

13 May 2026

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

Final Results for the year ended 31 December 2025

INSPECS Group plc, a leading designer, manufacturer and distributor of eyewear (sunglasses, optical frames and low vision products) today announces its final results for the year ended 31 December 2025.

Financial Highlights

- Group revenue of £191.7m (2024: £193.3m¹) remained resilient despite continued macroeconomic and geopolitical uncertainty
- Group revenue on a constant currency basis² of £193.4m (2024: £193.3m¹)
- Gross profit margin down 70 bps to 51.7% (2024: 52.4%¹)
- Underlying EBITDA² down £1.8m to £17.7m (2024: £19.5m¹)
- Operating profit before non underlying items of £5.7m (2024: £5.9m¹)
- Net debt excluding lease liabilities increased to £32.3m (2024: £22.9m)

Operational Review and Current Trading

- Integration of legacy acquisitions now complete, simplifying the operating model and strengthening operational focus
- Manufacturing performance improved materially in the second half, following tariff related disruption and start up under utilisation in H1 2025
- Norville business closed, streamlining the Group and improving long term capital allocation
- Continued progress on supply chain efficiencies through centralised procurement
- Continued investment in innovation, including development of Optaro low vision products and progress on smart eyewear initiatives
- European markets showing encouraging momentum and the Group is on track to deliver Board expectations for 2026

Targets

The Board reiterates the Group's ambition to deliver:

- Annual organic revenue CAGR at least 40% above market growth, with the global eyewear market forecast to grow at approximately 3% CAGR³
- Double digit Underlying EBITDA margin by 2027
- Net debt of 40%-75% of underlying EBITDA by 2027

Takeover Offer

On 20 February 2026, Bidco 1125 Limited ("Bidco") (a newly incorporated vehicle indirectly owned by Luke Johnson and Ian Livingstone) announced a Takeover Offer for the Company under Part 28 of the Companies Act 2006 (the "Offer"). On 13 March 2026, Bidco declared the Offer unconditional in all respects. On 1 May 2026, Bidco declared that the Offer will close for acceptance at 6.00p.m. on 15 May 2026.

1. *The results for the year ended 31 December 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.*
2. *Constant currency and Underlying EBITDA are non-statutory measures. Please refer to note 4 for details.*
3. *Market Benchmark: Based on Statista Eyewear: Market Data & Analysis, covering Sunglasses and Eyewear Frames revenue projections.*

Richard Peck, Chief Executive Officer of INSPECS Group plc, commented:

"INSPECS delivered a resilient performance in 2025 against a challenging macroeconomic and geopolitical backdrop. Revenue was stable on a constant currency basis and eyewear unit volumes increased, reflecting disciplined execution across our global operations and the enduring strength of our brand portfolio and customer relationships.

"The successful ramp up of our Vietnam manufacturing site has enhanced our operational resilience, improved cost competitiveness and positioned the Group well to mitigate ongoing supply chain and trade related risks.

"During the year we took further actions to simplify the Group, including the closure of the Norville lens business and the completion of key integration activities. These steps were taken deliberately to reduce complexity, strengthen focus on our core Frames and Optics activities, and improve long term capital allocation.

"INSPECS has entered 2026 with a simpler structure, a clearer strategic focus, and a more resilient operating

"INSPECS has entered 2026 with a simpler structure, a clearer strategic focus and a more resilient operating platform. While external uncertainty remains, the actions taken in 2025 provide a strong foundation for operational improvement, margin recovery and sustainable long term value creation."

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About INSPECS Group plc

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

INSPECS is building a global eyewear business through its vertically integrated business model. Its continued growth is underpinned by increasing the penetration of its own-brand portfolio, worldwide distribution, growing retail presence, maximising group synergies and its global network, expanding its manufacturing capacity and scaling the research and development department as it develops new and innovative eyewear products. The Group has operations across the globe: with offices and subsidiaries in the UK, Germany, Portugal, Scandinavia, the US and China (including Hong Kong, Macau and Shenzhen), and manufacturing facilities in Vietnam, China, the UK and Italy.

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

More information is available at: <https://INSPECS.com>

CHAIR'S STATEMENT

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.

Christopher Hancock
Interim Chair

CHIEF EXECUTIVE'S REVIEW

2025 was a year of transition and consolidation for INSPECS. 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 innovations 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.

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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

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 £'000	2024 (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)
Earmout 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 2025 £'000	Percentage of revenue	Year ended 31 December 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. Earmout on acquisitions	-	(1.0)
Sub-total	5.7	6.0
Non-underlying costs (net)	(2.9)	(0.6)
Net finance costs	(2.0)	(3.8)

Net finance costs	(0.0)	(0.0)
(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. Following the change of control (see note 18), 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

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.

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 IAS8 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 17 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

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 required to ensure compliance

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. 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

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		41	97
Finance costs	9	(3,145)	(3,997)
Finance income	9	139	201
Share of loss of associate and joint venture		(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	16	(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		16,848	23,406	29,813
Property, plant and equipment		13,907	18,276	19,001
Right-of-use assets		10,346	14,372	16,599
Investments in associate and joint venture		54	70	98
Deferred tax assets		1,736	3,450	4,542
		99,723	117,287	128,280
Current assets				
Inventories		47,225	45,939	44,284
Trade and other receivables		37,465	38,461	34,511
Tax receivables	15	887	107	386
Cash and cash equivalents		15,986	23,960	20,070
		101,563	108,467	99,251
Assets held for sale		944	-	832
Total assets		202,230	225,754	228,363
Equity				
Shareholders' equity				
Called up share capital		1,017	1,017	1,017
Share premium		89,508	89,508	89,508
Foreign currency translation reserve		(954)	3,005	4,374
Share option reserve		3,755	3,570	3,222
Merger reserve		5,340	5,340	5,340
Accumulated losses		(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		44,414	44,505	48,234
Deferred consideration		-	-	652
Deferred tax liabilities		1,425	1,968	3,668
		45,839	46,473	52,554
Current liabilities				
Trade and other payables		40,522	42,944	38,317
Right of return liabilities	5	15,655	16,654	16,677
Warranty provision		2,868	3,423	3,977
Financial liabilities - borrowings				
Interest-bearing loans and borrowings		13,782	16,185	13,000
Invoice discounting		1,580	1,777	887
Deferred and contingent consideration		-	1,873	2,111
Tax payable	15	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

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	17	-	-	(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)		-	-	(1,369)	-	-	-	(1,369)
Total comprehensive loss (restated)		-	-	(1,369)	-	(4,608)	-	(5,977)
Share-based payments		-	-	-	371	-	-	371
Share options forfeited		-	-	-	(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	17	-	-	(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		-	-	(3,959)	-	-	-	(3,959)
Total comprehensive loss		-	-	(3,959)	-	(9,558)	-	(13,517)
Share-based payments		-	-	-	185	-	-	185
Share options forfeited		-	-	-	-	-	-	-
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	14	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		-	(124)
Cash paid in relation to deferred consideration		(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		1,721	39,451
Bank loan principal repayments in year		(2,127)	(36,890)
Transaction costs on debt refinancing		(562)	(275)
Movement in invoice discounting facility		(197)	890
Principal payments on leases		(3,591)	(3,595)
Cash outflows from discontinued operations		(95)	(7)

	2025	2024
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	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

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 financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2025, including the comparatives for the year ended 31 December 2024 have been extracted from the Group's audited financial statements which were approved by the Board of directors on 12 May 2026.

The financial information for the year ended 31 December 2025 including the comparatives for the year ended 31 December 2024 have been extracted from the Group's financial statements for that period. The report of the auditor on the 2025 financial statements was unqualified, did not include any references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

This financial information has been prepared in accordance with the accounting policies set out in the 2024 Report and Accounts and updated for new standards adopted in the current year.

The statutory accounts for the year ended 31 December 2024, upon which an unqualified audit opinion was issued, have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 December 2025 will be delivered to the Registrar of Companies in due course.

The Company is a public limited company incorporated and domiciled in England & Wales and whose shares are traded on AIM, a market operated by the London Stock Exchange.

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 18).

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 financial forecasts and business plans underpinning the Group's going concern assessment are consistent with those used by the acquiring party in completing the acquisition, and no material changes to these forecasts are anticipated.

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 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.

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.

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.

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.

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.

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, other related costs, restructuring costs and withholding tax income/charges.

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

calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2023 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 0.4% growth rate expectation for revenue. 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 15.

Intangible Assets

On an annual basis, the Group assess 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).

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.

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)
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- (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 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 £'000	2024 (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 £65,517,000 (2024: £67,316,000) and Germany with revenues of £56,870,000 (2024 restated: £56,831,000).

b) Right of return assets and liabilities

	2025 £'000	2024 (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 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

	2024 (Restated) £'000
2025 £'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.

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	6,197	6,785
Depreciation - right-of-use assets	3,549	3,552
Depreciation - owned assets	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 £'000	2024 (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:		
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)/earnings (Re-presented) (£'000)	(Loss)/earnings 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)/earnings (Re-presented) (£'000)	(Loss)/earnings 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

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 ('CGUs'):

	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

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. 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		5,608	5,465
Amortisation		6,197	6,785
Impairment		1,455	-
Share of loss of associate and joint venture		17	29
Share-based payment		185	371
Exchange adjustment on borrowings		(41)	(97)
Withholding tax provision	8, 15	(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.

15. 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

considered to be attributable 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.

16. 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	-

17. 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 IFRS15, a right of return arises from a constructive obligation where Tura expects to accept returns after the reporting date in respect of sales recognised prior to that date. As at 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 IAS37, reflecting the time value of money where the effect was considered material. However, under IFRS15, right of return provisions are accounted for as refund liabilities arising from variable consideration and should be measured at the amount of consideration expected to be refunded to customers, without discounting. As a result, the discounting applied by Eschenbach was not consistent with the measurement requirements of IFRS 15.

In accordance with IAS8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the above has been identified as a prior period error and the right of return provision and associated asset recognised have therefore been restated as a prior 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

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

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. There is no impact of this error on the 2024 income statement.

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.

Prior year adjustment E - Killine revenue cut off

Under IFRS15, revenue should be recognised when control of goods transfers to the customer, rather than when goods are invoiced or dispatched. As at 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:

	Adjustment							2024
	2024	A	B	C	D	E	F	(Restated)
	£'000							£'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:

	Adjustment							2023 (Restated) £'000
	2023 £'000	A	B	C	D	E	F	
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.

18. 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.

Statutory accounts for 2025 will be delivered in due course.

Cautionary Statement

This announcement contains forward looking statements which are made in good faith based on the information available at the time of its approval. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of risks and uncertainties that are inherent in any forward-looking statement which could cause actual results to differ materially from those currently anticipated. Nothing in this document should be regarded as a profits forecast.

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