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13 November 2025

Tekcapital Plc

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

Innovative Eyewear Inc. Reports Q3 2025 Unaudited Financial Results

Year over Year, third quarter revenue grew by 163% & gross profit margins increased by 14%

Tekcapital Plc (AIM: TEK), the UK intellectual property investment group notes that Innovative Eyewear, Inc. ("Innovative Eyewear") (NASDAQ: LUCY; LUCYW), the manufacturer of smart eyewear under the Lucyd®, Lucyd Armor™, Reebok®, Eddie Bauer® and Nautica® brands, has announced its unaudited financial results for the three and nine months ended September 30, 2025.

Net revenue for the quarter ended September 30, 2025 was 668,128, an increase of 163% from the quarter ended September 30, 2024. On a year-to-date basis, net revenue for the nine months ended September 30, 2025 was 1,701,859, an increase of 80% from the comparable period in 2024. For both the quarter and year-to-date periods, this top-line revenue growth was primarily driven by volume increases from sales of the Company's highly successful Lucyd Armor® smart safety glasses (launched in October 2024), which represented approximately half of the Innovative Eyewear's total smartglass units sold in both the current quarter and year-to-date periods. The cobranded Reebok® Powered by Lucyd collection, which launched in April 2025, also contributed to the year-over-year volume increases.



Lucyd Armor® smart safety eyewear
Image courtesy Innovative Eyewear, Inc.

Gross profit margin for the third quarter of 2025 was 37%, compared to 23% for the same period in the prior year. The gross profit margin for the nine months ended September 30, 2025 was 27%, compared to 13% for the same period in the prior year. These significant increases were primarily attributable to lower product sourcing costs for both frames and prescription lenses as Innovative Eyewear continues to scale and develop its business. The Innovative Eyewear management team anticipate further cost improvements in future quarters as Innovative Eyewear continues to grow its volume and realize greater economies of scale. Although higher custom duties, tariffs and importation costs weighed heavily on gross profit margins in the second quarter, and therefore had a significant negative impact on Innovative Eyewear's current year-to-date margins, the various actions taken by Innovative Eyewear's management to help mitigate the impact of tariffs have been largely successful thus far, and restored third quarter 2025 gross profit margins to a level mostly consistent with Innovative Eyewear's pre-tariff business plan. Innovative Eyewear Management continues to monitor trade policy and build contingency sourcing options in Southeast Asia, should the U.S. China tariff conditions materially change.

Other operating expenses increased by 19% in the third quarter of 2025 as compared to the prior year, and increased by 10% for the nine months ended, primarily driven by increased sales and marketing expenses. As consumer awareness and market penetration of smart eyewear increases, and the category moves from the early adopter stage to mass market maturity, Innovative Eyewear management expects that the company's customer acquisition costs will decline over time as prospective customers will need less exposure to understand the benefits of smart eyewear.

During the third quarter of 2025, Innovative Eyewear announced several important milestones which management believes are positive for Innovative Eyewear's future international expansion plans, including:

- Successful participation at Vision Expo West 2025, the premier optical industry trade show in the U.S., which resulted in securing approximately 40 new optical industry accounts, developing new partnerships to expand distribution in the U.K., and meetings with new national distribution partners for Canada and Latin America. The accounts range in size from independent optical stores to major regional operators with hundreds of stores. One new partnership of note is with the Optical Resources Group, a chain of half a dozen eyewear stores in the Midwest, and supplier of safety eyewear to industrial companies. Another company is Ocusafe.com a supplier of safety glasses that is launching the Lucyd Armor line in Q4.
- Successful presentation at SILMO Paris 2025, one of the world's leading optics and eyewear trade shows, which resulted in Innovative Eyewear securing initial orders from multiple key European markets.
- Addition of a new translation feature to the Lucyd app, which allows for voice-based translation between 17 languages in real-time.
- Introduction of new variants to Lucyd Armor at the end of the quarter.
- A major update to the Innovative Eyewear's website to make it more user-friendly and better showcase our multiple collections of smart eyewear.

Harrison Gross, CEO of Innovative Eyewear, said:

"I am very pleased by our impressive sales growth for the quarter and the potential of international growth and expansion. We continue our upward trend of outperforming sales each quarter on a year-over-year basis, which we have done every quarter for over two years now. I am also pleased by the improvements in our gross profit margin during the quarter, despite the ongoing headwinds from tariffs. We plan to build on the continued success and momentum of our most popular product lines, Lucyd Armor® smart safety glasses, Lucyd Lyte® and Reebok® Powered by Lucyd smartglasses. We are also excited about the potential of international growth and expansion, as we continue to make progress towards building a more globally focused business with significant distribution outside of the U.S. Overall, we believe that we are well positioned to deliver further revenue growth in the fourth quarter of 2025 and beyond. We are confident that our smart eyewear will be a top gifting choice this holiday season, and that our fourth quarter will be the strongest yet."

Innovative Eyewear's net loss for the third quarter of 2025 was (1,836,267) or (0.38) per share, compared with (1,720,677) or (0.99) per share in the third quarter of 2024, as Innovative Eyewear continues to invest in initiatives to further grow its business, including influencer marketing efforts, frequent trade shows in the eyewear, hardware and electronics industries, and sales and marketing team expansion. For the nine months ending September 30, 2025, Innovative Eyewear had a net loss of (5,721,064) or (1.62) per share, as compared with a (5,640,387) or (4.78) per share loss in the prior year comparable period.

Innovative Eyewear ended the quarter with 7,998,202 of combined cash and cash equivalents and investments, a 6.2% increase compared with the 7,594,474 combined cash and cash equivalents and investments as of December

0.5% increase compared with the 1,524,171 combined cash and cash equivalents and investments as of December 31, 2024. This increase in funds was primarily attributable to warrant exercises and other equity transactions entered into during the current nine-month period. Further, Innovative Eyewear had no debt at the end of the current period.

About Innovative Eyewear Inc.

Innovative Eyewear is a developer and retailer of ChatGPT smart eyewear, under the Lucyd®, Nautica®, Eddie Bauer® and Reebok® brands. True to our mission to Upgrade Your Eyewear®, our Bluetooth smart glasses allow users to stay safely and ergonomically connected to their digital lives and are offered in hundreds of frame and lens combinations to meet the needs of the optical market. To learn more and explore our continuously evolving collection of smart eyewear, please visit www.lucyd.co.

About Tekcapital plc

Tekcapital creates value from investing in new, university-developed discoveries that can enhance people's lives. Tekcapital is quoted on the AIM market of the London Stock Exchange (AIM: symbol TEK) and is headquartered in the UK. For more information, please visit www.tekcapital.com.

LEI: 213800GOJTOV19FIFZ85

Tekcapital currently owns 259,455 shares of Innovative Eyewear, Inc. (NASDAQ: LUCY).

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Forward-Looking Statements

This press release contains certain forward-looking statements, including those relating to the Innovative Eyewear's Q3 results. Forward-looking statements are based on the company's current expectations and assumptions. The Private Securities Litigation Reform Act of 1995 provides a safe-harbor for forward-looking statements. These statements may be identified by the use of forward-looking expressions, including, but not limited to, "anticipate," "believe," "continue," "estimate," "expect," "future," "intend," "may," "outlook," "plan," "potential," "predict," "project," "should," "will," "would" and similar expressions that predict or indicate future events or trends or that are not statements of historical matters, but the absence of these words does not mean that a statement is not forward-looking. Innovative Eyewear undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in the Company's filings with the Securities and Exchange Commission, including its annual report on Form 10-K under the caption "Risk Factors."

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