–	(33)	(99)	(166)	(83)	–	(381)
Transfers	2,871	–	1,122	–	–	(3,993)	–
Exchange differences	(84)	(16)	(52)	(91)	(20)	(121)	(384)
At 31 December 2024	13,436	616	11,712	3,886	1,205	72	30,927
Depreciation							
At 1 January 2024	1,731	275	5,842	2,181	706	–	10,735
Charge for the year – continuing operations	575	65	652	460	161	–	1,913
Charge for the year – discontinued operations	67	–	303	–	66	–	435
Disposals	–	(33)	(85)	(156)	(82)	–	(356)
Exchange differences	(12)	(3)	(11)	(31)	(20)	–	(77)
At 31 December 2024	2,361	304	6,701	2,454	831	–	12,651
Net Book Value							
At 31 December 2024	11,075	312	5,011	1,432	374	72	18,276

As at 31 December 2025 the Group had capital commitments of £nil in respect of property, plant and equipment (2024: £nil).

16. Investments in associate and Joint venture

	Interest in associate and joint venture £'000
Share of net assets of associate and joint venture	
Cost	
At 1 January 2025	70
Share of loss	(17)
Exchange difference	2
At 31 December 2025	54
Net Book Value	
At 31 December 2025	54
	Interest in associate and joint venture £'000
Share of net assets of associate and joint venture	
Cost	
At 1 January 2024	98

Share of loss	(29)
Exchange difference	1
At 31 December 2024	70
Net Book Value	
At 31 December 2024	70

	2025 £'000	2024 £'000
Revenue	17	21
Expenses	(34)	(50)
Profit before tax	(17)	(29)
Income tax	–	–
Share of profit of associate and joint venture for the year	(17)	(29)

The Group's associated undertaking is:

- Ruain Zuoyou Glasses Co Ltd, a company registered in China. 25% of the share capital of Ruain Zuoyou is owned by the Group, with Zhongshan Torkai Optical Co Limited being the direct owner of these shares.

The Group's joint venture undertaking is:

BeeQuick Logistics Lda, a company registered in Portugal. 40% of the share capital of BeeQuick is owned by the Group, with On Sight Services Lda being the direct owner of these shares.

17. Inventories

	2025 £'000	2024 (Restated) £'000
Raw materials	3,292	3,046
Work in progress	1,695	876
Finished goods	42,238	42,017
	47,225	45,939

The above includes amounts in respect of right of return assets and the amount for each year is as below:

	2025 £'000	2024 (Restated) £'000
Finished goods – Right of return asset	2,495	2,647

Inventories are stated after provisions for impairment of £8,537,000 (2024: £8,852,000).

18. Trade and other receivables

	2025 £'000	2024 £'000
Current:		
Trade receivables	27,179	26,933
Prepayments	2,877	3,154
Other receivables	7,409	8,374
	37,465	38,461

During 2025, the Group derecognised trade receivables of £51,632,000 (2024: £58,639,000) under non-recourse factoring arrangements. As part of other receivables, the Group holds £4,889,000 (2024: £4,194,000) relating to retentions held by the factorer at the period end until rebate arrangements relating to the preceding period are finalised.

At 31 December 2025, £2,182,000 (2024: £1,915,000) of trade receivables were subject to invoice discounting arrangements and remain recognised as the Group retains substantially all risks and rewards. A related liability of £1,580,000 (2024: £1,777,000) is presented within borrowings (Note 25). The Group's maximum exposure to loss is £2,182,000, representing the carrying amount of the receivables.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	£'000	£'000
Invoiced in last month	12,345	13,102
1–2 months	6,809	7,384
2–3 months	3,874	3,563
Over 3 months	4,151	2,884
	27,179	26,933

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	2025	2024
	£'000	£'000
At 1 January	402	618
Movement in the year	449	(202)
Exchange adjustment	4	(14)
At 31 December	855	402

The 2025 expected credit loss movement in the year principally relates to our Norville business where a number of its customers entered administration during the year.

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group's large retail chain customers order on purchase orders which are paid within 30 to 60 days and the remaining customer base is well diversified, and hence there is considered to be no significant credit risk. Trade receivables are non-interest-bearing and are stated net of loss allowance.

Impairment under IFRS 9

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar loss patterns (i.e. by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

19. Cash and cash equivalents

	2025	2024
	£'000	£'000
Cash at bank and in hand	15,986	23,960
	15,986	23,960

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi ('RMB') amounted to £2,170,000 (2024: £1,891,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through a bank authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

20. Assets held for sale

The carrying amount of assets classified as held for sale at 31 December 2025 is £944,000 (2024: £nil). Following the classification of Norville (20/20) Limited as a discontinued operation a number of its assets have been classified as held for sale, refer to note 35 for details.

21. Called up share capital

Authorised and issued share capital:

Number	Class	Nominal value	2025 £'000	2024 £'000
101,671,525 (2024: 101,671,525)	Ordinary	£0.01	1,017	1,017
			1,017	1,017

Each Ordinary Share carries the right to participate in distributions, as respects dividends and as respects capital on winding up.

22. Reserves

Share premium

This reserve records the amount above the nominal value of the sums received for shares issued, less transaction costs.

	2025 £'000	2024 £'000
At 1 January and 31 December	89,508	89,508

Foreign currency translation reserve

This reserve records the foreign currency translation adjustments on consolidation.

	2025 £'000	2024 (Restated) £'000
At 1 January	3,005	4,374
Other comprehensive income	(3,959)	(1,369)
At 31 December	(954)	3,005

Share option reserve

The share option reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

	2025 £'000	2024 £'000
At 1 January	3,570	3,222
Share-based payment charge	185	371
Share options forfeited	–	(23)
At 31 December	3,755	3,570

The share-based payment charge for the year is recognised against the reserve as per IFRS 2 Share-Based Payments. Nil share options were forfeited during 2025. During 2024, 30,000 share options were forfeited as a result of employees leaving before the option vesting date. Upon forfeiture of share options, the related share option reserve was recycled into accumulated losses, resulting in the movement of £23,000 from the share option reserve to accumulated losses.

Accumulated losses

	2025 £'000	2024 (Restated) £'000
At 1 January	(9,392)	(4,807)
Loss for the year	(9,558)	(4,608)
Share options forfeited	–	23
At 31 December	(18,950)	(9,393)

Merger reserve

This reserve arose on the share for share exchange between INSPECS Holdings Limited and INSPECS Group plc on 10 January 2020.

	2025 £'000	2024 £'000
At 1 January and 31 December	5,340	5,340

23. Trade and other payables

	2025 £'000	2024 (Restated) £'000
Current:		
Trade payables	23,432	25,994
Social security and other taxes	3,081	2,862
Royalties	1,793	2,974
Accruals	12,216	11,114
	40,522	42,944

The trade payables are non-interest-bearing with usual credit terms being 30–90 days. Accruals represent expenses incurred but not yet invoiced or paid at year-end, including employee-related costs, goods received, professional services and other operating expenses expected to be settled within the next financial year

24. Provisions

The warranty provision reflects management's estimate of the costs expected to be incurred in meeting warranty obligations arising on the sale of goods and is expected to be utilised largely within one year. The provision is calculated based on historical claims experience and incorporates assumptions relating to defect rates and the cost of fulfilling the claim.

Set out below is the movement in the provision during the period.

	2025 £'000	2024 £'000
At 1 January	3,423	3,977
Utilised in the period	(2,253)	(2,736)
Additional provision recognised	1,698	2,182
At 31 December	2,868	3,423

25. Financial liabilities – borrowings

	2025 £'000	2024 £'000
Current:		
Invoice discounting	1,580	1,777
Bank loans	10,307	9,796
Lease liabilities	3,475	6,389
	13,782	16,185
	2025 £'000	2024 £'000
Non-current:		
Bank loans	36,432	35,263
Lease liabilities	7,982	9,242
	44,414	44,505

Repayments under the Term loan are €750,000 (£654,000 equivalent) per quarter plus interest, with the liability standing at €9,750,000 (£8,507,000 equivalent) at 31 December 2025. Interest is payable at the applicable Margin Rate plus EURIBOR calculated daily on a 360-day year basis. The Margin Rate is 2.00%, 2.25%, 2.50% or 3.00% dependent upon the Group's leverage ratio. The loan matures in December 2027 with two one-year extension options subject to bank consent.

As at 31 December 2025, the Revolving Credit Facility of €36,000,000 (£31,411,000 equivalent) was fully drawn. Interest is payable at EURIBOR plus the Margin Rate calculated daily on a 360-day year basis. The Margin Rate is 2.10%, 2.35%, 2.60% or 3.10% dependent upon the Group's leverage ratio. The credit facility matures in December 2027, with two one-year extension options subject to bank consent.

A further line of credit is held amounting to \$10,000,000 (£7,431,000 equivalent). As at 31 December 2025, \$9,188,000 (£6,828,000 equivalent) was drawn, this is a twelve month rolling facility, due for renewal in December 2026. This line of credit holds an interest rate of SOFR plus 2.25%. This is repayable on demand and is disclosed as a current liability.

At the balance sheet date, the invoice discounting facility was fully drawn at £1,580,000 (2024: £1,777,000). The invoice discounting facility bears interest at 2.25% over base rate (2024: 2.25%). The invoice discounting facility is secured by way of fixed and floating charges over the trade receivables of INSPECS Limited. The facility has no fixed end date, with a notice period of three months.

On 13 December 2024, the Group repaid its previous multi-currency term loan and revolving credit facility with HSBC, amounting to £33,568,000. At the same time, the Group entered a new term loan with HSBC for €12,000,000 (£9,964,000 equivalent) and a new multi-currency revolving credit facility loan amounting to €36,000,000 (£28,232,000 equivalent).

The Group's non-current bank loans have the right to defer settlement beyond twelve months, contingent upon compliance with the covenants detailed in note 33. A breach in the cashflow cover covenant occurred at the quarter ended 31 March 2025 which was caused by accelerated payments to suppliers. The breach was formally waived by HSBC on 9 April 2025 and controls have been strengthened to reduce the likelihood of a similar breach recurring.

The Group's bank loans are secured against the business assets of the Group. The Group's lease liabilities are secured against the assets concerned.

Set out below are the carrying amounts of interest-bearing loans and borrowings and the movements during the period:

	Lease Liabilities £'000	Bank Loans £'000	Invoice Discounting Facility £'000	Total £'000
At 1 January 2025	15,631	45,059	1,777	62,467
New leases	2,461	–	–	2,461
New loans	–	1,721	–	1,721
Capital payments	(3,686)	(2,127)	(197)	(6,010)
Interest payments	(468)	(1,973)	(186)	(2,627)
Interest charge	468	2,398	186	3,052
Transaction costs on debt refinancing	–	(83)	–	(83)
Amortisation of loan arrangement fee	–	217	–	217
Lease remeasurement	(3,267)	–	–	(3,267)
Exchange adjustment	318	1,527	–	1,845
At 31 December 2025	11,457	46,739	1,580	59,776

Lease remeasurements of £3,267,000 (2024: £nil) relate to the decision not to exercise the purchase option at the Norville factory site.

	Lease Liabilities £'000	Bank Loans £'000	Invoice Discounting Facility £'000	Total £'000
At 1 January 2024	17,851	43,383	887	62,121
Acquisition of subsidiary	52	–	–	52
New leases	2,173	–	–	2,173
New loans	–	39,451	890	40,341
Capital payments	(3,602)	(36,890)	–	(40,492)
Interest payments	(589)	(3,096)	(264)	(3,949)
Interest charge	589	3,102	264	3,955
Transaction costs on debt refinancing	–	(544)	–	(544)
Amortisation of loan arrangement fee	–	234	–	234
Lease termination	(408)	–	–	(408)
Exchange adjustment	(435)	(581)	–	(1,016)
At 31 December 2024	15,631	45,059	1,777	62,467

26. Right-of-use assets

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery, motor vehicles and leasehold properties generally have lease terms between two and five years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group's right-of-use assets are as follows:

	Leasehold properties £'000	Plant & machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2025	19,959	735	3,475	24,169
Additions	436	16	2,009	2,461
End of lease	(316)	(9)	(1,919)	(2,244)
Lease remeasurement	(3,605)	–	–	(3,605)
Exchange differences	378	5	165	548
At 31 December 2025	16,852	747	3,730	21,329
Depreciation				
At 1 January 2025	7,361	289	2,147	9,797
Charge for the year – Continuing operations	2,216	158	1,175	3,549
Charge for the year – discontinued operations	74	1	–	75
Eliminated on end of lease	(316)	(9)	(1,919)	(2,244)
Lease remeasurement	(454)	–	–	(454)
Exchange differences	137	17	106	260
At 31 December 2025	9,018	456	1,509	10,983
Net Book Value				
At 31 December 2025	7,834	291	2,221	10,346

Net lease remeasurements of £3,151,000 (2024: £nil) relate to the decision not to exercise the purchase option at the Norville factory site.

	Leasehold properties £'000	Plant & machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2024	20,833	886	3,042	24,761
Acquisition of subsidiary	33	–	11	44
Additions	550	31	1,592	2,173
End of lease	(940)	(161)	(1,024)	(2,125)
Exchange differences	(517)	(21)	(146)	(684)
At 31 December 2024	19,959	735	3,475	24,169
Depreciation				
At 1 January 2024	5,735	267	2,160	8,162
Charge for the year – Continuing operations	2,280	189	1,083	3,552
Charge for the year – discontinued operations	109	2	–	111
Eliminated on end of lease	(575)	(161)	(1,002)	(1,738)
Exchange differences	(188)	(8)	(94)	(290)
At 31 December 2024	7,361	289	2,147	9,797
Net Book Value				
At 31 December 2024	12,598	446	1,328	14,372

The carrying amounts of lease liabilities and the movements during the period are shown in note 25.

27. Analysis of cash flows given in the Statement of Cash Flows

A reconciliation of profit for the year to cash generated from operations is shown below:

	Notes	2025 £'000	2024 (Re-presented) £'000
(Loss)/profit before income tax		(242)	1,567
Adjustments for:			
Depreciation	15, 26	5,608	5,465
Amortisation	14	6,197	6,785
Impairment	14	1,455	-
Share of loss of associate and joint venture	16	17	29
Share-based payment	31	185	371
Exchange adjustment on borrowings	32	(41)	(97)
Withholding tax provision	8, 30	(305)	302
Finance costs	9	3,145	3,997
Finance income	9	(139)	(201)
Changes in working capital			
Increase in inventories		(3,154)	(843)
Increase/(decrease) in trade and other receivables		149	(4,206)
(Decrease)/increase in trade and other payables		(4,303)	2,630
Cash flows from operating activities		8,572	15,799

Included within the Group's cash flows from operating activities are payments for contingent consideration of £1,184,000 (2024: £1,201,000). The movement in trade and other payables includes right of return liabilities and warranty provisions.

28. Deferred and contingent consideration

Deferred and contingent considerations payable relate to the acquisitions of BoDe Design GmbH and EGO Eyewear Limited. The split of the deferred and contingent consideration between each entity is as follows:

	2025 £'000	2024 £'000
EGO Eyewear Limited	–	700
Total current deferred consideration	–	700
BoDe Design GmbH	–	343
EGO Eyewear Limited	–	830
Total current contingent consideration	–	1,173
Total current deferred and contingent consideration	–	1,873

The previous owners of BoDe Design and EGO Eyewear were entitled to earnout payments based on the performance of each entity to 31 December 2024. A charge has been recognised in the income statement of £nil (2024: £981,000) in relation to the earnout payable as a result of performance for the year.

29. Deferred tax

Deferred tax assets and liabilities, before offset of balances within countries, are as follows:

	Consolidated SOFP 2025 £'000	Consolidated Income Statement 2025 £'000	Consolidated SOFP 2024 (Restated) £'000
Deferred tax assets:			
Unused trade losses	652	1,779	2,431
Other short-term timing differences	2,109	514	2,623
Lease liabilities	2,832	9	2,841
Right of return liability	2,726	276	3,002
Total deferred tax asset	<u>8,319</u>		<u>10,897</u>
Deferred tax liabilities:			
Other short-term timing differences	(1,303)	126	(1,177)
Intangible assets	(3,128)	(1,503)	(4,631)
Property, plant and equipment	(898)	5	(893)
Right of use asset	(2,564)	(4)	(2,568)
Right of return asset	(115)	(31)	(146)
Total deferred tax liability	<u>(8,008)</u>		<u>(9,415)</u>
Deferred tax charge		<u>1,171</u>	
Net deferred tax asset	<u>311</u>		<u>1,482</u>

Analysed in the Statement of Financial Position, after offset of balances within jurisdictions, as:

	2025 £'000	2024 (Restated) £'000
Deferred tax asset	1,736	3,450
Deferred tax liability	(1,425)	(1,968)
	<u>311</u>	<u>1,482</u>

Deferred tax assets and liabilities are presented on a gross basis by category of temporary difference in accordance with IAS 12.81(g)(i), which requires disclosure of all deferred tax assets and deferred tax liabilities for each type of temporary difference. While certain deferred tax assets and liabilities may be offset in the statement of financial position where the criteria in IAS 12 are met, the gross presentation is included above to provide transparency over the underlying sources and movements in deferred tax arising across the Group.

In addition to the deferred tax assets and liabilities recognised, the Group has tax losses that arose in subsidiary entities of £45,849,000 that are available indefinitely for offsetting against future taxable profits of the entities in which the losses arose. A deferred tax asset has not been recognised in respect of these losses as these losses may not be used to offset against taxable profits elsewhere in the Group within the same tax jurisdiction and there is no evidence of these losses being utilised by the subsidiary in the future, due to insufficient forecasted profits within the next 5 years within this jurisdiction.

30. Tax receivable and payable

	2025 £'000	2024 £'000
Corporation tax receivable	887	107
Total tax receivable	887	107

	2025 £'000	2024 £'000
Corporation tax payable	1,373	1,944
Uncertain tax liabilities	895	1,131
Withholding tax provision	–	302
Total tax payable	2,268	3,377

As is routine, our subsidiaries are subject to tax audits and inquiries from local tax authorities. Following enquiries raised in 2024, the Group recognised provisions in respect of potential withholding tax exposures and transfer pricing positions. These audits are now nearing finalisation, and the related provisions have been updated to reflect the Group's latest estimate of expected future cashflows. During the year, a release of a withholding tax provision was recognised within non-underlying items, as it related to a pre-acquisition withholding tax exposure, (see note 8). A provision in respect of transfer pricing matters continues to be recognised at £322,000 (2024: £535,000).

The Group has previously identified that it is potentially exposed to uncertain tax positions in relation to tax authorities challenging that the Group has created a taxable presence and asset taxing rights over profits they consider to be allocable in the given territory. The Group considers that it is possible that these uncertain tax positions may result in a future outflow of funds to one or more local tax authorities and has recognised current tax liabilities for these uncertainties.

Due to the range of potential outcomes that the Directors have identified, these liabilities have been measured using an expected value methodology. Key assumptions underpinning the expected value calculations are: (i) relative probabilities of such tax liabilities crystallising in one or more of the jurisdictions in which the Group operates; (ii) the tax periods over which tax authorities would seek to challenge the Group's tax domicile arrangements; and (iii) the quantum of interest and penalties that would be applicable in the event that the Group was found to be liable for tax amounts by one or more tax authorities.

31. Related party disclosures

The Group has taken advantage of the exemption not to disclose related party transactions with wholly owned subsidiaries within the Group. Below are transactions and balances with related parties that are not owned.

a) Kelso Place LLP

Robin Totterman is a designated member and controlling owner of Kelso Place LLP. During the year Kelso Place LLP leased the Bath head office building to INSPECS Limited. This lease expired on 31 December 2025 and was subsequently renewed on 1 January 2026. As at 31 December 2025, a right-of-use asset with net book value of £nil (2024: £nil) and lease liability of £nil (2024: £nil) related to this lease, with depreciation of £128,000 (2024: £130,000) and interest of £4,000 (2024: £2,000) charged to the income statement. At the year end, the Group owed Kelso Place LLP £124,000 (2024: £212,000) in respect of the above. This balance is included within trade payables.

b) Thorne Lancaster Parker

Chris Kay, who is identified as a part of the key management personnel and up until the 3 June 2025 was a Director of the Company is also a Partner in Thorne Lancaster Parker. During the year the partnership charged INSPECS Limited £10,000 (2024: £7,000) in respect of professional services provided. At 31 December 2025, INSPECS Limited owed Thorne Lancaster Parker £4,000 (2024: £nil) in respect of the above. During the year the partnership charged INSPECS Group Plc £6,000 (2024: £9,000) in respect of professional services provided, with £3,000 being owed at the end of the year (2024: £nil).

c) Key management personnel

The key management personnel of INSPECS Group plc at 31 December 2025 are R Peck, R Totterman, C Hancock, A Farrugia, S Smith, C Kay, M Lefebvre, P Braunhofer and S Sennett. In respect of these individuals, the total short-term employee benefits payable in the period were £2,708,000 (restated 2024: £2,424,000) and post-employment benefits were £14,000 (2024: £14,000).

d) Minima SAS

M Lefebvre, who is identified as a part of the key management personnel of INSPECS Group plc, holds a controlling shareholding of Minima SAS. During 2025, INSPECS Group plc charged £272,000 in respect of goods provided (2024: £340,000), with a balance of £264,000 being owed to the Group at 31 December 2025 (2024: £309,000). The balance is included within trade receivables.

e) Sennett Consulting

The spouse of S Sennett, who is a member of the key management personnel of INSPECS Group plc, is considered a close family member. During the year, total amounts paid to the spouse were £162,000 (restated 2024: £171,000), comprising fees for independent sales contracting services prior to their employment with the Group, and remuneration as an employee following commencement of employment during the period. There were no amounts outstanding at the year-end (2024: £nil).

f) Robin Totterman

Robin Totterman, identified as part of the key management personnel of INSPECS Group plc, had a Director's Loan Account balance with INSPECS Limited. As of the end of the year, the balance owed to Robin Totterman was £21,000 (2024: £22,000).

32. Share-based payments

Certain employees of the Group have been granted options over shares in INSPECS Group plc under the LTIP. The options are granted with a fixed exercise price and are exercisable between three and ten years after the date of grant.

The Company recognises a share-based payment expense based on the fair value of the awards granted, and an equivalent credit directly in equity to the share option reserve. On exercise of the options by employees, the share option reserve relating to the exercised options is recycled to retained earnings. Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price per option £	Number of share options
11 October 2019	10 December 2026	1.01	412,102
27 February 2020	27 February 2030	1.95	1,923,110
22 December 2020	22 December 2030	2.10	890,000
26 February 2021	26 February 2031	3.25	641,036
21 June 2021	21 June 2031	3.51	60,000
31 August 2021	31 August 2031	3.70	275,000
23 December 2021	23 December 2031	3.70	279,999
28 February 2022	28 February 2032	3.75	641,036
4 June 2025	1 May 2031	0.01*	250,000
4 June 2025	1 May 2032	0.01*	1,410,000

*Options include a performance condition in relation to the cumulative annual growth rate of the diluted underlying earnings per share (refer to note 12).

The option weighted average exercise price is £1.89 per share. Options were valued at the date of grant.

The expense recognised in relation to share options during the period is £185,000 (2024: £371,000).

Movements during the year

The following tables illustrate the number and weighted average exercise price ('WAEP') of and movements in share options during the year:

	Number 2025	Number 2024
At 1 January	5,122,283	5,152,283
Granted during the year	1,660,000	-
Forfeited during the year	-	(30,000)
As at 31 December	6,782,283	5,122,283

	2025 £	2024 £
At 1 January	2.50	2.50
Granted during the year	0.01	-
Forfeited during the year	-	(0.00)
As at 31 December	2.51	2.50

Following the change of control as a result of Bidco 1125 Limited confirming it had exceeded acceptances for more than 50% of the issued share capital of INSPECS Group Plc, the options in place as at 31 December 2025 have lapsed on 16 March 2026.

33. Financial risk management

The financial assets of the Group comprise trade receivables, deposits and other receivables, and cash and cash equivalents which are categorised as financial assets at amortised cost. The carrying amounts of these financial assets are the amounts shown on the consolidated statement of financial position or in the corresponding notes to the Financial Statements.

The financial liabilities of the Group comprise trade payables, bank loans, deferred and contingent consideration, other loans, financial liabilities included in other payables and accruals, and lease liabilities which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the consolidated statement of financial position or in the corresponding notes to the Financial Statements.

The fair values of the financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. At the end of the reporting period, the carrying amounts of the financial assets and financial liabilities of the Group approximated to their fair values.

The Group's principal financial instruments comprise cash and cash equivalents, bank loans and other loans. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk which arise in the normal course of its business. The Board of Directors reviews and agrees policies to analyse and formulate measures to manage each of these risks which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. In order to mitigate this risk, during 2025, the Group entered into an interest rate hedge with an intention to hedge between 40 – 60% of the loan balance. This aims to enhance the Group's ability to manage interest rate fluctuations effectively. The interest rate hedge is held at fair value through profit and loss, with the

fair value of the asset or liability included within trade and other receivables or trade and other payables accordingly. The hedge position is settled on a quarterly basis.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on that proportion of loans and borrowings affected. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings as follows, based on the outstanding loans from the bank as at 31 December 2025:

	Total loan balance £'000	Unhedged loan balance £'000	Increase/ decrease in basis points	Effect on loss before tax £'000
2025	46,739	30,996	50 BP	155
2024	45,059	45,059	50 BP	225

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates to both the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's borrowing (both internal and external) when held in a different currency to the functional currency of the Company in which they are held.

The Group manages its foreign currency risk by selling and buying in the same currencies where possible but does not enter into any material hedging transactions or derivatives. The ability of the Group to organise its sales and purchases in similar currencies allows a natural hedge in some circumstances against currency fluctuations.

Exchange adjustments on borrowings has resulted in a credit to the profit and loss account of £41,000 (2024: £97,000). This arises from loans with banks denominated in foreign currencies (charge of £1,989,000) offset by foreign exchange gain on intercompany loans (gain of £2,030,000).

The table below illustrates the sensitivity of the Group's profit before tax at the reporting date to reasonably possible changes in United States Dollar (USD), Euro (EUR) and Macau Pataca (MOP) exchange rates, with all other variables held constant. The sensitivity reflects the impact on profit arising from the retranslation of monetary assets and liabilities denominated in currencies other than the functional currencies of the respective Group entities. These currencies have been selected as they represent the most significant foreign currency exposures of the Group, arising from trading entities whose functional currencies differ from the currencies in which certain monetary assets and liabilities are held. The resulting impacts have been translated into GBP, which is the presentation currency of the Group.

	Increase/ (decrease) in exchange rate	Increase/ (decrease) in loss before tax £'000
2025	%	£'000
If the GBP weakens against the USD	5	(2,246)
If the GBP strengthens against the USD	(5)	2,246
If the GBP weakens against the EUR	5	(1,708)
If the GBP strengthens against the EUR	(5)	1,708
If the MOP weakens against the USD	5	314
If the MOP strengthens against the USD	(5)	(314)

2024 (restated)	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in loss before tax £'000
If the GBP weakens against the USD	5	(2,158)
If the GBP strengthens against the USD	(5)	2,158
If the GBP weakens against the EUR	5	(1,576)
If the GBP strengthens against the EUR	(5)	1,576
If the MOP weakens against the USD	5	(338)
If the MOP strengthens against the USD	(5)	338

Comparative information has been restated to correct the prior year foreign currency sensitivity analysis, which previously reflected the impact of changes in exchange rates on the translation of overseas results and net assets (recognised in other comprehensive income), rather than the impact on profit before tax arising from the remeasurement of foreign currency monetary assets and liabilities.

Credit risk

The Group trades only with parties who have been assessed via a credit check. Receivables balances are monitored on an ongoing basis and the Group's history of credit losses of trade receivables is not significant. The credit risk of the Group's other financial assets arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets.

The Group maintains regular control over its trade receivables and normal terms are between 30 and 60 days across the Group. The percentage of debtors outside of these terms is shown in the analysis below.

	2025 £'000	2024 £'000	Increase/ (decrease) £'000
Trade receivables			
Current	16,690	17,625	(935)
Past due 1-30 days	6,437	4,279	2,158
Past due 31-60 days	2,074	3,228	(1,154)
Past due 61+ days	1,978	1,801	176
Total	27,179	26,933	
Percentage over terms	39%	35%	

Liquidity risk

For the management of the liquidity risk, the Group monitors and maintains a sufficient level of cash and bank balances deemed adequate by management, along with utilising an invoice discounting facility, to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors its working capital requirements regularly. The Group reviews on a monthly basis the cash generation and the requirement for capital repayments on the bank loan in its detailed working capital model to ensure sufficient liquidity for operating purposes across the Group. The table below summarises the gross undiscounted cash flows of the Group's financial liabilities:

2025	Less than 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Over 5 years £'000	Total £'000
Bank overdrafts (including invoice discounting facility)	1,580	–	–	–	1,580
Interest-bearing loans and borrowings (excluding items below)	12,690	38,313	–	–	51,003

Lease liabilities	3,968	3,397	3,339	1,273	11,977
Other financial liabilities – right of return	15,655	–	–	–	15,655
Trade and other payables	40,522	–	–	–	40,522

	Less than 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	Over 5 years £'000	Total £'000
2024					
Bank overdrafts (including invoice discounting facility)	1,777	–	–	–	1,777
Interest-bearing loans and borrowings (excluding items below)	12,113	3,982	34,570	–	50,665
Lease liabilities	6,851	2,738	5,638	1,344	16,571
Deferred and contingent consideration	1,873	–	–	–	1,873
Other financial liabilities – right of return (restated)	16,654	–	–	–	16,654
Trade and other payables (restated)	42,944	–	–	–	42,944

Capital risk management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

To meet these objectives, the Group reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Group.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources and borrowing. The loan covenant ratios achieved by the Group, and required to be complied with on a quarterly basis, as at the end of each year were as follows:

	2025		2024	
	Actual	Required	Actual	Required
Leverage	2.22	Below 2.25	1.64	Below 2.25
Interest cover	5.92	Above 3.00	4.14	Above 3.00
Cash flow cover	1.24	Above 1.05	1.17	Above 1.05

34. Business combinations

During 2025 the group has not made any acquisitions. During 2024, INSPECS Limited acquired the entire share capital of A-Optikk AS for a cash consideration of £1,000. INSPECS Limited also contributed a shareholder loan of £151,000 which was partly used to repay A-Optikk AS's existing overdraft facility of £123,000. The fair value of the identifiable assets at the date of acquisition was £120,000. The fair value of identifiable liabilities at the date of acquisitions was £282,000. The goodwill arising on acquisition was £163,000.

35. Discontinued operations

As of 31 December 2025, Norville (20/20) Limited was determined to be a discontinued operation with certain assets classified as held for sale. All production activity at the site had ceased and the Group had engaged a professional services firm to support the orderly wind-up of the business through a member's voluntary liquidation. Norville (20/20) Limited is the sole entity within the lenses reporting segment.

The plant & machinery has been classified as an asset held for sale at fair value less costs to sell with a value of £685,000. The inventory has been classified as an asset held for sale with a fair value of £37,000. One freehold property has been classified as an asset held for sale at its carrying value of £222,000.

The fair value of the assets held for sale represents the Group's best estimate based on information held to date. This remeasurement to fair value along with an impairment of assets unable to be sold has resulted in a remeasurement charge of £3,048,000.

The operating profit before non-underlying items of the discontinued operation, along with the profit or loss arising from remeasurement of assets classified as held for sale, is shown below:

	2025 £'000	2024 £'000
Revenue	4,682	4,913
Cost of sales	(3,431)	(2,844)
Gross profit	1,251	2,069
Distribution costs	(302)	(355)
Administrative expenses	(3,083)	(4,203)
Operating profit before non-underlying items	(2,134)	(2,489)
Non-underlying costs (net)	(962)	139
Finance costs	(124)	(240)
Loss for the year	(3,220)	(2,590)
Loss on remeasurement of assets held for sale	(3,048)	–
Loss for the year – Discontinued operations	(6,268)	(2,590)
Basic EPS for the period attributable to the equity holders of the parent	(6.16)	(2.54)
Diluted EPS for the period attributable to the equity holders of the parent	(6.16)	(2.54)

Non-underlying costs (net) include redundancy costs of £737,000 (2024: £nil), professional service costs relating to the wind-down of £225,000 (2024: £nil). The 2024 non-underlying income related to a gain on the disposal of a property previously used as a manufacturing facility by Norville.

The carrying amounts of assets held for sale are summarised as follows:

	2025 £'000	2024 £'000
Property, Plant & Equipment	907	–
Inventories	37	–

36. Prior year adjustments

In accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the following items have been identified as prior period errors and corrected by restating comparative information.

Prior year adjustment A – Right of return

Under IFRS 15, a right of return arises from a constructive obligation where Tura expects to accept returns after the reporting date in respect of sales recognised prior to that date. As at 31 December 2024

and preceding periods, the right of return provision was not measured using all relevant information that was available, or could reasonably have been obtained, at the time the financial statements were authorised for issue. In prior periods, the right of return provision recognised by Eschenbach was discounted in accordance with IAS 37, reflecting the time value of money where the effect was considered material. However, under IFRS 15, right of return provisions are accounted for as refund liabilities arising from variable consideration and should be measured at the amount of consideration expected to be refunded to customers, without discounting. As a result, the discounting applied by Eschenbach was not consistent with the measurement requirements of IFRS 15.

In accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the above has been identified as a prior period error and the right of return provision and associated asset recognised have therefore been restated as a prior year adjustment. In addition, the right of return provision recognised at the acquisition date of Tura been recalculated, with a corresponding adjustment made to goodwill. Comparative information has been restated to reflect these adjustments. The impact of this error on the income statement was assessed and is not considered material and therefore the 2024 income statement has not been restated.

The effect of these adjustments as at 31 December 2024 is to increase the right of return provision by £9,469,000, increase the associated inventory asset by £1,402,000, increase the goodwill balance by £3,799,000, increase the deferred tax asset by £1,712,000, decrease the foreign currency translation reserve by £19,000 and increase accumulated losses by £2,537,000. The effect of these adjustments as at 31 December 2023 is to increase the right of return provision by £9,357,000, increase the associated inventory asset by £1,386,000, increase the goodwill balance by £3,741,000, increase the deferred tax asset by £1,716,000 and increase accumulated losses by £2,535,000.

Prior year adjustment B – Warranty provisions

In prior periods, amounts relating to warranty obligations were included within the right of return provision. However, warranty provisions represent separate obligations to repair or replace faulty products and should be presented separately from right of return provisions, which reflect refund liabilities arising from variable consideration under IFRS 15. Accordingly, the warranty provision has been reclassified and presented separately on the face of the balance sheet.

The effect of this restatement as at 31 December 2024 is to decrease the right of return provision by £3,423,000 and increase the warranty provision by £3,423,000. The effect of this restatement as at 31 December 2023 is to decrease the right of return provision by £3,977,000 and increase the warranty provision by £3,977,000. There is no impact of this error on the 2024 income statement.

Prior year adjustment C – Tura goods in transit

The Group recognises inventory when it has control of the resource, as defined by the Conceptual Framework, as a result of past events. As at 31 December 2024 and preceding periods, the Group had not recognised inventory in transit at Tura despite the Group having control over this inventory at this time. This has been identified as a prior period error and the comparative information has been restated to reflect this inventory in transit along with the corresponding liability.

The effect of this restatement as at 31 December 2024 is to increase the inventory balance by £1,675,000 and increase the trade and other payables by £1,675,000. The effect of this restatement as at 31 December 2023 is to increase the inventory balance by £1,942,000 and increase the trade and other payables by £1,942,000. There is no impact of this error on the 2024 income statement.

Prior year adjustment D – Goodwill foreign exchange

Under IAS 21, goodwill arising on the acquisition of a foreign operation should be treated as an asset of that foreign operation and translated into the Group's presentational currency at the closing rate at each reporting period. As at 31 December 2024 and preceding periods, the goodwill arising on acquisition of foreign operations had not been translated from the functional currency of the relevant foreign operations at the closing rate but instead has been translated at the exchange rate at the date of acquisition. This has been identified as a prior period error and the comparative information has been restated accordingly.

The effect of the restatement as at 31 December 2024 is to decrease Goodwill by £1,827,000, decrease other comprehensive income by £654,000 and decrease the foreign currency translation reserve by £1,173,000. The effect of the restatement as at 31 December 2023 is to decrease Goodwill by

£1,092,000 and decrease the foreign currency translation reserve by £1,092,000. There is no impact of this error on the 2024 income statement.

Prior year adjustment E – Killine revenue cut off

Under IFRS 15, revenue should be recognised when control of goods transfers to the customer, rather than when goods are invoiced or dispatched. As at 31 December 2024 and preceding periods, revenue recognised within the Killine business included amounts recognised prior to the transfer of control to customers, primarily due to cut-off errors where sales were recorded before delivery had occurred in accordance with contractual terms. This has been identified as a prior period error and the comparative information has been restated accordingly. The impact of this error on the income statement was assessed and is not considered material and therefore the 2024 income statement has not been restated.

The effect of the restatement as at 31 December 2024 is to increase the inventory balance by £815,000, decrease trade and other receivables by £1,364,000, increase the foreign exchange reserve by £4,000 and increase accumulated losses by £553,000. The effect of the restatement as at 31 December 2023 is to increase the inventory balance by £770,000, decrease trade and other receivables by £1,344,000, increase the foreign exchange reserve by £14,000 and increase accumulated losses by £588,000.

Prior year adjustment F – Killine WIP

In prior periods, a consolidation adjustment to increase the value of inventory, which was first recorded in 2018, has been recorded each year in order to reconcile the accumulated losses position. Following a review of the consolidation entries, it was identified that this consolidation adjustment should have been reversed in an earlier period and therefore the value of inventory was overstated and the value of accumulated losses understated at 31 December 2023 and 31 December 2024. This has been identified as a prior period error and the comparative information has been restated accordingly. The impact of this error on the income statement was assessed and is not considered material and therefore the 2024 income statement has not been restated.

The effect of the restatement as at 31 December 2024 is to decrease the inventory balance by £706,000, increase the foreign exchange reserve by £6,000 and increase accumulated losses by £712,000. The effect of the restatement as at 31 December 2023 is to decrease the inventory balance by £662,000, increase the foreign exchange reserve by £17,000 and increase accumulated losses by £679,000.

A reconciliation of the restated Statement of Financial Position as at 31 December 2024 is shown below:

	2024 £'000	Adjustment A	Adjustment B	Adjustment C	Adjustment D	Adjustment E	Adjustment F	2024 (Restated) £'000
Assets								
Non-current assets								
Goodwill	55,741	3,799	–	–	(1,827)	–	–	57,713
Intangible assets	23,406	–	–	–	–	–	–	23,406
Property, plant and equipment	18,276	–	–	–	–	–	–	18,276
Right-of-use assets	14,372	–	–	–	–	–	–	14,372
Investments in associate and joint venture	70	–	–	–	–	–	–	70
Deferred tax assets	1,738	1,712	–	–	–	–	–	3,450
	113,603	5,511	–	–	(1,827)			117,287
Current assets								
Inventories	42,753	1,402	–	1,675	–	815	(706)	45,939
Trade and other receivables	39,825	–	–	–	–	(1,364)	–	38,461
Tax receivables	107	–	–	–	–	–	–	107
Cash and cash equivalents	23,960	–	–	–	–	–	–	23,960
	106,645	1,402	–	1,675	–	(549)	(706)	108,467
Assets held for sale	–	–	–	–	–	–	–	–
Total assets	220,248	6,913	–	1,675	(1,827)	(549)	(706)	225,754
Equity								
Shareholders' equity								
Called up share capital	1,017	–	–	–	–	–	–	1,017
Share premium	89,508	–	–	–	–	–	–	89,508
			–					
Foreign currency translation reserve	4,841	(19)		–	(1,827)	4	6	3,005

Share option reserve	3,570	–	–	–	–	–	–	3,570
Merger reserve	5,340	–	–	–	–	–	–	5,340
Accumulated losses	(5,590)	(2,537)	–	–	–	(553)	(712)	(9,392)
Total equity	98,686	(2,556)	–	–	(1,827)	(549)	(706)	93,048
Liabilities								
Non-current liabilities								
Financial liabilities – borrowings								
Interest-bearing loans and borrowings	44,505	–	–	–	–	–	–	44,505
Deferred tax liabilities	1,968	–	–	–	–	–	–	1,968
	46,473	–	–	–	–	–	–	46,473
Current liabilities								
Trade and other payables	41,269	–	–	1,675	–	–	–	42,944
Right of return liabilities	10,608	9,469	(3,423)	–	–	–	–	16,654
Warranty provision	–	–	3,423	–	–	–	–	3,423
Financial liabilities – borrowings								
Interest-bearing loans and borrowings	16,185	–	–	–	–	–	–	16,185
Invoice discounting	1,777	–	–	–	–	–	–	1,777
Deferred and contingent consideration	1,873	–	–	–	–	–	–	1,873
Tax payable	3,377	–	–	–	–	–	–	3,377
	75,089	9,469	–	1,675	–	–	–	86,233
Total liabilities	121,562	9,469	–	1,675	–	–	–	132,706
Total equity and liabilities	220,248	6,913	–	1,675	(1,827)	(549)	(706)	225,754

A reconciliation of the opening Statement of Financial Position as at 31 December 2023 is shown below:

	2023 £'000	Adjustment A	Adjustment B	Adjustment C	Adjustment D	Adjustment E	Adjustment F	2023 (Restated) £'000
Assets								
Non-current assets								
Goodwill	55,578	3,741	–	–	(1,092)	–	–	58,227
Intangible assets	29,813	–	–	–	–	–	–	29,813
Property, plant and equipment	19,001	–	–	–	–	–	–	19,001
Right-of-use assets	16,599	–	–	–	–	–	–	16,599
Investments in associate and joint venture	98	–	–	–	–	–	–	98
Deferred tax assets	2,826	1,716	–	–	–	–	–	4,542
	123,915	5,457	–	–	(1,092)	–	–	128,280
Current assets								
Inventories	40,848	1,386	–	1,942	–	770	(662)	44,284
Trade and other receivables	35,855	–	–	–	–	(1,344)	–	34,511
Tax receivables	386	–	–	–	–	–	–	386
Cash and cash equivalents	20,070	–	–	–	–	–	–	20,070
	97,159	1,386	–	1,942	–	(574)	(662)	99,251
Assets held for sale	832	–	–	–	–	–	–	832
Total assets	221,906	6,843	–	1,942	(1,092)	(574)	(662)	228,363
Equity								
Shareholders' equity								
Called up share capital	1,017	–	–	–	–	–	–	1,017
Share premium	89,508	–	–	–	–	–	–	89,508
Foreign currency translation reserve	5,435	–	–	–	(1,092)	14	17	4,374
Share option reserve	3,222	–	–	–	–	–	–	3,222

Merger reserve	5,340	–	–	–	–	–	–	5,340
Accumulated losses	(1,005)	(2,535)	–	–	–	(588)	(679)	(4,807)
Total equity	103,517	(2,535)	–	–	(1,092)	(574)	(662)	98,654
Liabilities								
Non-current liabilities								
Financial liabilities – borrowings								
Interest-bearing loans and borrowings	48,234	–	–	–	–	–	–	48,234
Deferred consideration	652	–	–	–	–	–	–	652
Deferred tax liabilities	3,647	21	–	–	–	–	–	3,668
	52,533	21	–	–	–	–	–	52,554
Current liabilities								
Trade and other payables	36,375	–	–	1,942	–	–	–	38,317
Right of return liabilities	11,297	9,357	(3,977)	–	–	–	–	16,677
Warranty provision	–	–	3,977	–	–	–	–	3,977
Financial liabilities – borrowings								
Interest-bearing loans and borrowings	13,000	–	–	–	–	–	–	13,000
Invoice discounting	887	–	–	–	–	–	–	887
Deferred and contingent consideration	2,111	–	–	–	–	–	–	2,111
Tax payable	2,186	–	–	–	–	–	–	2,186
	65,856	9,357	–	1,942	–	–	–	77,155
Total liabilities	118,389	9,378	–	1,942	–	–	–	129,709
Total equity and liabilities	221,906	6,843	–	1,942	(1,092)	(574)	(662)	228,363

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

37. Guarantees

The Company's UK subsidiaries INSPECS Limited (registered number 02245818), Alpha Group Limited (registered number 03240950), INSPECS Holdings Limited (registered number 06383565), Eschenbach UK Holdings Limited (registered number 06689781) and International Eyewear Limited (registered number 02221216) have taken advantage of the audit exemption under section 479A of the Companies Act 2006 for the year ended 31 December 2025. Consequently, the Company has provided the statutory guarantee in relation to the subsidiary's liabilities. The third-party liabilities of these subsidiaries as of 31 December 2025 amounted to £46,358,000 (2024: £47,909,000).

38. Post balance sheet events

On 13 March 2026, Bidco 1125 Limited (Bidco) declared that its offer to INSPECS shareholders was unconditional. In accordance with Rule 17 of the Takeover Code, on 17 March 2026 Bidco confirmed that as at 1pm on 16 March 2026 it had exceeded acceptances for more than 50% of the issued share capital of INSPECS Group Plc. As a result of this change in control, the Group's share option agreements will lapse or have already lapsed. This event did not give rise to conditions that existed at the reporting date and has therefore been treated as a non-adjusting event for the purposes of these financial statements.

Since the balance sheet date, but before these Financial Statements were approved, there were no further events that the Directors consider material to the users of these Financial Statements.

COMPANY BALANCE SHEET

as at 31 December 2025

	Notes	2025 £'000	2024 (restated) £'000
Fixed assets			
Investments	3	51,467	58,580
Property, plant and equipment	4	38	51
Right-of-use assets	5	69	140
		51,574	58,771
Current assets			
Trade and other debtors – falling due within one year	6	73,495	77,573
Cash at bank and in hand	7	32	64
		73,527	77,637
Creditors: amounts falling due within one year			
Trade and other creditors	11	1,980	865
Interest-bearing loans and borrowings	10	43	68
		2,023	933
Net current assets		71,504	76,704
Total assets less current liabilities		123,078	135,475
Creditors: amounts falling due after more than one year			
Interest-bearing loans and borrowings	10	28	71
Net assets		123,050	135,404
Capital and reserves			
Called up share capital	8	1,017	1,017
Share premium	9	89,508	89,508
Share option reserve	9	3,755	3,570
Merger reserve	9	5,340	5,340
Retained earnings	9	23,430	35,969
		123,050	135,404

The notes on pages 145 to 156 form part of these separate Financial Statements.
Registered Company number: 11963910.

As permitted by section 408(3) of the Companies Act 2006, a separate income statement dealing with the results of the Parent Company has not been presented. The Parent Company loss for the period ended 31 December 2025 was £12,539,000 (2024: £3,398,000 loss).

The Financial Statements were approved by the Board of Directors on 12 May 2026 and were signed on its behalf by:

R Peck
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Notes	Called up share capital £'000	Share premium £'000	Share option reserve £'000	Retained earnings £'000	Merger reserve £'000	Total equity £'000
Balance at 1 January 2024		1,017	89,508	3,222	39,344	5,340	138,431
Changes in equity							
Loss for the year		–	–	–	(3,398)	–	(3,398)
Total comprehensive loss		–	–	–	(3,398)	–	(3,398)
Share-based payments	9	–	–	371	–	–	371
Share options forfeited	9	–	–	(23)	23	–	–
Balance at 31 December 2024		1,017	89,508	3,570	35,969	5,340	135,404
Changes in equity							
Loss for the year		–	–	–	(12,539)	–	(12,539)
Total comprehensive loss		–	–	–	(12,539)	–	(12,539)
Share-based payments	9	–	–	185	–	–	185
Balance at 31 December 2025		1,017	89,508	3,755	23,430	5,340	123,050

The notes on pages 145 to 156 form part of these Financial Statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. General information

INSPECS Group plc is a public company limited by shares and is incorporated in England and Wales. The address of the Company's principal place of business is 7–10 Kelso Place, Upper Bristol Road, Bath BA1 3AU.

The principal activity of the Company was that of a parent company providing services that support the Group. The Company has incurred costs to support the Group which have been re-charged to subsidiary entities where appropriate.

2. Accounting policies

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'), the Companies Act 2006 as applicable to companies using FRS 101, and applicable accounting standards. The Financial Statements have been prepared on the historical cost basis, and as a going concern. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

As permitted by section 408(3) of the Companies Act 2006, no separate profit and loss account has been presented for the Company. As permitted by FRS 101, the Company has taken advantage of the below disclosure exemptions:

- IAS 1: Disclosures around capital management
- IAS 7: The requirement to present a statement of cash flows
- IAS 24: Certain related party disclosures
- IFRS 2: Disclosures in respect of equity-settled share-based payment arrangements.
- IFRS 7: Disclosures in respect of the nature and risks arising from financial instruments.

The Consolidated Financial Statements of the Group include the equivalent disclosures required by UK adopted international accounting standards

Investments

Investments held as non-current assets comprise the Company's investment in subsidiaries and are shown at cost on the date of acquisition, less any provision for impairment.

Investments are reviewed annually for indicators of impairment. Where such indicators exist, the investment is tested for impairment by comparing its carrying amount with its recoverable amount, being the higher of fair value less costs of disposal and value in use.

An impairment loss is recognised where the carrying amount of an investment exceeds its recoverable amount, and is recorded in profit or loss to reduce the carrying amount to the recoverable amount.

At each subsequent reporting date, the Group assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where such an indication exists, the recoverable amount is reassessed and any reversal of the impairment loss is recognised in profit or loss, to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is charged to profit or loss in the period in which it is incurred. In situations when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably then the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property,

plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	3 – 5 years
Plant and machinery	3 – 7 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

The Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognises right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments.

Right-of-use asset

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold properties	Over the lease term
Plant and machinery	3 – 7 years
Motor vehicles	3 years

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. They also include any amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in interest-bearing loans and borrowings.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and subsequent measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include loans to Group undertakings.

The Company does not have any financial assets at fair value through OCI or financial assets at fair value through profit or loss.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ('ECLs') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in the detailed notes to the consolidated accounts. That cost is recognised in employee benefits expense in the company within which the relevant employee is employed, together with a corresponding increase in share option reserve, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Details of the Group's share option scheme are provided in note 32 of the Consolidated Financial Statements.

Taxation

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority.

Foreign currencies

These Financial Statements are presented in GBP, which is also the Company's functional currency.

Pensions and other post-employment benefits

The Company operates defined contribution pension schemes, where the amounts charged to the statement of comprehensive income are the contributions payable in the year. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments.

Critical accounting judgements and key sources of estimation uncertainty

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

Estimates involve the determination of the quantum of accounting balances to be recognised. Judgements typically involve decisions such as whether to recognise an asset or liability.

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

Carrying value of investments

An annual review of investments is undertaken to identify indicators of impairment. Where such indicators are identified, an impairment review is performed. The assessment of whether indicators of impairment exist requires the exercise of significant judgement by management, including judgement in identifying relevant indicators and interpreting their impact on the recoverability of the investment.

During the year, adverse trading conditions, ongoing macroeconomic uncertainty and the Company's market capitalisation falling below the carrying value of its net assets constituted indicators of impairment and, accordingly, performed an impairment assessment using a value in use methodology.

The value in use calculation was based on the aggregated discounted cash flow projections used in the goodwill impairment reviews, applying consistent assumptions to those disclosed in note 13 to the Consolidated Financial Statements. Based on this assessment, management concluded that the recoverable amount was lower than the carrying amount of the investment and, as a result, an impairment charge of £7,234,000 was recognised.

With all other assumptions remaining unchanged, if the average assumed growth rate in revenue for 2027 onwards was decreased by 1% per annum, this would increase the impairment charge by £29,530,000. This is considered a reasonably possible change in forecast assumptions.

3. Investments

	Shares in subsidiaries £'000
Cost and Net Book Value	
At 1 January 2025	58,580
Additions for share-based payments in subsidiaries	121
Impairment	(7,234)
At 31 December 2025	51,467

Investments held at the balance sheet date are shown below. Investments held directly by the Company are marked *. The remaining investments are held indirectly by the Company.

Subsidiaries	Registered office	Nature of business	Class of shares	% holding
INSPECS Holdings Limited*	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Holding company	Ordinary	100.00
INSPECS Limited8	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Eyewear trading	Ordinary	100.00
INSPECS USA LC8	18401 US Highway 19N, Clearwater, Florida 33764, USA	Eyewear trading	Ordinary	100.00
Algha Group Limited8	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Eyewear manufacturing	Ordinary	100.00
INSPECS Scandinavia AB8	184 40 Akersberga, Stockholm, Sweden	Eyewear trading	Ordinary	100.00
Maronglow Limited1	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Dormant	Ordinary	100.00
UK Optical Limited8	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Dormant	Ordinary	100.00
American Optical UK Limited8	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Dormant	Ordinary	100.00
Twenty20 Limited2	Elian Fiduciary Services (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman KY1-9007, Cayman Islands	Holding company	Ordinary	100.00
Bandoma Limited3	Suite 6, Watergardens 4, Gibraltar	Holding company	Ordinary	100.00
Ice Foster Limited3	Nemours Chambers, Road Town, Tortola, British Virgin Islands	Holding company	Ordinary	100.00
Killine Group Limited4	Elian Fiduciary Services (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman KY1-9007, Cayman Islands	Holding company	Ordinary	100.00
Killine Optical Limited3	Alameda Dr. Carlos D'Assumpcao, nos 335–341, Edificio Centro Hotline, 21 andar A, em Macau	Eyewear trading	Ordinary	100.00
Neo Optical Company Limited5	Neo Town Industrial Zone, Yen Dung District, Bac Giang Province, Vietnam	Eyewear manufacturing	Ordinary	100.00
On Sight Services-Sociedade Unipessoa, Lda3	Rua Soares de Passos, 10A/10B, Portugal	Eyewear design	Ordinary	100.00
O.W. Ventures Limited3	Unit 305–7, 3/F, Laford Centre, 838 Lai Chi Kok Road, Cheung Sha Wan, Kowloon, Hong Kong	Corporate management	Ordinary	100.00

Zhongsan Torkai Optical Co Limited6	Shagou Industrial Park, Banfu County, Zhongsan, Guangdong, China	Eyewear manufacturing	Ordinary	100.00
Neway (Macao Commercial Offshore) Limited9	Alameda Dr. Carlos D'Assumpcao, nos 335–341 Edificio Hot line, 21 andar D, em Macau	Eyewear trading	Ordinary	100.00
Kudos S.R.L.1	Via Noai 5, Domeggi Di Cadore, CAP 32040, Italy	Eyewear manufacturing	Ordinary	100.00
Primoptic Limited7	Alameda Dr. Carlos D'Assumpcao, nos 335–341, Edificio Centro, 21 andar A, em Macau	Eyewear trading	Ordinary	100.00
Yardine Limited3	Nemours Chambers Limited, Road Town, Tortola, British Virgin Islands	Holding company	Ordinary	100.00
INSPECS Asia Limited8	10F Sing Ho Finance Building, 166–168 Gloucester Road, Hong Kong	Quality control services	Ordinary	100.00
Duval Company Group Limited3	Nemours Chambers, Road Town, Tortola, British Virgin Islands	Holding company	Ordinary	100.00
Norville (20/20) Limited2	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Lens manufacturing	Ordinary	100.00
Hardy Amies Limited2	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Dormant	Ordinary	100.00
BoDe Design GmbH2	Hofweg 20, 97737 Gemunder am Main, Germany	Eyewear trading	Ordinary	100.00
EGO Eyewear Limited2	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Eyewear trading	Ordinary	100.00
EGOptiska AB15	Johannesgränd 1, Stockholm, Sweden	Eyewear trading	Ordinary	100.00
EGOptiska International AB15	Johannesgränd 1, Stockholm, Sweden	Eyewear trading	Ordinary	100.00
EGO Eyewear (HK) Limited15	Yau Tsim Mong, Hong Kong	Eyewear trading	Ordinary	100.00
EGO Eyewear AB15	Johannesgränd 1, Stockholm, Sweden	Eyewear trading	Ordinary	100.00
Greights AB17	Johannesgränd 1, Stockholm, Sweden	Eyewear trading	Ordinary	50.00
Eschenbach Holding GmbH2	Fürther Straße 252, 90429, Nuremberg, Germany	Holding company	Ordinary	100.00
Eschenbach Beteiligungs GmbH10	Fürther Straße 252, 90429, Nuremberg, Germany	Holding company	Ordinary	100.00
Eschenbach Optik GmbH14	Althardstraße 70, Regensdorf, Switzerland	Eyewear trading	Ordinary	100.00
Eschenbach Optik B.V.14	Osloweg 134, Groningen, Netherlands	Eyewear trading	Ordinary	100.00
Eschenbach Optik spol s. r.o.14	K Fialce 35, Prague, Czech Republic	Eyewear trading	Ordinary	100.00
Eschenbach Optik Polen sp. z o.o.14	ul. Biedronki 60, Warsaw, Poland	Eyewear trading	Ordinary	100.00
Eschenbach Optik GmbH14	Brunnenfeldstraße 14, Linz, Austria	Eyewear trading	Ordinary	100.00
Eschenbach Optik s.a.r.l14	64 rue Claude Chappe, Plaisir, France	Eyewear trading	Ordinary	100.00

Eschenbach Optik s.r.l.14	Via C.Colombo 10, Torino, Italy	Eyewear trading	Ordinary	100.00
Eschenbach Optik of America, Inc.14	22 Shelter Rock Lange, Danbury, USA	Eyewear trading	Ordinary	100.00
Eschenbach Optik of Japan Co.Ltd.14	2-15-4 Kanda-Tsukasamachi, Chiyoda-ku, Tokyo, Japan	Eyewear trading	Ordinary	100.00
Eschenbach Optik S.L.14	Consell de Cent 106-108, Barcelona, Spain	Eyewear trading	Ordinary	100.00
Eschenbach Optik GmbH11	Fürther Straße 252, 90429, Nuremberg, Germany	Eyewear trading	Ordinary	100.00
Eschenbach Optik (Shenzhen)14	Block A, Tian An Cyber Times Che Gong Miao, Futian District, Shenzhen, China	Eyewear trading	Ordinary	100.00
Eschenbach International GmbH11	Fürther Straße 252, 90429, Nuremberg, Germany	Holding company	Ordinary	100.00
Eschenbach UK Holdings Ltd12	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Holding company	Ordinary	100.00
International Eyewear Ltd13	7–10 Kelso Place, Bath, Somerset, BA1 3AU, UK	Eyewear trading	Ordinary	100.00
TURA, Inc.12	123 Girton Drive, Muncy, USA	Eyewear trading	Ordinary	100.00
Eschenbach Optik A/S11	Boskærvej 18, Vejle, Denmark	Eyewear trading	Ordinary	100.00
Ruain Zuoyou Glasses Co Ltd16	Building 35, Shidai industrial zone, Mayu, Ruian, Zhejiang, P. R. China	Eyewear trading	Ordinary	25.00
BeeQuick Logistics Lda18	24 Praca Sa Da Bandeira, Santarem, Portugal	Logistics company	Ordinary	40.00
A-Optikk AS19	Finnholtvegen 91, 2114 Disenå, Norway	Eyewear trading	Ordinary	100.00
INSPECS GmbH	Hofweg 20, 97737 Gemünden, Germany	Eyewear trading	Ordinary	100.00

- 1 The shares are held by Algha Group Limited.
- 2 The shares are held by INSPECS Limited.
- 3 The shares are held by Killine Group Limited.
- 4 The shares are held by Twenty20 Limited.
- 5 The shares are held by Killine Optical Limited.
- 6 The shares are held by Bandoma Limited.
- 7 The shares are held by Duval Company Group Limited.
- 8 The shares are held by INSPECS Holdings Limited.
- 9 The shares are held by Yardine Limited.
- 10 The shares are held by Eschenbach Holding GmbH.
- 11 The shares are held by Eschenbach Beteiligungs GmbH.
- 12 The shares are held by Eschenbach International GmbH.
- 13 The shares are held by Eschenbach UK Holdings Ltd.
- 14 The shares are held by Eschenbach Optik GmbH.
- 15 The shares are held by EGO Eyewear Limited.
- 16 The shares are held by Zhongshan Torkai Optical Co Limited.
- 17 The shares are held by EGO Eyewear AB.
- 18 The shares are held by On Sight Services-Sociedade Unipessoal Lda.
- 19 The shares are held by INSPECS Limited.

4. Property, plant and equipment

	Plant & machinery £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2025	60	5	65
At 31 December 2025	60	5	65
Depreciation			
At 1 January 2025	12	2	14
Charge for the year	12	2	14
At 31 December 2025	24	4	28
Net Book Value			
At 31 December 2025	36	2	38

	Plant & machinery £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2024	–	–	–
Additions	60	5	65
At 31 December 2024	60	5	65
Depreciation			
At 1 January 2024	–	–	–
Charge for the year	12	2	14
At 31 December 2024	12	2	14
Net Book Value			
At 31 December 2024	48	3	51

5. Right-of-use assets

The Company has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant, machinery and motor vehicles generally have lease terms between three and five years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company's right-of-use assets are as follows:

	Leasehold properties £'000	Plant & machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2025	10	110	157	277
Disposals	(10)	–	(66)	(76)
At 31 December 2025	–	110	91	201
Depreciation				
At 1 January 2025	6	44	87	137
Charge for the year	4	20	47	71
Disposals	(10)	–	(66)	(76)
At 31 December 2025	–	64	68	132
Net Book Value				
At 31 December 2025	–	46	23	69

	Leasehold properties £'000	Plant & machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2024	15	109	84	208
Additions	10	1	73	84
Disposals	(15)	–	–	(15)
At 31 December 2024	10	110	157	277
Depreciation				
At 1 January 2024	6	24	28	58
Charge for the year	15	20	59	94
Disposals	(15)	–	–	(15)
At 31 December 2024	6	44	87	137
Net Book Value				
At 31 December 2024	4	66	70	140

The carrying amounts of lease liabilities and the movements during the period are shown in note 11.

6. Trade and other debtors – falling due within one year

	2025 £'000	2024 (restated) £'000
Current:		
Prepayments	130	98
Amounts owed by Group undertakings	73,124	77,435
Other receivables	241	40
	73,495	77,573

Amounts owed by Group undertakings are unsecured, with no interest charged, and are legally repayable on demand.

Previously, amounts owed by Group undertakings were presented as split between balances falling due within one year and those falling due after more than one year. The balance of £75,859,000 disclosed as falling due after more than one year at 31 December 2024 has been restated so that all trade and other debtor balances are classified as falling due within one year, reflecting the fact that they are legally repayable on demand.

7. Cash at bank and in hand

	2025 £'000	2024 £'000
Cash at bank and in hand	32	64

8. Called up share capital

Authorised and issued share capital:

Number	Class £'000	Nominal value £'000	2025 £'000	2024 £'000
101,671,525 (2024: 101,671,525)	Ordinary	£0.01	1,017	1,017

Each Ordinary Share carries the right to participate in distributions, as respects dividends and as respects capital on winding up.

9. Reserves

Share premium

This reserve records the amount above the nominal value of the sums received for shares issued, less transaction costs.

	2025 £'000	2024 £'000
At 1 January and 31 December	89,508	89,508

Share option reserve

The share option reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel.

	2025 £'000	2024 £'000
At 1 January	3,570	3,222
Share-based payment charge	185	371
Share options forfeited	–	(23)
At 31 December	3,755	3,570

The share-based payment charge for the year is recognised against the reserve as per IFRS 2 Share-Based Payments. 30,000 share options were forfeited during 2024. Upon forfeiture of share options, the related share option reserve was recycled into retained earnings, resulting in the movement of £23,000 from the share option reserve to retained earnings.

Retained earnings

	2025 £'000	2024 £'000
At 1 January	35,969	39,344
Loss for the year	(12,539)	(3,398)
Share options forfeited	–	23
At 31 December	23,430	35,969

Merger reserve

This reserve arose on the share for share exchange between INSPECS Holdings Limited and INSPECS Group plc on 10 January 2020.

	2025 £'000	2024 £'000
At 1 January and 31 December	5,340	5,340

10. Interest-bearing loans and borrowings

	2025 £'000	2024 £'000
Current:		
Lease liabilities	43	68
	43	68
	2025 £'000	2024 £'000
Non-current:		
Lease liabilities	28	71
	28	71

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2025 £'000	2024 £'000
At 1 January	139	158
Additions	–	84
Interest charge	5	10
Payments	(73)	(113)
As at 31 December	71	139

11. Trade and other creditors

	2025 £'000	2024 £'000
Current:		
Trade creditors	1,621	133
Social security and other taxes	162	100
Accruals	170	148
Amounts owed by Group undertakings	27	484
	1,980	865

The trade payables are non-interest-bearing with usual credit terms being 30–90 days.

12. Employees

	2025 £'000	2024 £'000
Wages and salaries	2,088	2,134
Social security costs	319	274
Pension costs	159	119
Share-based payment expense	63	131
	2,629	2,658

The total average number of employees during the year was as follows:

	2025	2024
	21	18

13. Guarantees

The Company's UK subsidiaries INSPECS Limited (registered number 02245818), Alpha Group Limited (registered number 03240950), INSPECS Holdings Limited (registered number 06383565), Eschenbach UK Holdings Limited (registered number 06689781) and International Eyewear Limited (registered number 02221216) have taken advantage of the audit exemption under section 479A of the Companies Act 2006 for the year ended 31 December 2025. Consequently, the Company has provided the statutory guarantee in relation to the subsidiary's liabilities. The third-party liabilities of these subsidiaries as of 31 December 2025 amounted to £46,358,000 (2024: £47,909,000).

14. Post balance sheet events

On 13 March 2026, Bidco 1125 Limited ("Bidco") declared that its offer to INSPECS shareholders was unconditional. In accordance with Rule 17 of the Takeover Code, on 17 March 2026 Bidco confirmed that as at 1pm on 16 March 2026 it had exceeded acceptances for more than 50% of the issued share capital of INSPECS Group Plc. As a result of this change in control, the Group's share option agreements have lapsed. This event did not give rise to conditions that existed at the reporting date and has therefore been treated as a non-adjusting event for the purposes of these financial statements

Since the balance sheet date, but before these Financial Statements were approved, there were no further events that the Directors consider material to the users of these Financial Statements.

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