

Warpaint London plc
Annual Report
and Accounts 2025

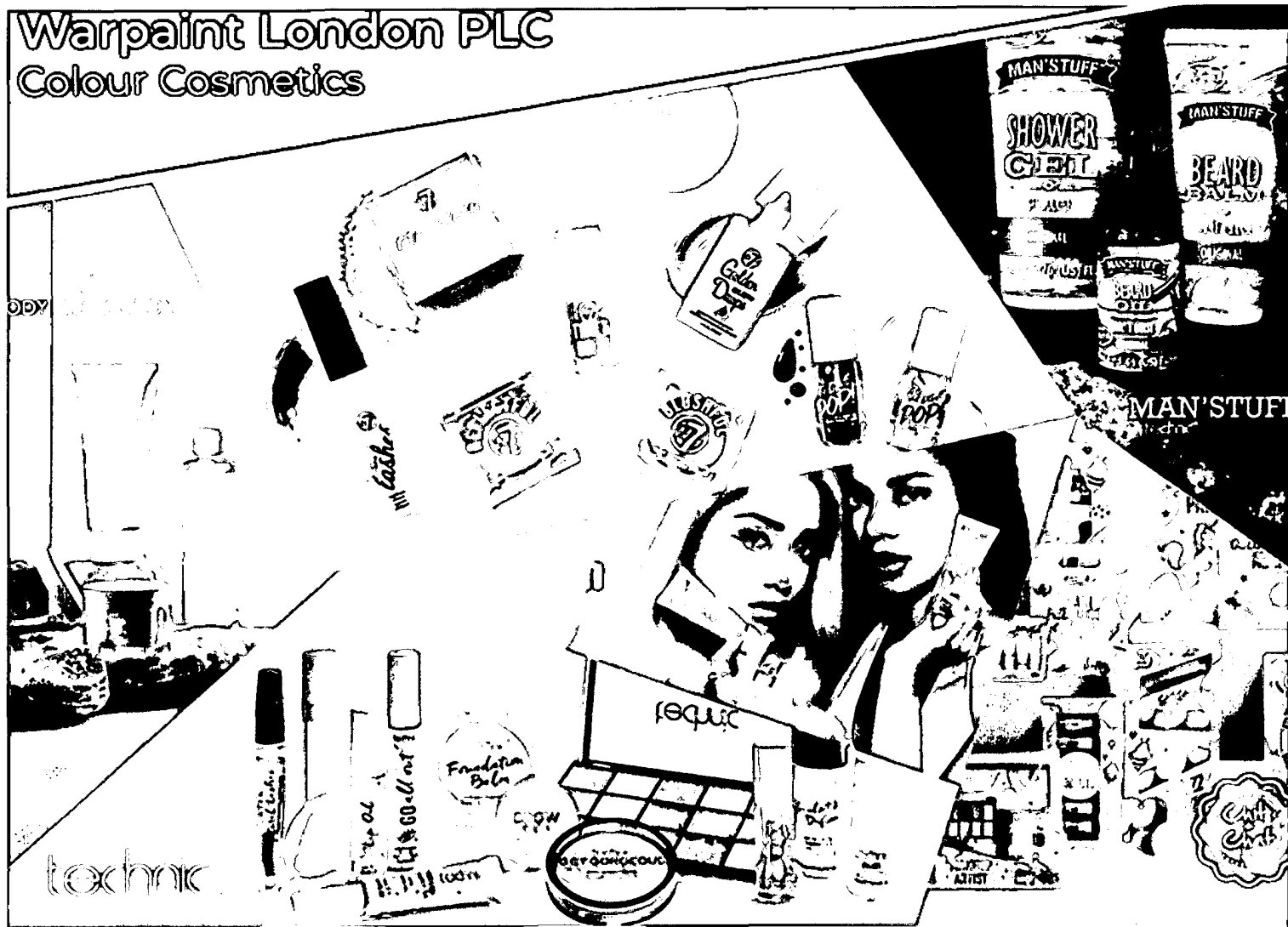


THURSDAY

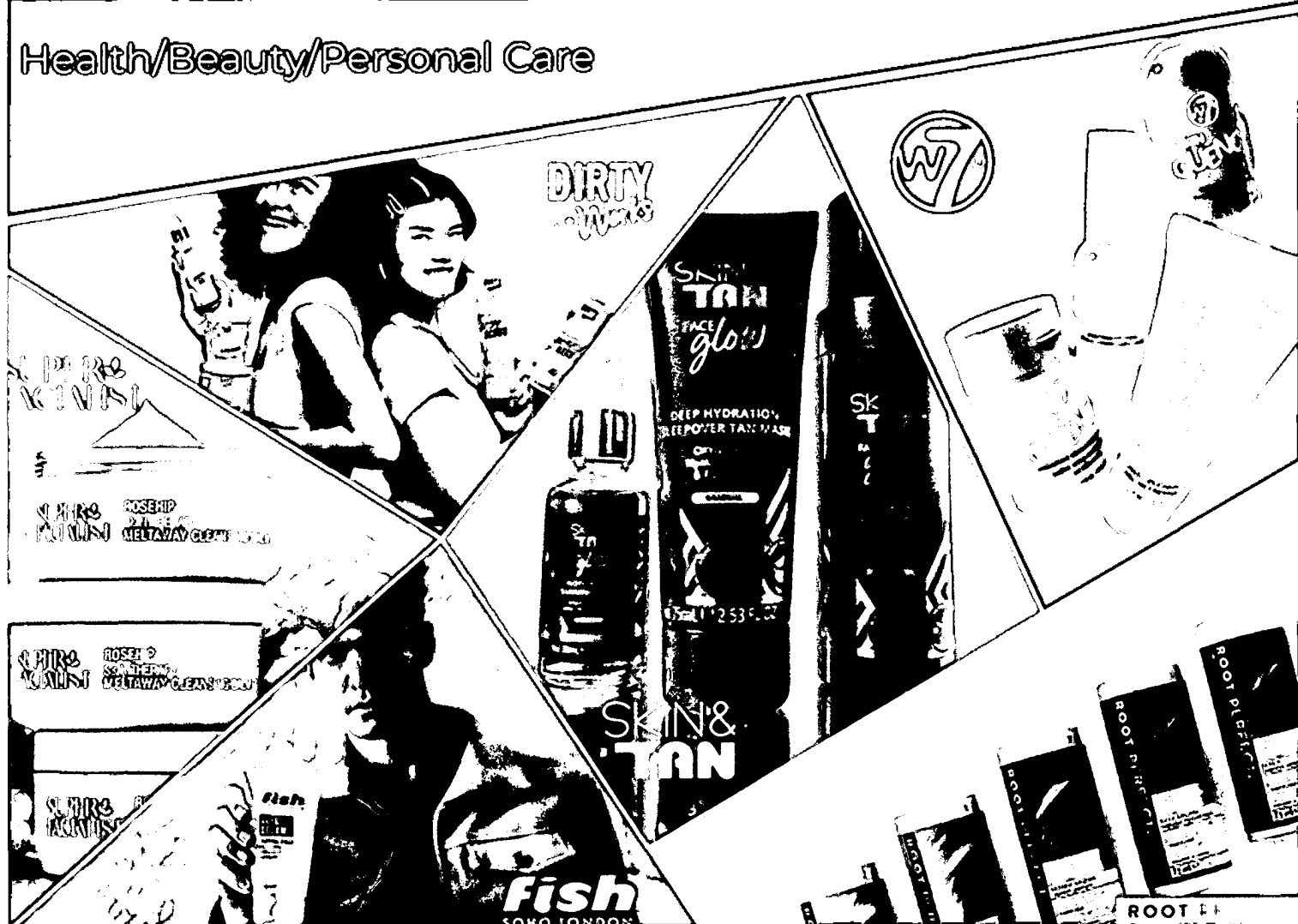

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COMPANIES HOUSE

Warpaint London PLC

Colour Cosmetics



Health/Beauty/Personal Care



Our mission is to provide access to an extensive range of high quality colour cosmetics and personal care brands at an affordable price.

How we strive to fulfil our mission by:	• Utilising marketing and advertising initiatives that are efficient • Creating innovative, eye catching and desirable packaging • Creating high quality <u>colour</u> cosmetic and personal care products • Always striving to improve and better our brand and product offers • Being at the cutting edge of <u>colour</u> cosmetics trends
Our Values	• We use high quality ingredients • We manufacture products that are safe and kind to the user • We follow and adhere strictly to all relevant regulatory compliance in all territories where we sell our products
Our Ethics	• We do not test our products on animals regardless of the regulatory requirements we encounter • We always seek the best value and quality from every constituent ingredient • We <u>endeavour</u> to ensure that all our suppliers mirror our values and understand our principles
Our Ethos – Who will you be today?	• To give customers the ability and the flexibility to style themselves based on who they want to be • To engage customers by interacting with them directly using a variety of media platforms • To make our products easily available to our customers • To empower our customers by seeking their feedback, interaction and views

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2025 highlights

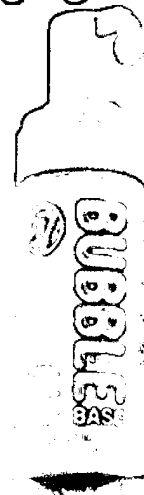
	Audited 12 months to 31 December 2025	Audited 12 months to 31 December 2024	Change
Revenue	£105.1m	£101.6m	+3%
Gross profit margin	42.6%	41.2%	+140bps
Adjusted EBITDA	£21.3m	£25.0m	-15 %
Profit before tax	£18.1m	£23.8m	-24%
Profit attributable to equity holders	£14.4m	£18.2m	-21%
Adjusted Earnings per share	16.7p	22.3p	-25%
Cash and cash equivalents ¹	£16.0m	£7.9m	+102%

Financial Highlights

- Results reflect the challenging trading environment across many of the Group's markets
- Group sales for 2025 grew by 3% to £105.1 million (2024: £101.6 million), including the £11.8 million contribution from Brand Architekts from 12 February 2025
- Continued improvement in gross profit margin, increasing by 140bps to 42.6% (2024: 41.2%)
- Strong cash position of £16.0 million as at 31 December 2025 (31 Dec 2024: £7.9 million²³) with no debt
- Recommended increased final dividend of 9.0p per share (2024: 7.5p), bringing the total dividend for the year to 13.0p per share (2024: 11.0p per share)

- Completed the acquisition of Brand Architekts in February 2025 and successfully integrated the business into the Group, delivering a positive Adjusted EBITDA contribution compared to the losses reported prior to acquisition. Further improvements to the Brand Architekts portfolio being implemented in 2026 that are expected to increase margin, particularly in H2 2026 and into 2027
- Continuing brand focus, particularly in H2 2025, both internationally and the UK, including:
 - In Europe: launch of W7 into 200 Tiggota stores in Italy, with a capsule collection going into a further 400 stores; expanded W7 assortment into all 546 Etos stores in The Netherlands, with permanent fixtures and an expanded range and W7 going into an additional 150 Normal stores following the chain's expansion
 - In the UK: expanded into 140 additional Superdrug stores; gifting rolled out into 350 Boots stores for Christmas 2025, alongside an expansion of accessories into 250 additional stores and further expansion with 150 additional Tesco stores taking an Impulse offering

Operational Highlights





- In the US: expanded the W7 range stocked and rolled out to a further 399 CVS stores
- In the ROW: expanded sales in Chemist Warehouse in Australia and New Zealand and launched into the Warehouse Group, New Zealand
- In a number of retailers, volumes increased year-on-year, but generated reduced revenues as consumers increasingly favoured lower price points within the product range
- Direct online sales were £11.6 million, up 38% year on year, accounting for 11.0% of Group sales (2024: £8.4 million/8.3%)

Post-Period End Highlights and Outlook

- The difficult trading conditions experienced in 2025 continued in Q1 2026 with unaudited Group sales for the four months to 30 April 2026 expected to be approximately £26.1 million (four months to 30 April 2025: £32.6 million). However, sales in April 2026 are expected to be in excess of those achieved in April 2025, with signs of recovery being experienced
- Sales in 2026 are expected to be more second half weighted than prior years due to the timing of certain larger orders and planned customer rollouts from May 2026
- Maintained a strong balance sheet, with no debt. Cash balances as at 31 March 2026 were £17.3 million (30 April 2025: £18.5 million)
- Acquisition of the Barry M brand, including its IP, stock and order book, but excluding the manufacturing capabilities and any liabilities, for a cash consideration of £1.4 million, out of administration. Barry M is a well-established value cosmetics brand, trading in a similar market segment to Warpaint's cosmetics brands
- Significantly improved Christmas order received from Walmart, now that tariff levels in the US have settled compared to 2025
- Expansion of the Group's footprint in Europe in 2026 is expected to include a contribution from Dirk Rossmann in Germany, part of the AS Watson group, which is launching, as a pilot, a capsule range of W7 products into all of its 2,200 stores from May 2026
- The Group continues to expand outside of the UK, Europe and the US, with new markets opened in South America and an Indian subsidiary entity starting trading in Q2 2026
- Despite continuing global macroeconomic headwinds the Group has significant planned expansion opportunities, particularly for later in 2026, and expects continued margin improvement

1 2024 Cash and cash equivalents excludes £14.0m, which was held in an escrow account at 31 December 2024. The funds were released in February 2025 and utilised in the acquisition of Brand Architekts Group Plc

HEADLINE RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

Statutory Results £m	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Revenue	105.1	101.6
Profit from operations	18.5	24.0
Profit margin from operations	17.6%	23.6%
Profit before tax ("PBT")	18.1	23.8
Earnings per share ("EPS")	17.8p	23.5p
Cash and cash equivalents	16.0	7.9 ¹

¹ 2024 Cash and cash equivalents excludes £14.0 million, which was held in an escrow account at 31 December 2024. The funds were released in February 2025 and utilised in the acquisition of Brand Architekts Group PLC.

Adjusted² Statutory Results £m	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Revenue	105.1	101.6
Adjusted profit from operations	16.3	24.8
Adjusted profit margin from operations	15.5%	24.4%
Adjusted PBT	15.9	24.6
Adjusted EPS	16.7p	22.3p
Cash and cash equivalents	16.0	7.9 ¹

² Adjusted numbers are closer to the underlying cash flow performance of the business which is regularly monitored and measured by management, the adjustments made to the statutory numbers are as follows:

£m	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Statutory profit from operations	18.49	24.00
Depreciation	1.27	0.93
Amortisation of right of use assets	1.52	1.27
Amortisation of intangible assets	0.29	0.03
Foreign exchange loss/(gain)	2.23	(2.00)
EBITDA	23.80	24.23
Gain on bargain purchase ⁴	(4.52)	-
Exceptional items ³	1.39	0.42
Share-based payments	0.62	0.35
Adjusted EBITDA	21.29	24.99

Statutory profit from operations	18.49	24.00
Exceptional items ³	1.39	0.42
Amortisation of intangible assets	0.29	0.03
Gain on bargain purchase ⁴	(4.52)	-
Share-based payments	0.62	0.35
Adjusted profit from operations²	16.27	24.80
Adjusted profit margin from operations²	16.27 / 105.08 = 15.48%	24.80 / 101.61 = 24.4%
Statutory PBT	18.10	23.76
Exceptional items ³	1.39	0.42
Amortisation	0.29	0.03
Share-based payments	0.62	0.35
Gain on bargain purchase ⁴	(4.52)	-
Adjusted PBT²	15.88	24.56
Statutory profit attributable to equity holders	14.35	18.23
Exceptional items ³	1.39	0.42
Amortisation of intangible assets	0.29	0.03m
Share-based payments	0.62	0.35m
Gain on bargain purchase ⁴	(4.52)	-
Foreign exchange loss / (gain)	2.23	(2.00)
Tax attributable to adjusting items	(0.88)	0.29
Adjusted profit attributable to equity holders	13.48	17.32
Weighted number of ordinary shares	80,774,765	77,691,505
Adjusted EPS²	16.68p	22.28p

³ Exceptional items include directly attributable acquisition costs, restructuring costs and other one-off costs as a result of the acquisition of Brand Architekts

⁴The gain on bargain purchase relates to the acquisition of Brand Architekts in the year. See note 12 for further explanation

Our business

We are a branded consumer goods business with a supporting business that is more than 40 years old, our lead brand W7 is now 23 years old, and is a fashion forward colour cosmetic brand that offers high quality products and a strong value proposition.

£105m
2025 revenue

42.6%
Gross Profit margin

c.187
Employees

23 years
W7 heritage

3
Key markets



Warpaint is a specialist supplier of high quality colour cosmetics and personal care brands at an affordable price, sold under the W7, Technic, Skin & Tan, Super Facialist, Dirty Works and Fish Soho brands. Our brands are sold primarily to major retailers, retail chains and supermarkets, with a growing direct online business. Additionally, in February 2026, Warpaint acquired the Barry M colour cosmetic brand.

Cosmetic Brands
(85% FY25 revenue)



Health/Beauty/Personal Care Brands
(11% FY25 revenue)



Chairman's statement

2025 was a challenging year for Warpaint, against a backdrop of difficult macroeconomic conditions and subdued consumer confidence, both in the UK and our other markets. During the year the Group continued its strategy of building its brands, concentrating on increasing its presence in larger retailers globally and growing direct online sales, at attractive margins. I believe this strategy, along with the focus on growing margins, generating cash and remaining debt free continues to ensure that Warpaint remains very well positioned for the future and will be an essential part of our future success.

On 12 February 2025, we completed the acquisition of Brand Architekts. Following the acquisition, decisive action was taken to apply the Group's know-how, right-size the cost base, streamline operations and integrate the business into the Group's wider infrastructure as a result of which the business has now been successfully incorporated into the Group. Brand Architekts delivered a positive Adjusted EBITDA contribution in line with our expectations compared with the losses reported prior to acquisition. This represents an important milestone and demonstrates the Group's ability to acquire, integrate and improve underperforming businesses.

Post year end, on 9 February 2026, the Group acquired the Barry M brand, including its IP, stock and order book, but excluding the manufacturing capabilities and any liabilities, for a cash consideration of £1.4 million out of administration. Barry M is a well-established value cosmetics brand, trading in a similar market segment to Warpaint's cosmetics brands and providing the Group with a very cost-effective opportunity to increase its UK retailer presence and grow its brand portfolio.

Results

Despite the challenges, 2025 was again a year of achievement, with the Group delivering record sales of £105.1 million (2024: £101.6 million), at an increased gross margin. On a like-for-like basis, excluding the sales generated by Brand Architekts in the period, revenue was £93.3 million. However, the results for the year were negatively impacted by certain specific, one-off events, as reported in our year end trading update. These

included: tariff volatility in the US, which disrupted the placing of Christmas gift orders and impacted regular business causing the loss of approximately £2.4 million of sales, and a large customer of the Technic brand, Bodycare, going into administration, causing the loss of £3.3 million of sales. These issues were major contributors to the lower profit before tax of £18.1 million (2024: £23.8 million), with basic earnings per share of 17.8 pence (2024: 23.5 pence).

The balance sheet remains strong, with cash at 31 December 2025 of £16.0 million (31 December 2024: £7.9 million excluding £14.0 million held in escrow to fund the acquisition of Brand Architekts), and the Group remains debt free.

Dividend

In accordance with the Group's progressive dividend policy and reflecting the available cash and ongoing profitability of the Group, the board is pleased to recommend an increased final dividend 9.0 pence per share which, if approved by shareholders at the annual general meeting ("AGM"), will be paid on 3 July 2026 to shareholders on the register at 12 June 2026. The shares will go ex-dividend on 11 June 2026.

During the year, an interim dividend of 4.0 pence per share was paid on 21 November 2025, bringing the total dividend for the year to 13.0 pence per share, an 18% increase over the 11.0 pence per share dividend for 2024.

Board

I am pleased to announce that Indira Thambiah, who has been an independent Non-Executive Director since 1 January 2024, has been appointed Senior Independent Non-Executive Director of the Company from 27 April 2026.

Annual General Meeting

The Company's AGM will be held at the Company's offices at Units B&C, Orbital Forty Six, The Ridgeway Trading Estate, Iver, Bucks, SL0 9HW on 16 June 2026 at 10.00 a.m. and the board looks forward to welcoming those shareholders who are able to attend in person.

Summary and Outlook

The difficult trading environment experienced in 2025 has continued into the current year, but I believe that Warpaint is making the right decisions to

sustain long term growth. It is a founder-led, entrepreneurial company, with a culture that enables it to move quickly in adapting to changing circumstances and to withstand the challenging environment. The board is confident that this will support a return to earnings growth when market conditions permit. One of the strengths of Warpaint is its people and I would like to thank my colleagues on the board and all of the Warpaint team for their dedication and exceptional efforts during the year. Warpaint continues to have a consistent and focused strategy of ensuring its branded products are sold through an ever-expanding network of large retailers globally, by gaining more space within these retailers, entering into relationships with new ones and increasing the Group's online sales presence. The addition of the Brand Architekts' brands during the year and the Barry M brand more recently, present further significant opportunities for growth in 2026 and the future.

Whilst the board is mindful of the continuing global macroeconomic uncertainty and continued subdued consumer confidence in many parts of the world, we expect the Group performance to improve in 2026, particularly in the second half.

Clive Garston
Chairman
28 April 2026

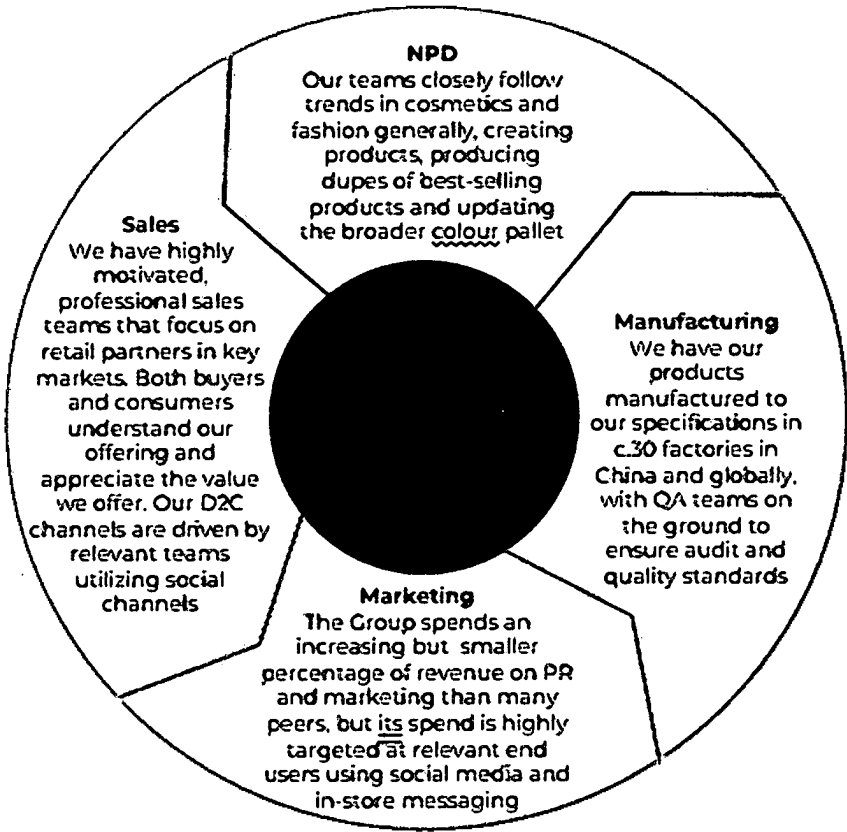
Our business model

How we create value

Since its inception more than 40 years ago, Warpaint has been run on a sustainable basis, focusing on profit and cash flow to build long-term value for our stakeholders.

Core commercial activities

Group revenue channels



11%

D2C
In the UK, because of our scale, we manage our own website sales and work with Amazon, with whom we partner in the US and a number of European countries as well.

89%

Wholesale
This encompasses sales to retail customers and country distributors.

OUR FOUNDATIONS

PEOPLE

Warpaint's commitment to its employees remains at the forefront of its focus

BRANDS

NPD is a crucial part of the Group's activity to ensure our brands remain relevant and engaging to the consumer

CONSUMERS

Our mission is to provide access to an extensive range of high quality cosmetics, and select health, beauty and personal care products at an affordable price to enable consumers to style themselves based on who they want to be

What we do

Warpaint London is a branded consumer goods business selling high quality colour cosmetics and a number of leading health, beauty and personal care brands through mostly major retail partners, but increasingly direct to consumers through our own website and selected online partners.

We operate globally, and report in four regions, UK, Europe, US and Rest of World.

Who we create value for



SHAREHOLDERS

Long-term business success driving share price appreciation and a progressive dividend.

£10.5m

Total FY25 dividends



OUR PEOPLE

The Group is proud of its low staff churn rate, with promotions being made from within wherever possible

100%

Staff participation in Company's profit



CONSUMERS

Being able to style themselves with high quality cosmetics at an affordable price.

#1

Brand with Gen Alpha in Superdrug



CUSTOMERS

Growing relationships with major retail groups globally

40

Key customers



SUPPLIERS

Long-term relationships with suppliers that want to do business with us.



ENVIRONMENT & COMMUNITIES

Environmental responsibilities are embedded within long-term strategy

CUSTOMERS

Warpaint enjoys strong relationships with its customers, providing popular, value-based products that enable good margins through the supply chain

SUPPLIERS

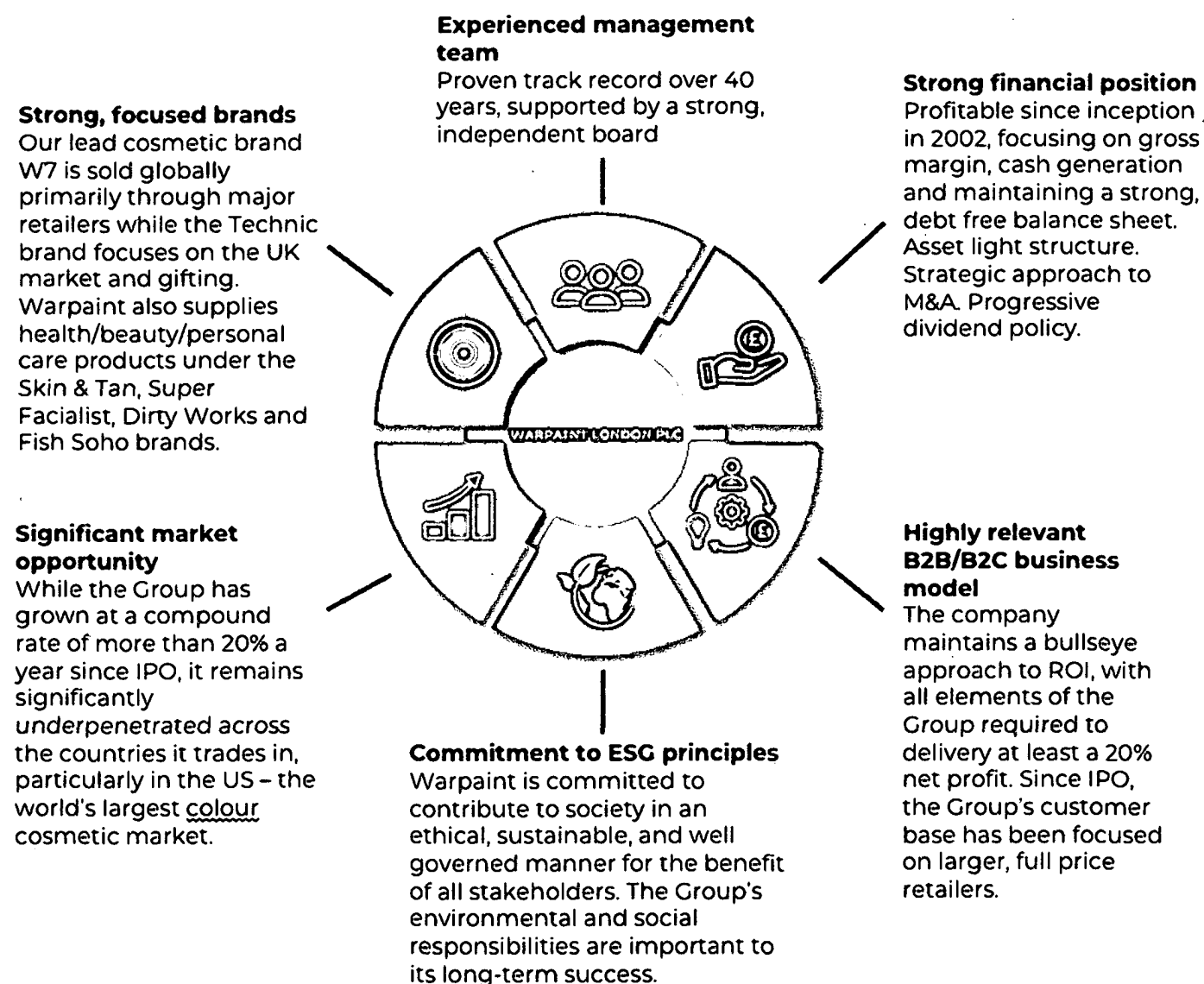
The Group's principal suppliers are made to feel part of the organization with an open and honest dialogue encouraged

FINANCIAL

Robust margins, high cash conversion and a strong balance sheet support continued investment in growth

Investment case

Warpaint mostly sells affordable, branded, high-quality cosmetics focused on the 16-34 age range. Its lead brand, W7 is sold in the UK primarily to major retailers and internationally to retail chains or local distributors. W7 is also available online via its own and Amazon platforms. The board continuously reviews, evaluates and develops the Group's brand portfolio, including: maintaining a clear brand hierarchy and brand positioning; full, regular new product development reviews to determine market price and profit; create franchises within brands; and continued monitoring of brand and product proliferation, allowing focus on core products.



CHIEF EXECUTIVE'S STATEMENT

The 2025 results were heavily impacted by the very challenging macroeconomic environment seen during the year and specific one-off factors, however, we were pleased with the progress made in many areas of the Group and the Company again achieved another record level of sales, at an improved gross profit margin.

Group sales increased by 3.4% to £105.1 million (2024: £101.6 million), importantly at an increased gross margin of 42.6% (2024: 41.2%), including the contribution from Brand Architekts. As outlined in the Company's February 2026 trading update, revenue in 2025 was negatively impacted by the closure of Bodycare, a significant customer for Technic (-£3.3 million), the challenging consumer and customer environment (approximately -£4.0 million), and business lost as a result of US tariff uncertainty earlier in the year leading to stalled momentum in the US (-£2.4 million).

Despite the headwinds experienced, the Group generated Adjusted EBITDA of £21.3 million and maintained its strong financial position with no debt and continued strong cash generation. The resilience of the business model, combined with disciplined cost control and careful management of working capital, enabled the Group to continue paying significant dividends while investing in future growth opportunities.

In 2025, the addition of the Brand Architekts' brands to our portfolio, and more recently the Barry M brand, has provided additional opportunities to grow sales and profits over and above those we expect from our core cosmetic brands. Our global market share remains modest and there continues to be substantial opportunities for growth, both with the Group's existing retail partners and from other major retailers globally that we are in discussions with.

W7

The Group's lead brand is W7, with sales in 2025 of £63.9 million, accounting for 61% of total Group revenue (2024: £65.4 million/64%).

W7 revenue in the UK was down 5% year-on-year to £17.6 million (2024: £18.6 million), and represented 28% of W7 sales in the year (2024: 28%), reflecting subdued consumer confidence in the UK, mitigated to a large extent in the second half of the year by expansion of the range and outlets served by existing retail partners. W7 sales in the UK continue to see significant growth potential, particularly with existing retailers, where plans are in place to expand the number of stores served and to increase the footprint in existing stores during 2026. In the second half of 2025, W7 was rolled out into an additional 140 Superdrug stores and launched accessories into 250 Boots stores, along with a Christmas gift offering going into 350 Boots stores for the first time. W7 also expanded its impulse offering into a further 150 Tesco stores.

In 2025, W7 sales in Europe were £35.9 million (2024: £36.8 million), a fall of 2% and represented 56% of W7 sales (2024: 56%). In the first half of the year, certain larger retailers reduced their historic levels of stock held, however, these returned to more normal order levels in the second half of the year. Furthermore, additional sales were secured with existing customers as they expanded the size of their estates, and new opportunities were secured with new customers, including in countries where the Group has previously had only a limited presence. Europe continues to present significant growth opportunities for the Group, with both existing customers and new ones, both of which are actively being pursued.

In the US, W7 sales decreased by 25% to £5.8 million in 2025 (2024: £7.8 million), accounting for 9% of overall W7 sales (2024: 12%), with growth into an additional 399 CVS stores not fully mitigating lost sales due to the tariff situation, particularly in April/May 2025, when retailers were looking to place orders for Christmas. As tariffs have stabilised, albeit at higher than historic levels, we continue to see significant opportunities in the US.

Across the rest of the world, W7 sales grew by 102% to £4.6 million in 2025 (2024: £2.3 million), but remain a modest proportion of overall W7 sales at 7% (2024: 4%).

Technic

In 2025, overall Group sales of Technic branded product, which includes the Technic, Body Collection, Man'stuff and Chit Chat brands, fell by 15% to £25.3 million (2024: £29.7 million), due particularly to the closure of Bodycare, a significant Technic customer.

White label products are made for several major high street retailers and are assessed on a case-by-case basis, based on the return they can deliver. In 2025, Technic's white label sales were £1.6 million (2024: £4.3 million), and accounted for 1.5% of Group revenue (2024: 4%) as fewer appropriate opportunities were presented.

Europe continued to represent the largest proportion of Technic sales in the period, at £15.9 million or 59% (2024: £17.8 million/53%), with the UK being its next largest market at £9.3 million, representing 35% of Technic's total revenue (2024: £14.3 million/42%), the UK decreasing largely as a result of the Bodycare closure and reduced white label business.

ROW sales were £1.4 million in 2025 and accounted for 5% of Technic sales (2024: £0.9 million/3%), and while small in the context of the Group as a whole, present an opportunity for future growth.

Technic continues to grow its direct online sales, particularly through brand stores on Amazon.co.uk, Amazon.com and on continental European Amazon sites. These direct online sales also remain a modest proportion of Technic's overall sales and present a further opportunity for growth.

Brand Architektks

On 12 February 2025, the Group completed the acquisition of Brand Architektks, a health, beauty and personal care brand specialist selling predominantly in the UK. The brands have a focus on every day, high-performing products that engender high levels of consumer loyalty. The Brand Architektks' portfolio of brands encompasses female beauty, skincare, self-tan and male grooming. Brands (including Skin & Tan, Super Facialist, Dirty Works and Fish Soho) are available on the high street in leading pharmacy and drugstore chains, in national grocery stores, on the platforms of global retailers, and through own brand ecommerce websites.

From 12 February 2025, revenue from the Brand Architektks portfolio was £11.8 million, representing 11% of total Group revenue. The majority of Brand Architektks' sales are in the UK (85%), with the remainder in the EU (7%), which grew strongly in the second half of 2025, and Australia.

Following the acquisition, the Group made significant efforts to integrate the business and reposition the individual brands. A number of decisive operational actions were taken, including the rationalisation of the cost base, the closure of the legacy head office and the integration of functions into the Group's existing

infrastructure. These measures created a more efficient operating platform and aligned the business with the Group's broader strategy.

As a result of these actions, Brand Architekts delivered a positive Adjusted EBITDA contribution of £0.8 million since 12 February 2025, representing a significant improvement on the Adjusted EBITDA loss reported prior to acquisition (year to 30 June 2024: approximate £1.1 million loss). Returning the business to profitability within the first full year of ownership was an important objective for the Group and reflects the benefits of the integration process, and the operational discipline and know how applied. Alongside the operational restructuring, work was undertaken during the year to strengthen the brand portfolio, develop new product ranges and prepare the business for future growth. Much of this work was not reflected in the 2025 financial performance and is expected to be seen particularly in the second half of 2026 and into 2027. In addition, Brand Architekts moved to Group inhouse warehousing in early 2026, having been required to give 12 months' notice to their previous third party logistics partners.

e-Commerce

The Group continued to drive direct online ("D2C") sales in 2025, an initiative that started in 2020. Revenue increased by 38% to £11.6 million (2024: £8.4 million), and as a proportion of Group revenue, D2C sales increased to 11.0% in 2025 (2024: 8.3%). While growing these online sales, the focus remains on achieving a similar net margin to that achieved via the Group's sales through traditional physical outlets.

Significant opportunities to grow sales exist through the W7, Technic and Brand Architekts brands' own e-commerce sites, and on Amazon in the UK, Europe and the US.

Close-out

While close-out sales were slightly higher than last year, they are not a core focus of the Group. However, the Group will continue to take advantage of profitable close-out opportunities if they become available, as they continue to provide a significant and profitable source of intelligence in the colour cosmetics market. In 2025, close-out sales were £2.5 million (2024: £2.3 million) and represented 2% of the overall revenue of the Group (2024: 2%).

Barry M

Post year end, on 9 February 2026, the Group acquired the Barry M brand, including its IP, stock and order book, but excluding the manufacturing capabilities and any liabilities, for a cash consideration of £1.4 million out of administration.

Barry M is a well-established value cosmetics brand, with strong recognition in the UK beauty market and a long-standing presence with major retailers. It trades in a similar market segment to Warpaint's cosmetics brands and has significant retail distribution channels with one metre plus stands in more than 1,300 stores, including Superdrug (650), Boots (420), Sainsbury's (120), Tesco (50) and Priceline Australia (90), as well as trading direct to consumers online.

The acquisition was financed from Warpaint's existing cash resources and represented an attractive opportunity to expand the Group's brand portfolio and further strengthen its position within the UK cosmetics sector. Barry M benefits from significant existing retail distribution and a loyal consumer following, while also offering opportunities for profitable growth through product development, enhanced sourcing

efficiencies and expansion into additional retail outlets and international markets. Barry M is expected to contribute meaningful revenue to the Group in 2026 and with the Group's sourcing, logistics and distribution capabilities, offers the potential for improved margins and further value creation over time.

Customers and Geographies

The largest markets for sales of the Group's brands are retail partners in continental Europe and the UK, with a nascent presence in the US, coupled with a rapidly growing online presence. In 2025, the Group's top ten customers represented 68% of revenues (2024: 72%).

UK

In 2025, revenue from the UK was £38.9 million (2024: £35.0 million), an 11% increase, and accounted for 37% of Group revenue (2024: 34%). UK revenue growth was a result of the Brand Architekts acquisition, with both W7 and Technic contracting, for the reasons noted above.

The top ten UK customers accounted for 72% of UK sales (2024: 82%), with strong growth from major retailers being offset by overall subdued consumer spending and a significant customer, Bodycare, ceasing trading. Significant space growth was achieved in Boots, Superdrug and Tesco, and this should continue in 2026, accelerated by the acquisition of the Barry M brand. The Group now supplies the six largest cosmetic retailers in the UK and has significant potential to grow sales with them.

Europe

Since 2022, continental Europe has been the largest sales region for the Group. In 2025, Group revenue from Europe was £52.9 million, a decrease of 3% year on year (2024: £54.7 million), and Europe accounted for 50% of overall Group sales (2024: 54%). The largest markets for the Group's brands in continental Europe are Spain, Scandinavia, Turkey, the Netherlands, and Italy, but with an increasing presence in many other countries in the region. Europe continues to present growth opportunities, both with existing and new customers, and particularly in countries where the Group currently has a more limited presence.

Expansion of the Group's footprint in Europe in 2026 is expected to include a contribution from Dirk Rossmann in Germany, part of the AS Watson group, which is launching, as a pilot, a capsule range of W7 products into all of its 2,200 stores from May 2026. If this proves successful, it may open up other markets within AS Watsons' EU footprint, which is substantial.

US

In 2025, revenue from the US, in sterling terms, was £6.9 million (2024: £8.7 million), a decrease of 21% and a decrease of 18% in US dollar terms, and in line with 2023 revenue. This equated to 7% of Group sales (2024: 9%).

Over recent years, significant US sales were generated in the second half of the year from gifting orders, including a large Christmas order received from Walmart for the W7 and Chit Chat brands in 2024. In spring 2025, significant additional import tariffs were imposed by the US administration, particularly on goods manufactured in China. Whilst the Group looked to mitigate the effects as far as possible and to navigate the evolving tariff landscape, the imposition of higher tariffs coincided with the period customers looked to place orders for the key holiday selling season at the end of the year and these orders were either not placed or were placed for smaller quantities of lower cost items.

Despite this backdrop, there were still a number of smaller wins including CVS expanding the W7 range stocked and conducting a roll-out to a further 399 stores in the second half of 2025, taking the number of CVS stores stocking the Group's products to 918. In 2026 the Group has received a significantly improved Christmas order from Walmart and there is increased confidence for the Group's US prospects now that tariff levels have settled compared to 2025.

Rest of the World

Sales from the rest of the world more than doubled in 2025 to £6.5 million (2024: £3.2 million), with strong growth in Australia and New Zealand through both the W7 and Technic brands. Whilst the rest of the world has not been a primary focus for the Group, the Group has 2026 expansion plans that will see the launch of W7 into the Indian and certain South American markets.

New Product Development

New product development ("NPD") continues to be core to the Group's proposition, to provide new products that are exciting, on trend, fast to market and that meet consumers' evolving tastes.

During 2025, the NPD team continued to develop a strong pipeline of customer-focused new products. The NPD team works with around 25 manufacturing partners, in China and globally, that can provide high quality products quickly, at competitive prices, while meeting the Group's legal and ethical compliance requirements, together with ensuring continuity of delivery. The Group continues to investigate new manufacturing partners, particularly outside of China, to ensure a diversity of supply and to mitigate, as far as possible, the effects of tariffs increasingly being implemented, particularly in the US on Chinese manufactured products.

The Group's cosmetic products are 'cruelty free' and are not tested on animals irrespective of where the products are being supplied. The Group supports cruelty free alternatives to animal testing to become compulsory and animal testing overall to cease globally. Warpaint proudly displays the PETA company logo on its products and its commitment to the PETA 'Beauty without Bunnies program' covers all brands within the Group, including the newly acquired Brand Architekt brands, apart from Skin & Tan, which are in the process of having approval renewed under the Cruelty Free International Leaping Bunny programme.

Environmental and Social Impact

Warpaint is committed to operating responsibly and ensuring that the Group's activities have a positive impact on its employees, communities and the environment. The Group's culture promotes inclusivity, opportunity and respect, with diversity, equality of pay and opportunity embedded across the Group. The health, safety and wellbeing of colleagues remains a priority and management aims to provide an environment in which individuals can develop and progress within the business.

The Group benefits from a loyal and diverse workforce with relatively low staff turnover, reflecting a strong culture and the opportunities for progression available across the business. Colleagues are encouraged to seek internal advancement wherever possible, with many progressing from operational roles into administrative and managerial positions. The Group's reward structure includes share option participation for eligible employees, enabling staff to share in its long-term success. Open communication is encouraged through regular departmental meetings and an open-door management culture, ensuring employees can contribute ideas and feedback. Diversity remains an important consideration across the organisation,

including at board and senior management level, where a strong representation of female colleagues is maintained.

Warpaint also seeks to support the communities in which it operates. Recruiting locally, wherever possible, and working with local suppliers and trades, helping to support local employment and economic activity. The Group continues to maintain strong links with academic institutions, particularly Sunderland University, where members of the regulatory, new product development and marketing teams provide lectures to students studying cosmetic science. This engagement helps bridge the gap between academic study and industry practice, and the Group also offers a gap-year placement to provide students with practical industry experience.

The Group supports a range of charitable and educational initiatives. We maintain a long-term partnership with iHeart, which supports young people's mental health through educational programmes.

Environmental responsibility is an increasingly important focus for the Group. Warpaint is committed to reducing the environmental impact of its products and operations and aims to be recognised as a leader in sustainable product design and packaging within its sector. The Group is proud to be associated with Plant Mark, which provides a recognised framework for measuring and reporting carbon emissions. Through this programme the Group measures its carbon footprint and implements initiatives designed to reduce emissions, stay ahead of evolving environmental regulation and ensure transparent communication of sustainability performance.

The Group's product teams continue to focus on reducing packaging waste and improving recyclability across our ranges. The Group uses recyclable plastics in the outer packaging of its gifting products and continues to remove unrecyclable plastics from year-round ranges wherever possible. Paper and cardboard packaging are used wherever practicable to enable effective recycling by both retailers and consumers.

Across the Group's branded portfolio, all products are manufactured to be vegan friendly and free from parabens. No heavy metals or ingredients of concern are added, and all raw materials comply with the strict regulatory requirements applicable in the UK, EU, US, Canada and other international markets in which the Group operates. Through these initiatives, Warpaint aims to ensure its products meet high environmental and ethical standards while continuing to deliver accessible and inclusive beauty products for consumers worldwide.

Marketing and PR

The Group has a highly focused, product-led marketing and PR strategy built around the strength of its brands, targeting value-conscious consumers seeking on-trend, high-quality cosmetics at accessible price points. The Group's approach prioritises digital and social media engagement, appropriate influencer partnerships and rapid reaction to emerging beauty trends, allowing new products to be promoted efficiently across multiple territories. Marketing activity is closely aligned with retail partners and distributors to maximise in-store visibility and online conversion, while PR and brand communications emphasise the Group's vegan-friendly formulations, responsible ingredient standards and evolving sustainability credentials. This disciplined, cost-effective approach enables Warpaint to build strong brand recognition and customer loyalty, while maintaining a relatively lean marketing spend compared with larger global cosmetics companies.

Strategy

On an annual basis, the board reviews and adapts its three-year strategic plan for the business based on consumer insight, market data, experience and the Group's aims. This is targeted by year, measured, monitored and reviewed as part of the board's on-going business throughout the year. The strategic plan was most recently updated in February 2026, forming the basis of the Group's focused activity through to 2028. The plan is developed to drive shareholder value and has defined targets for sales by the six key pillars below, EBITDA, earnings per share and cash generation, with a particular emphasis on driving incremental EBITDA growth.

The strategic plan comprises six key pillars:

- *Develop and build the Group's brands and ensure new product development reflects trends and consumer needs*

Continually review, evaluate and develop the Group's brand portfolio, including: maintaining a clear brand hierarchy and brand positioning; full, regular new product development reviews to determine market price and profit; create franchises within brands; and continued monitoring of brand and product proliferation, allowing focus on core products.

- *Develop and nurture current business*

There is still significant growth potential to be realised and further distribution gains across the Group's brands to be made with current customers. The Group is committed to ensuring this potential is maximised, focusing on maintaining continued sales momentum, growing a multi brand presence across the customer base, all the while improving productivity by optimising retail space allocated to each brand and increasing cross-selling across the range and Group brands.

- *Grow market share in the UK: 75/25 Plan*

The Group now has a presence in the key UK high street and grocery chains. Significant growth opportunities exist by continuing to focus on increasing the presence of the Group's brands across the channels in which our consumers shop, thereby increasing accessibility and driving profitable market share growth. This includes increasing the number of stores selling Warpaint brands, increasing the number of Group brands sold in these customers, as well as increasing the shelf space within stores. This will be achieved by targeting legacy brands, aiming to improve productivity by maximising return on investment from acquired retail space. The Group will also look to achieve category expansion, using data insights to introduce new product categories, and increase brand penetration in its existing customer base.

- *Grow market share in the US and the rest of the world*

The US continues to provide major long-term growth opportunities for the Group and there are other markets globally that have great potential. Following the US tariff challenges in 2025, the market is expected to return to greater normality in 2026. The US growth strategy is data and case study led to drive sustainable, profitable growth. As in other markets, the Group will utilise the appropriate brands for the appropriate channels, utilising gifting, accessories and potential exclusives to gain access.

Meanwhile, elsewhere in the world the Group will develop and grow existing relationships and look to expand into new markets with the necessary scale for sustainable, profitable growth, utilising, where possible existing relationships with Customers who participate in multiple geographical markets.

- *Develop the online/e-commerce strategy for brand development and profitable sales*

Warpaint aims to grow and maximise profitable sales across the Group's Direct to Consumer ("D2C") channels. As well as continuing to sell on its own websites, Tik Tok shop and developing its own consumer community, plans continue to be executed to develop sales across Amazon platforms, globally. Further on-line sales platforms and geographies continue to be evaluated and, where profitable opportunities are identified, launched over the course of the three-year plan.

The Group continues to develop and build its brands by utilising brand ambassadors, influencers and make-up artists to engage actively with its target audience, as well as trialling exclusive and targeted lines, and streamlining operations commensurate with the scale of the ecommerce business. The Group also seeks to focus its sales efforts on full price e-tailers.

- *Develop and implement appropriate strategies that ensure Warpaint reduces its impact on the environment*

Warpaint recognises consumers', customers' and its own requirement to reduce its environmental impact. The business has already implemented a number of initiatives to reduce its environmental footprint via reduced shipping and road mileage; removing plastics where possible from packaging and improving recyclability; removing parabens from ingredients and ensuring all products are manufactured cruelty free and marketed with the PETA logo on packaging and displays. Further initiatives have been identified, targeted and will be implemented across the course of the three-year plan. Further information is contained within the ESG section of the annual report.

Summary and Outlook

During the year, we made significant operational progress across the business. A key achievement was the successful integration and turnaround of Brand Architekts. As a result of the actions taken, Brand Architekts generated an adjusted EBITDA profit in its first full year within the Group, delivering a positive contribution compared with the losses reported prior to acquisition. This represents an important milestone and demonstrates the Group's ability to acquire, integrate and improve underperforming businesses. Further improvements are being made to the Brand Architekts portfolio in 2026 that are expected to benefit margin, particularly in H2 2026 and into 2027.

Across our brands, we continued to strengthen our retail relationships and expand distribution. In the UK, we deepened our partnerships with leading retailers including Tesco, Superdrug and Boots. During the year we rolled out a significant Christmas gifting range with Boots and extended our presence into additional product categories. Our relationships with the UK's major beauty retailers now provide the Group with a strong platform for future growth.

Internationally, trading conditions remained challenging. In the US, tariff uncertainty during the year created a degree of disruption to ordering patterns from certain retailers, particularly restricting Christmas orders, although we retained key relationships including Walmart, CVS and Five Below. In Europe, weaker consumer demand and changes in purchasing strategies from certain customers impacted sales. Nevertheless, the Group continued to expand its geographic reach, securing new retail partners and growing its presence in a number of international markets, including Australia and New Zealand.

While revenues were affected by subdued consumer confidence, underlying demand for the Group's brands remained encouraging. In several instances volumes increased year-on-year, with consumers increasingly favouring lower price points within the product range as they adjusted spending patterns in response to broader economic pressures.

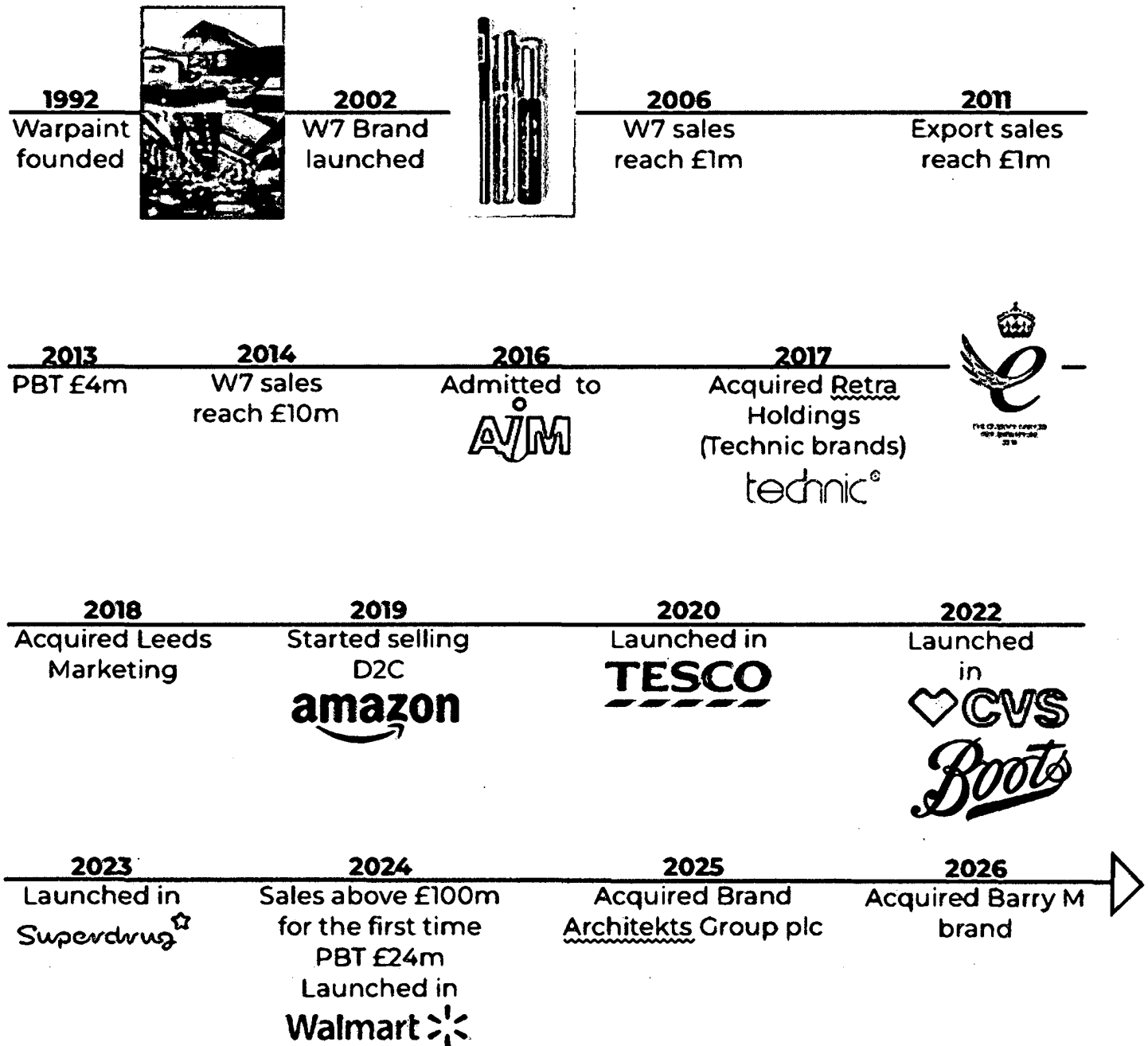
Following the year end, the Group completed the acquisition of the well-established cosmetics brand Barry M. This acquisition represents an attractive opportunity to expand the Group's brand portfolio. Barry M is a recognised brand with strong distribution in the UK beauty market and offers significant opportunities for growth through both expanded retail distribution and product development. The brand will also benefit from the Group's sourcing capabilities, operational infrastructure and international distribution network.

The Group entered 2026 with a solid balance sheet, strong retail partnerships and a portfolio of established brands. Whilst the difficult trading environment experienced in 2025 continued in Q1 2026 and the global economic environment remains uncertain, some signs of recovery have been seen more recently. A number of initiatives undertaken during 2025, including new product launches, retail rollouts and international opportunities, are expected to contribute to growth in 2026, particularly in the second half of the year and into 2027, and the board remains confident in the long-term prospects of the business.

Overall, the Group remains a profitable, cash-generative and well-capitalised business with significant operational resilience. While market conditions remain challenging, the progress made during the year leaves us well positioned to capitalise on opportunities as trading conditions improve.

Sam Bazini
Chief Executive Officer
28 April 2026

Key milestones



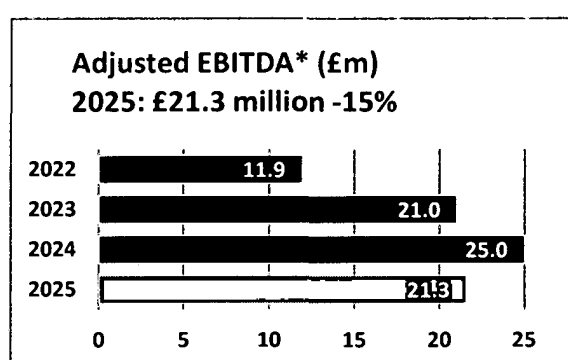
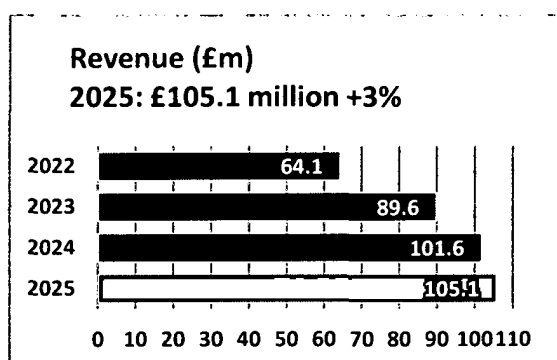
CHIEF FINANCIAL OFFICER'S REVIEW

2025 was a challenging year for the Group resulting in lower revenue and profit than expected at the start of the year. In the UK, uncertainty around economic issues and cost of living increases had a knock-on effect on consumer confidence and willingness to spend, resulting in a major customer of the Group entering administration. In addition, the US market saw significant uncertainty due to volatile import tariffs. Trading in our Rest of the World segment was more positive, seeing revenue more than double as a result of good sales progress in Australia and New Zealand. We took the decision to modestly increase prices in the first half of the year, which, amongst other actions taken, underpinned the fifth year running that gross margin has improved.

Post year end, on 9 February 2026, the Group acquired the Barry M brand, including its IP, stock and order book, but excluding the manufacturing capabilities and any liabilities, out of administration, for a cash consideration of £1.4 million, from existing cash resources. Further commentary and rationale for the acquisition is contained in the CEO's statement.

The Group continues its strategy of building its brands, and remains focused on margin, generating cash and remaining debt free.

The Group monitors its performance using a number of key performance indicators, which are agreed and monitored by the board.



*Adjusted numbers are closer to the underlying cash flow performance of the business, which is regularly monitored and measured by management, the adjustments made to EBITDA are shown below:

£m	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Statutory profit from operations	18.49	24.00
Depreciation	1.27	0.93
Depreciation of right of use assets	1.52	1.27
Amortisation of intangible assets	0.29	0.03
Foreign exchange loss/(gain)	2.23	(2.00)
EBITDA	23.80	24.23
Gain on bargain purchase	(4.52)	-
Exceptional items	1.39	0.42
Share based payments	0.62	0.35
Adjusted EBITDA	21.29	24.99

Headline results, shown above, represent the performance comparisons between the consolidated statements of income for the years ended 31 December 2024 and 31 December 2025.

Revenue

Group revenue for 2025 increased by 3.4% to £105.1 million (2024: £101.6 million). On a like-for-like basis, excluding sales generated by Brand Architekts in the period, revenue was £93.3 million.

In 2025, certain events negatively impacted group sales that were one off and exceptional in the ordinary course of business, and impacted H2 2025 specifically. In the US, tariff volatility disrupted the placing of gift orders and some regular day to day business causing the loss of approximately £2.4 million of sales, and Bodycare, a large customer for the Technic brand, went into administration causing the loss of £3.3 million of sales.

Company branded sales were £101.0 million (2024: £95.1 million). The W7 brand generated sales in the year of £63.9 million (2024: £65.4 million), the Technic portfolio of brands, excluding sales of retailer own brand white label cosmetics, contributed sales of £25.3 million (2024: £29.7 million), while sales from the Brand Architekts portfolio from 12 February 2025 to the end of 2025 were £11.8 million.

In 2025, sales of white label cosmetics were £1.6 million (2024: £4.3 million). The white label business is traditionally cost competitive and is only undertaken based on commercial viability, in particular margin.

Close-out sales were marginally higher than last year at £2.5 million (2024: £2.3 million), the Group strategy remains to reduce its focus on close-out opportunities, whilst still taking advantage of those that are of a good net margin.

The major regions for Group sales are Europe, the UK, and the US. In Europe, sales were £52.9 million (2024: £54.7 million) a decrease of 3.3%. In the UK, sales of £38.9 million (2024: £35.0 million) increased by 11.0%, as a result of the inclusion of Brand Architekt sales.

In the US, Group sales decreased by 20.8% to £6.9 million (2024: £8.7 million), which, in US dollar terms, was a decrease of 18.2%, to US\$9.1 million (2024: US\$11.1 million). This was because of significantly higher tariffs imposed in Q2 2025, when retailers were looking to place orders for the December holiday season, resulting in lost business and consequently an Adjusted EBITDA loss for the year of US\$0.6 million (2024: profit US\$1.3 million). Tariffs have reduced significantly since 2025 and now remain relatively settled, so that management expect the US business to return to profitability in 2026 and have calculated that the tariffs will have no material impact on the business as a whole, or the carrying value of the goodwill in its US entity.

Sales to the rest of the world were £6.5 million (2024: £3.2 million), up 100.8%.

E-commerce sales were up by 38% to £11.6 million, representing 11.0% of Group revenue (2024: £8.4 million/8.3%). Brand Architekts in the period generated £2.7 million of e-commerce sales.

Product Gross Margin

Gross margin was 42.6% for the year compared to 41.2% in 2024.

This is the fifth year in a row that gross margin has improved incrementally. A modest inflationary price increase undertaken in the first half of the year, new product development, increased scale of orders to suppliers, and sourcing product from new factories helped to achieve the gross margin improvement in 2025. Also contributing to the improvement in gross margin are more normalised annual freight rates compared to prior years and an improved exchange rate for GBP against the US\$.

In 2025, the proportion of Group revenue from Group branded portfolio, which overall achieves a higher margin than close-out sales and retailer own brand white label sales, was 96% (2024: 94%) as a result of significantly lower white label product and increased branded product following the acquisition of Brand Architekts. Group brand sales include all-year-round colour cosmetics, health, beauty and skincare and gifting, which is sold at a more competitive margin than all-year-round products. Gifting sales in 2025 grew slightly but remained at the same percentage of overall Group brand sales and therefore made little impact to the overall margin achieved by the Group in the year.

We remain focused on improving gross margin where possible in all our businesses and are working with our Asian business units to execute this. Margins are also benefiting from the increased scale of our orders placed with existing suppliers as the business grows but at the same time, we continue to move some production to new factories of equal quality to retain or improve margin and have a partial natural hedge from our US dollar revenue.

At 31 December 2024, forward foreign exchange contracts were in place for the purchase of US\$57 million at an average exchange rate of US\$1.2912/£, this helped to protect our margin in 2025. During 2025, we purchased more forward foreign exchange contracts to further help protect our gross margin in 2025 and into 2026. At 31 December 2025, forward foreign exchange contracts were in place for the purchase of US\$81 million at an average exchange rate of US\$1.3416/£.

The currency options we have for the current year, along with new product development and sourcing strategies, will all contribute to protecting our gross margin in 2026.

Operating Expenses

Total operating expenses before exceptional** items (exceptional items include directly attributable acquisition costs, restructuring costs and other one-off costs as a result of the acquisition of Brand Architekts), amortisation costs, depreciation, foreign exchange movements and share-based payments, were £22.5 million in the year, or 21.45% of revenue (2024: £16.9 million/16.6%). On a like-for-like basis, excluding Brand Architekts in the period, operating expenses were £18.6 million, and as a percentage of sales, excluding those sales of Brand Architekts in the period, they were 20.0%.

The absolute increase of £1.7 million year-on-year was made up of increases in wages and salaries, business rates, the spend on PR and marketing as e-commerce sales continue to grow, legal and professional fees, and the cost of a larger US sales team that was put in place in late 2024, all of which are necessary to support the growth of the business.

There was also an impairment of financial assets in the year, being a bad debt provision following the administration of Bodycare in 2025 and the administration of The Original Factory Shop in early 2026. The bad debt charge for the year was £1.0 million (2024: £nil).

Warpaint remains a business with relatively fixed operating expenses evenly spread across the whole year. We continue to monitor and examine major costs to ensure they are controlled and strive to reduce them. In addition, the increased scale of the business continues to give the Group increased buying power on certain scalable costs.

** Exceptional items are those which, in the directors' judgement, should be disclosed separately by virtue of their size, nature, or incidence to enable a full understanding of the group's financial performance

Adjusted EBITDA

The board considers Adjusted EBITDA (adjusted for share-based payments, the gain on bargain purchase, and exceptional items) a key indicator of the performance of the Group and one that is more closely aligned to the underlying performance of the business. Adjusted EBITDA for the year was £21.3 million (2024: £25.0 million).

£m	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Statutory profit from operations	18.49	24.00
Depreciation	1.27	0.93
Depreciation of right of use assets	1.52	1.27
Amortisation of intangible assets	0.29	0.03
Foreign exchange loss/(gain)***	2.23	(2.00)
EBITDA	23.80	24.23
Gain on bargain purchase	(4.52)	-
Exceptional items	1.39	0.42
Share-based payments	0.62	0.35
Adjusted EBITDA	21.29	24.99

***Foreign exchange loss in the year totalled £2.23 million, of which £0.13 million was unrealised losses of forward foreign exchange contracts in place at 31 December 2025.

Profit Before Tax

Group profit before tax for the year was £18.1 million (2024: £23.8 million). A reconciliation between profits in 2025 and 2024 is shown below:

£m	Effect on Profit
Sales volume growth	1.6
Margin growth	1.6
Increase in operating expenses (detailed above)	(5.6)
Impairment of financial assets (bad debt charge)	(1.0)
Foreign exchange loss in 2025 £2.2m (2024: gain £2.0 million)***	(4.2)
Exceptional items	(1.0)
Gain on bargain purchase – Brand Architekts	4.5
Amortisation of intangible assets	(0.5)
Share-based payments	(0.3)
Depreciation of right-of-use assets, and property, plant and equipment	(0.6)
Other items	(0.2)
Change in profit before tax between 2025 and 2024	(5.7)

***Foreign exchange loss in the year totalled £2.23 million, of which £0.13 million was unrealised losses of forward foreign exchange contracts in place at 31 December 2025.

Tax

The tax rate for the Group for 2025 was 20.72% compared to the average UK corporation tax standard rate of 25.0% for 2025. Since the acquisition of LMS, the Group is exposed to tax in the USA at an effective rate of approximately 25% and in other jurisdictions the Group operates cost centres, but these are not materially exposed to changes in tax rates.

Earnings Per Share

The statutory basic and diluted earnings per share were 17.77p and 17.73p, respectively, in 2025 (2024: 23.47p and 23.34p).

The adjusted basic and diluted earnings per share before exceptional items, amortisation costs, share-based payments, gain on bargain purchase, foreign exchange loss, and the tax attributable to adjusting items in the year were 16.68p and 16.65p respectively in 2025 (2024: 22.28p and 22.16p).

£m	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Statutory profit attributable to equity holders	14.35	18.23
Exceptional items	1.39	0.42
Amortisation of intangible assets	0.29	0.03
Share-based payments	0.62	0.35
Gain on bargain purchase	(4.52)	-
Foreign exchange loss/(gain)***	2.23	(2.00)
Tax attributable to adjusting items	(0.88)	0.29
Adjusted profit attributable to equity holders	13.48	17.32
Weighted number of ordinary shares for the purpose of basic EPS	80,774,765	77,691,505
Adjusted basic EPS	16.68p	22.28p
Weighted number of ordinary shares for the purpose of diluted EPS	80,951,523	78,124,762
Adjusted diluted EPS	16.65p	22.16p

***Foreign exchange loss in the year totalled £2.23 million, of which £0.13 million was unrealised losses of forward foreign exchange contracts in place at 31 December 2025.

Dividends

The board is recommending a final dividend for 2025 of 9.0 pence per share, making a total dividend for the year of 13.0 pence per share of which 4.0 pence per share was paid on 21 November 2025 (2024: Total dividend of 11.0 pence per share, of which the interim dividend was 3.5 pence per share and the final dividend was 7.5 pence per share). The dividend for the year is covered 1.28 times by adjusted earnings per share.

Cash Flow and Cash Position

The Group's year end cash balance decreased by £5.9 million to £16.0 million (2024: £21.9 million, which included restricted cash of £14.0 million held in an escrow account, released in February 2025 and utilised in the acquisition of Brand Architekts). Net cash, excluding the restricted cash at 31 December 2024, increased £8.1 million in the year, having acquired £6.0 million of cash as a result of the Brand Architekts acquisition.

Net cash flow generated from operating activities was £14.3 million (2024: £9.2 million). The cash generated was principally used to fund working capital, make dividend payments in the year, and for the acquisition of Brand Architekts.

We expect the capital expenditure requirements of the Group to remain low. However, as part of our strategy to grow market share in the UK, Europe and US, there will be occasions where investment in store furniture for customers is required to secure business.

In 2025, £2.2 million (2024: £2.2 million) was spent on store furniture, new computer software and equipment, warehouse improvements and other general office fixtures and fittings and plant upgrades. Warehouse improvements included the preparation of a 94,000 sq. ft. warehouse to store and distribute the Technic and Brand Architekts brands when existing third party logistic arrangements come to an end.

As the Group continues to grow, it is both necessary and prudent to have bank facilities available to help fund day-to-day working capital requirements. Accordingly, the Group maintains an £8.0 million invoice and stock finance facility (2024: £9.5 million), and a 'general purpose' £1.0 million facility (2024: £5.0 million); both facilities were reduced at the Company's request during 2025. At the year end, both facilities were unused and the balance outstanding was £nil (31 December 2024: £nil). These facilities, together with the Group's positive cash generation and cash balances, ensure that future growth can be comfortably funded.

Share Options

No options over ordinary shares were exercised or granted by the Company in 2025. The share-based payment charge of the EMI and CSOP share options for the year was £0.62 million (2024: £0.35 million) and has been taken to the share option reserve.

Exceptional Items

Exceptional** costs in 2025, which were directly attributable acquisition costs, restructuring costs and other one-off costs as a result of the acquisition of Brand Architekts, totalled £1.39 million and included £0.64 million of direct acquisition-related costs, £0.57 million of staff redundancy costs, and £0.18 million of restructuring and other costs (2024: £0.42 million of acquisition-related costs).

** Exceptional items are those which, in the directors' judgement, should be disclosed separately by virtue of their size, nature, or incidence to enable a full understanding of the group's financial performance.

Balance Sheet

Inventory was £0.2 million higher at the year end at £31.4 million (2024: £31.2 million). Included in the inventory total at 31 December 2025 is £3.2 million of Brand Architekts product. The level of inventory supports growth of the business and to ensure delivery disruption is avoided for our customers. One of the Group's unique selling propositions is that it can deliver a full range of colour cosmetics to our customers, in good time all year round. Having appropriate inventory levels is vital to providing that service. The provision for old and slow inventory was £0.60 million, 1.9% at the year-end (2024: £0.42 million, 1.3%), the increase

being partly as a result of the acquisition of Brand Architekts. Across the Group we endeavoured to sell through older stock lines, allowing for our provision for old and slow inventory to remain modest in percentage terms. To better manage the Group businesses as growth continues, the stock provision policy has been amended to now apply a flat 1.3% charge across the Group's total stock value, plus a provision for specific stock items that are slow moving or being sold at less than cost, instead of tracking the specific age of individual items (under the previous policy the provision for old and slow inventory at 31 December 2025 would have been £0.69 million). However, we remain confident that many such items will ultimately be sold, in the normal course of business, through our close-out operations without a loss to the Group. The 1.3% value was derived after examining the running average of the Group stock provision for the previous four years, being 2021 to 2024.

Trade receivables are monitored by management to ensure collection is made to terms, to reduce the risk of bad debt and to control debtor days. At the year end, trade receivables, excluding other receivables, were £17.1 million (2024: £13.6 million). The Brand Architekts business trade receivables at 31 December 2025 were £3.4 million. The provision for bad and doubtful debts carried forward at the year-end was £0.15 million, 0.9% of gross trade receivables (2024: £0.09 million, 0.6%). Despite an unusually high bad debt charge in 2025, management have assessed the year end trade receivables balance, net of provision and consider it to be fully recoverable.

At year end, the Group had no borrowings outstanding (2024: £nil), apart from those associated with right-of-use assets as directed by IFRS 16 (see below). The Group was therefore debt free at the year end.

Working capital decreased by £2.3 million in the year to £61.1 million (2024: £63.4 million).

The main components were an increase in inventory of £0.2 million, an increase in trade and other receivables of £3.6 million, a decrease in cash at the year-end of £5.9 million, and an increase in trade and other payables of £0.4 million. Other items contributed an increase of £0.2 million.

Free cash flow (cash from operating activities less capital expenditure) remained strong at £12.2 million (2024: £6.9 million).

The Group's balance sheet remains in a very healthy position. Net assets totalled £80.4 million at 31 December 2025, an increase of £7.1 million from 2024. Most of the balance sheet is made up of liquid assets of inventory, trade receivables and cash. Included on the balance sheet is £7.3 million of goodwill (2024: £7.3 million) and £4.3 million of intangible fixed assets (2024: £0.1 million), the increase in the year is as a result of the value of the Brand Architekts' brands and customer lists acquired. At the year-end, cash totalled £16.0 million (31 December 2024: £21.9 million, including restricted cash of £14.0 million held in an escrow account and utilised for the acquisition of Brand Architekts in February 2025).

Goodwill represents the excess of consideration over the fair value of the Group's share of the net identifiable assets of acquired businesses / cash generating units at the date of acquisition. The carrying value at 31 December 2025 of £7.3 million included Treasured Scents Limited at £0.5 million, Retra Holdings Limited at £6.2 million and Marvin Leeds Marketing Services, Inc. at £0.6 million. Management has performed the required annual impairment review at 31 December 2025 and concluded that no impairment is indicated for Treasured Scents Limited, Retra Holdings Limited or Marvin Leeds Marketing Services, Inc. as the recoverable amount exceeds the carrying value.

The balance sheet also includes £9.5 million (2024: £4.1 million) of right-of-use assets, which is the inclusion of Group leasehold properties, recognised as right-of-use assets as directed by IFRS 16. An equivalent lease liability is included of £9.8 million (2024: £4.2 million) at the balance sheet date. The increase relates to the new 94,000 sq. ft. warehouse discussed above.

Foreign Exchange

The Group currently imports most of its finished goods from China, paid for in US dollars, which are purchased throughout the year at spot as needed, or by taking forward foreign exchange contracts when rates are deemed favourable, and with consideration for the budget rate set by the board for the year. Similarly, forward foreign exchange contracts are taken to sell forward our expected Euro income in the year to ensure our sales margin is protected.

We started 2025 with forward foreign exchange contracts in place for the purchase of US\$57 million at an average exchange rate of US\$1.2912/£, and the sale of €2.3 million at €1.1627/£. During 2025 when currency rates were favourable, we purchased additional US dollar forward foreign exchange contracts and spot rate amounts to cover our total US dollar requirement for the year.

In addition, during 2025 we purchased forward foreign exchange contracts to help protect the Group's gross margin in 2026. At 31 December 2025, forward foreign exchange contracts were in place for the purchase of US\$80.6 million at an average exchange rate of US\$1.3417/£, and the sale of €0.75 million at €1.1414/£.

There was a foreign exchange loss in the period of £2.23 million (2024: gain of £2.00 million), of which £0.13 million was unrealised losses of forward foreign exchange contracts in place at 31 December 2025 (2024: unrealised gains of £1.34 million).

The Group additionally has a natural hedge from sales to the US, which are entirely in US dollars, in 2025 these sales were US\$9.1 million (2024: US\$11.1 million).

Together with sourcing product from new factories where it makes commercial sense to do so, new product development, and by buying US dollars when rates are favourable, we are able to mitigate to a large extent the effect of a strong US dollar against sterling.

Acquisition of Brand Architekts

On 12 February 2025, the Company completed the acquisition of 100% of the ordinary shares of Brand Architekts for £13.34 million in cash and the issue of 103,422 Warpaint shares at £5.24 per share, making a total purchase consideration of £13.88 million (the "Acquisition"). Including legal and professional fees, the total purchase price of the Acquisition was £14.94 million, of which £0.42 million was incurred in 2024.

The Acquisition has been accounted for using the acquisition method of accounting in accordance with IFRS 3. Management has completed the process of allocating the purchase price. The Acquisition is considered a "bargain purchase" because the final assessed fair value of the assets acquired of £18.40 million was greater than the purchase price of £13.88 million, resulting in negative goodwill of £4.52 million. Further details are shown in note 12.

The Acquisition included a defined benefit occupational pension scheme, which has been closed to new members since 2015. The scheme will have its next triannual valuation in April 2026. The triennial valuation is a mandatory, legal, actuarial assessment of a defined benefit pension scheme's financial position

conducted every three years. It calculates the difference between assets and liabilities to determine if the scheme is properly funded and determines the employer contribution rates needed. Current independent valuations undertaken for the Company indicate the scheme is in surplus, such that its assets exceed pension liabilities. The scheme surplus at 31 December 2025 has been valued at £3.3 million (30 June 2024: £0.8 million, 12 February 2025: £1.5 million) and has been included as an asset in the balance sheet. Under the rules of the scheme, the Company has an unconditional right to a refund of surplus under the principles of IFRIC 14 where the Company elects to “run-off” the Scheme until there are no liabilities left to be paid and only assets remain before choosing to terminate allowing the Trustees and Employer to wind-up the Scheme. The Company has therefore recognised a surplus in full as at 31 December 2025. No additional minimum funding liability has been recognised in relation to the Company’s ongoing deficit reduction contributions to the Scheme as the surplus is unrestricted. Further details are shown in note 13.

Sale of Brands in the Year

On 27 June 2025, The Brand Architekts Limited (a wholly owned subsidiary of Warpaint London PLC) sold all the inventory and intellectual property relating to three of its brands, Mr Expert Solutions, The Solution, and Kind Natured. These had an intangible value of £0.153 million. Total consideration was £0.823 million. At the same time certain Christmas brands acquired within Brand Architekts were discontinued, these had an intangible value of £0.121 million, this amount being written off in full. The brands Mr Expert Solutions, The Solution, Kind Natured and the Christmas brands were not considered critical to the ongoing strategy of the Group business. Overall, this disposal of brands and inventory resulted in a small gain of £1,000.

Business Disposal

On 12 September 2025, InnovaDerma Limited (a wholly owned subsidiary of Warpaint) sold 100% of the share capital in its Australia subsidiary InnovaDerma AUS & NZ Pty Ltd, which sold men’s beauty and healthcare products in Australia and New Zealand, under the brand name Charles & Lee. On acquisition of the Brand Architekts business no value was attributed to the brand Charles & Lee as the company in Australia had been loss making for several years. After the acquisition of Brand Architekts an offer was received for the InnovaDerma AUS & NZ Pty Ltd business including the brand name Charles & Lee, which was accepted by Warpaint. The result was a loss of £44,000 compared to the net assets of the business at the date of completion, which was charged to exceptional items in the year.

Post Balance Sheet Events

On 9 February 2026, the Group acquired the Barry M brand, including its IP, stock and order book, but excluding the manufacturing capabilities and any liabilities, out of administration, for a cash consideration of £1.4 million, from existing cash resources.

Section 172(1) Statement

The directors are well aware of their duty under section 172 of the Companies Act 2006. Further information on how the directors have had regard to the Section 172(1) Matters can be found in the Section 172 Report (Engagement with Stakeholders).

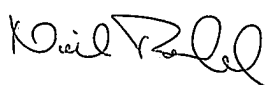
Strategic Report - Risk Management

Warpaint is exposed to a variety of risks that can have financial, operational and regulatory impacts on the Group's business performance. The board recognises that creating shareholder returns is the reward for taking and accepting risk. The effective management of risk is therefore critical to supporting the delivery of the Group's strategic objectives.

Risk	Risk Level	Movement
Currency / Foreign Exchange ("FX") Due to the Group's goods being manufactured outside of its key trading areas and its extensive export business from the UK, it both generates revenues and incurs manufacturing costs in foreign currencies. As a result, the Group is exposed to the risk that adverse exchange rate movements cause the value (relative to its reporting currency) of its revenues to decrease, or costs to increase, resulting in reduced profitability. Management continues to review the Group's hedging policy to ensure it remains appropriate while it increases its international business. There is a Group FX committee made up of senior management who communicate regularly. Whenever possible foreign currency is purchased (using forward foreign exchange contracts) at, or as close as possible to, the budget rate to cover the annual needs of the business.	Medium	Unchanged
Reliance on Key Suppliers In 2025, one key supplier from China was responsible for approximately 13.5% (2024: 17.3%) of the Group's branded colour cosmetics. This is the first time since IPO to AIM that the key supplier percentage has fallen below 14.0% as we continue to source from new suppliers. If there were some catastrophic event that reduced or stopped deliveries from this key supplier, management would be able to place orders with other existing suppliers. However, this would take several months to implement and such an event would therefore have a material adverse effect on the Group's financial position, results of operations and future prospects. Management retains close relations with suppliers with relatively short lead times, and the Group typically holds four to six months of inventory at any one time, nevertheless the sourcing of new suppliers in a wider geographic location is ongoing.	Medium	Unchanged
Product Liability All products are manufactured in facilities approved by relevant authorities. The ingredients in each product are compliant with and meet the relevant standards required by the markets to which the products will be sold into. There is however always the risk that an end user could have an allergic or other reaction to an individual product leading to the possibility of compensation claims and potentially damaging the good reputation of the Group's brands.	Medium	Unchanged

Management has every colour cosmetic ingredient independently checked by a qualified chemist for compliance with UK, EU, US regulations and when necessary, any other relevant legislation, and maintain adequate product and public liability insurance to ensure that any claims have little impact on the Group's profitability.		
Significant Customers The Group has one customer in Denmark with over 1,000 stores across Denmark, Norway, Sweden, the Netherlands, France, Finland, Portugal, Spain, Italy and Ireland. In 2025 this customer represented 29.4% (2024: 27.2%) of Group revenue. We currently have an excellent working relationship with this customer who has a significant awareness of Warpaint's brands. Management believes that, should the customer decide not to sell our brands, a large amount (if not all) of the existing business will be taken up by other retailers in the countries in which the customer operates, given that the brands are now established in the respective markets.	Medium	Unchanged
Cyber Attacks There is an increasing risk that cybercrime will cause business interruption, loss of key systems, loss of online sales, theft of data or damage to reputation. The Group regularly reviews, tests and invests in the development and maintenance of its IT infrastructure, systems and security. There is in place disaster recovery and business continuity plans that are tested annually. The Group has a password policy in place and utilises Multifactor Authentication (MFA) before access is granted to its systems and data.	Medium	Unchanged
Tariffs The global trade environment has been shaped by significant tariff escalations and other macroeconomic and geopolitical events throughout 2025, with some volatility continuing in 2026. Tariffs have increased the costs of goods imported into the US that are made in China, impacting gross margins and sales growth in the US. Management have calculated that tariffs will have no material impact on the business as a whole, or the carrying value of the goodwill in its US entity. To mitigate for tariff increases, management can increase prices, in particular online which is a major element of US sales. New product developed with tariffs incorporated into the costing can maintain margin. There is potential to manufacture approximately 12 products that form the bulk of the range sold in the US, in the UK and other geographic locations less affected by tariffs.	High	Unchanged

This information forms part of the strategic report and has been approved for issue by the board on 28 April 2026.



Neil Rodol
Chief Financial Officer
28 April 2026

Environmental Social and Governance Report

Introduction

Warpaint is committed to ensuring that its business is contributing to society in an ethical, sustainable, and well governed manner for the benefit of all stakeholders. The Group's environmental and social responsibilities are important to its long-term success, and key environmental goals have been embedded within its long-term strategy, with the aim of continually improving all aspects of the Group's environmental performance, as far as is economically feasible.

This report outlines the actions taken, business practices, and policies and procedures adopted to address the Group's environmental, social and governance ("ESG") obligations and responsibilities. These will be reviewed throughout 2026 and in subsequent years, to measure progress and to scope further objectives and outcomes to improve performance in these three important areas.

The Group's strategy is set out in the Chief Executive's Statement and further information is set out in the Corporate Governance Report and the Section 172 Report (Engagement with Stakeholders).

Environment and Sustainability

As the Group reports on its environmental and sustainability impact for the financial year ended 31 December 2025, the board is proud of the progress made to date and continues to strive for a future where the planet is cared for, and value is created not only for our Company, but for the collective success of all our stakeholders.

The Group is prioritising the ESG issues that offer the greatest potential for the Group to create shared value, and the board has adopted a Sustainability Strategy focusing on four key pillars:

- **Planet:** In 2025 the Group continued to work with Planet Mark to measure and report against its Scope 1 and 2 emissions. In 2025, the Group's Scope 3 emissions were also wholly measured and reported on for the first time, thereby providing Group measurement and reporting on a fully certified basis across all three Scopes. The ongoing work with Planet Mark included the review of onsite energy, water and recycling management, and support the development of our factory sustainability assessments. Warpaint and Badgequo have achieved a year 3 business certification with Planet Mark, demonstrating the Group's measurement of key environmental measures.
- **Products:** The product and packaging reduction and alternative strategy introduced in 2022 has been further developed through 2025, accelerating compliance with product and packaging regulations, and rationalising the Group's packaging supply sources.
- **People:** Warpaint's commitment to its employees remains at the forefront of its focus along with the development of corporate and community charity initiatives.
- **Performance:** The Group's progress against defined goals and targets will be measured and reported on for the year ended 31 December 2026.

Our Planet and the Environment

Planet Mark

Climate change is one of today's greatest challenges, profoundly affecting all regions of the world and all sectors of society. All individuals and industries must work together to halt the climate crisis and embrace long term sustainability.

CO2 is a powerful greenhouse gas that has been proved to have the biggest impact on air pollution and global warming, and by 2050 every UK business must be net-zero by law.

The measurement of the Group's carbon footprint plays a fundamental role in creating an environmental strategy that mitigates risk and maximises the opportunities to reduce CO2 emissions and start the journey towards net-zero. As a business Warpaint is committed to reporting its progress with transparency, verifiable data and science-based methodologies to support its long-term strategy and drive improvements.

In 2025 the Group continued its work with Planet Mark, an independent consulting group experienced in the measurement, development and communication of carbon and social data and goals which provides a sustainability certification for organisations and their products. In 2023 the Group collated the necessary energy consumption, waste and water usage data to enable an initial measurement to be produced and adopted, resulting in the Group's first Planet Mark certification being obtained in Q4 2023, in respect of the year ended 31 December 2022. The Group is measured in each calendar year and the certification produced in the following year. This process has continued throughout 2025 and the Group's third full year of key measurement metrics for the year to 31 December 2024 were certified in Q4 2025 as follows:

2024*	2023*
1,739.1 tCO2e measured emissions/11.4 tCO2e per employee	276.1 tCO2e measured emissions/2.1 tCO2e per employee
including:	including:
• Buildings: 93.4 tCO2e	• Buildings: 98.1 tCO2e
• Travel: 163.0 tCO2e	• Travel: 130.6 tCO2e
• Waste: 0.8 tCO2e	• Waste: 45.9 tCO2e
• Water: 0.3 tCO2e	• Water: 0.4 tCO2e
• Procurement: 1,372.7 tCO2e	• Procurement: 1.0 tCO2e
• Home Working: 108.9 tCO2e	• Home Working: 10.7 tCO2e
*The 2023 figures did not include freight, which for 2024 and beyond will be accounted for in Scope 3 emissions. This accounts for the significant increase in procurement and the overall figure in 2024. The measurement metric is expected to increase for 2026 onwards as data from the Group's manufacturers is included.	

Continuous improvement will be tracked against these key measurement metrics.

Targets and goals against these base level metrics will be further developed, monitored and communicated and disseminated throughout the Group and beyond to ensure that stakeholders are engaged and fully aligned with the Group's aims, in order that progress may be achieved.

Certification for the 2025 year is expected to be available in Q4 2026.

SECR Streamline Energy and Carbon Reporting

The Group reports annually against the SECR Streamline Energy and Carbon Reporting ("SECR") requirements and details are set out in the Directors' Report. Using an intensity metric based on Group revenue, for the year ended 31 December 2025 the energy and GHG emissions from business activities involving the combustion of gas, the purchase of electricity, and business mileage was 0.79 tCO₂e/£mil in the year (2024: 1.02 tCO₂e/£mil).

Our Premises and Logistics

The Group includes energy efficiency measures whenever possible in carrying out its business, and when making operational decisions. In 2024, the Group completed the upgrade of internal and external lighting to LED units throughout all its sites. In 2024 Warpaint completed the installation of solar panels to the roof at its largest warehouse site. These provide electricity throughout the year and from 2025 have returned any surplus energy back to the grid. In 2025 we fitted LED lighting throughout our new warehouse and distribution facility in Burnley. The number of electric cars driven by Group employees increased again in 2025, resulting in additional charging points being added at our site in Burnley and in 2026 at our Iver site.

New technologies continue to be considered to improve the environmental performance of the Group's sites, to reduce energy consumption and improve overall energy efficiency throughout the business.

Reducing physical waste is also a key part of the Group's sustainability objectives, and progress continues to be made in ensuring that onsite recycling is easily accessible across the Group's offices and warehouses, including glass, plastic and paper recycling and Terracycle recycling boxes for cosmetic packaging. The Group's industrial waste removal programme has been further strengthened.

Warpaint continues to be mindful of its carbon footprint in the shipping and transportation of products from suppliers to the Group's warehouses and customers, seeking to minimise its carbon footprint as much as possible, for example shipping direct from China to the US for product sales there, and using air carriage only when unavoidable. The Group is encouraged by its shippers who are increasingly investing in the reduction of their own carbon footprint with the development of their own reduced carbon vessels and solutions. These shippers are utilised wherever practicable.

In June 2025 the Company took occupation of premises at Frontier Park, Burnley, which operates as a single warehouse and logistics hub for Technic products and other Group brands. This has halved the number of warehouse sites for Badgequo and Brand Architekts products from four to two, thereby reducing and streamlining operational and energy resources. It will have a positive impact on the Group's logistics model, offering operational and environmental benefits.

Most interactions with suppliers, retail customers and investors take place online. This is encouraged wherever practicable, with travel (and particularly air travel) limited, and customer, supplier, management

and employee meetings held virtually where feasible. Face-to-face meetings are still held only where this is considered necessary and conducive to a more productive relationship. This aims to reduce the environmental impact of the Group's travel and is reflected in its travel policy, which encourages essential travel only. Where air travel is deemed necessary the use of airlines that provide carbon offsetting is encouraged wherever possible. The Group's direct presence in the manufacturing region also helps in this regard.

Attendance at trade shows and exhibitions has reduced overall. Virtual trade shows are attended wherever possible, with only key events attended face-to-face and, where practicable, these are combined with other customer or supplier visits. As the Company grows its investor base, and attracts more investment banking interest it receives invitations to investor roadshows and conferences held internationally. These are attended where it is considered beneficial for investors as a whole and the Company will participate virtually, where that is an option.

Our Products

Product Testing

The Group's cosmetic products are "cruelty free" and are not tested on animals irrespective of where the products are being supplied. The Group supports cruelty free alternatives to animal testing to become compulsory and animal testing overall to cease globally.

The Company joined and remains committed to the PETA "Beauty Without Bunnies Program" a globally recognised programme demonstrating a commitment to PETA's Global Animal Test-Free standard. In line with this standard, Warpaint agrees that it will not conduct, commission, or pay for animal testing of any products, nor will it conduct, commission, or pay for animal testing of ingredients used in, or formulations of, such products. Warpaint commits to continue to ensure that its suppliers of ingredients do not conduct, commission, or pay for tests on any ingredients used in its products. Warpaint will continue to ensure its suppliers/manufacturers of finished products do not and shall not conduct, commission or pay for animal testing of any products.

Warpaint proudly displays the PETA company logo on our products for all new products and as packaging is updated. Warpaint's commitment to the PETA programme is Group wide and covers all brands within the Group, apart from Skin & Tan products, which are in the process of having approval renewed under Cruelty Free International's Leaping Bunny programme.

Product Ingredients

All newly developed Warpaint products are manufactured vegan friendly and without parabens. Any existing products that contained parabens have now all been reformulated. The Group had a dedicated vegan range, Very Vegan, but this was fully discontinued in 2024 and the W7 brand is now entirely vegan.

No heavy metals such as TBTO (preservative) and other ingredients of concern are added to the Group's colour cosmetic products, and all raw materials comply with the strict regulations applicable in the UK, EU, US and Canada and other markets in which we operate.

CTPA Membership

The Warpaint Group companies are full members of the Cosmetic, Toiletry & Perfumery Association (“CTPA”). The CTPA is the trade association for the UK cosmetic and personal care industry, and through its membership the Group ensures it remains aware of industry news, issues, and regulatory compliance both in the UK and globally. The Group has employees sitting on the Compliance and Regulatory Committee – providing advice, on-going support and guidance on all regulatory and compliance matters regarding the placing on the market of cosmetic products in the UK and EU, and the Scientific Committee – providing advice, on-going support and direction on all scientific matters pertaining to the safety and integrity of cosmetic ingredients and technical aspects of manufacturing cosmetic products.

Responsible Sourcing and Manufacturing

“Good Manufacturing Practice Certificates” are provided by suppliers for all of the factories used in the manufacture of the Group’s goods. The Group’s main suppliers also produce for many international brands, and additional comfort is taken from the public ethical and sustainability stance around the world of these brands. The Group’s suppliers are encouraged to share the results of their BSCI and Sedex audits when they have taken place and, for all its branded products the Group has adopted a vendor assessment policy that includes ethical and sustainability criteria.

Warpaint is committed to ethical and responsible sourcing practices aligned with international standards and protocols for human rights, worker rights, environmental and human health and safety. In support of this commitment, the Group seeks to enhance its responsible and ethical sourcing practices to better address the risks and challenges in an increasingly complex global supply chain.

Sustainable Products and Packaging

The Group is committed to becoming an industry leader for sustainable products and packaging.

The Group has a robust strategy to eliminate all unrecyclable plastics as per the ‘UK Plastic Pack’, an accredited body who drives improvements to industry standards through DEFRA (UK Department for Environment, Food and Rural Affairs). All unrecyclable plastics have now been removed from outer gifting packaging, and the Group is progressing well with its journey of removing unrecyclable plastics from the packaging of all- year-round products as well. The Group has also changed certain products into alternative fully recyclable materials and has proactively removed the majority of plastics from most outer packaging, aiming to use paper and cardboard product packaging wherever practicable. This enables the Group, its customers and end consumers to recycle the waste effectively.

Some Group products are already plastic free, and there are plans in place to change to sustainable FSC, virgin or recycled packaging where feasible, with ambitions to become one of the leaders in this area.

The use of plastics in product casings has previously been challenging to remove, but with material developments and understanding, the Group is actively working on testing and sampling new materials. Where the use of plastic is unavoidable, recyclable packaging will be used wherever possible. By providing clear instructions on our product labelling, consumers will know how to dispose of the packaging in sustainable ways. The Group is encouraged by the progress made by its product teams in building processes to challenge the plastics in product casings and is equally encouraged by the support received from suppliers in the move to more recyclable packaging. This will continue to be challenging until the most recyclable materials become available at an appropriate price for the mass market. Since 2024, a large proportion of the Group’s NPD passed through our changed protocols, and this will continue in the coming years. NPD

processes for the Technic brands also include an accompanying packaging development protocol alongside the development of the products themselves, to ensure that recyclable packaging is considered with all NPD, wherever possible.

Management is confident that current unrecyclable plastics within the Group's products will be replaced with the most reusable and recycled plastic materials available, ensuring the achievement of Government Guidelines for brand and producer responsibilities. This will help the Group comply with the new Extended Producer Responsibility ("EPR") regulations which came into force in early 2025. The NPD team is actively engaging with DEFRA on the introduction of the new EPR regulations, participating in seminars and surveys, wherever possible.

Furthermore, the Group is closely monitoring the implementation of the EU Packaging and Packaging Waste Regulation ("PPWR") which is aimed at ensuring all packaging in the EU market is recyclable by 2030 and is due to apply from August 2026. The Group will work with its compliance and supply chain partners to enable compliance where required.

The Group's dedicated Packaging and Sustainability Lead, Kevin Laughton, is responsible for seeking sustainable solutions for products and packaging, aligned to our environmental responsibilities and goals. This individual is also responsible for ensuring Group compliance with the increasing regulation in this area, enabling its mission to provide an extensive range of high-quality cosmetics at an affordable price and to grow the business for the benefit of our stakeholders, to be continued.

Kevin was appointed to the PackUK Governance Steering Group (DEFRA), giving Warpaint a voice in helping develop and drive strategy for material recycling kerbside and within UK local authorities to improve the EPR scheme in the UK. He also retains his position on the CTPA Taskforce, which was set up to assist, advise and steer the EPR process within the cosmetics and personal care industry in the UK.

The Group seeks to ensure no product is wasted, and for example in conjunction with Tesco, any W7 products remaining in store after short term promotions are donated to be placed in the food bank collection points, which are positioned at the front of all large Tesco stores. Our subsidiary, Badgequo also actively works with end of range retailers such as The Company Shop to ensure products continue to their natural intended use, and with charitable organisations such as Age UK to support these supply routes with the same aims.

Social Impact

Warpaint aims for inclusivity with its products and encourages and promotes diversity, equality of pay and opportunity across the Group. The health, safety and wellbeing of our workforce is of paramount importance, and we seek to support and benefit the wider community where possible.

Our Employees and Equal Opportunities

The Group has an extremely loyal and diverse workforce and promotes equality of pay and opportunity throughout. The Group has a low staff churn rate, and employees are encouraged and nurtured to attain positions to the best of their ability, with promotions made from within wherever possible, offering staff mobility from the warehouse floor to administrative roles and managerial positions. A reward structure is in place, which may include the grant of share options, enabling members of staff to participate in the growth of the Company, as appropriate.

Employee communication is encouraged throughout the Group both on an informal basis and through regular departmental meetings, where input from colleagues is welcomed in any area. Communication is key and the open-door policy operated by the Group and regular meetings enable this. Whilst the board does not have a formal policy or targets for diversity, it consists of three female members and members from a variety of cultural backgrounds. It is very aware of the importance of diversity and the benefits it brings in attitude and outlook. Diversity is always considered when any appointments are made to the board.

The Group's employment policy is set out in the Directors' Report. At senior management level there are 14 female managers and 9 male managers, excluding the board. Throughout the Group, the proportion of female to male employees is approximately 68% to 32%.

Communities, Education and Charitable Causes

Wherever possible, the Group employs staff from the local areas and encourages the use of car sharing and public transport to reduce the impact on local roads. The times of our incoming and outgoing deliveries are managed to limit any disturbance to residents in the local area. As a rule, the Group uses local trade's people for goods and services creating employment and income within the area.

Badgequo actively works with certain universities to support the work of students studying cosmetic science. Badgequo's Regulatory, New Product Development and Marketing teams lecture predominantly at Sunderland University, enabling the business to give real life and practical information to students as they embark on the transition year from student to industry. As part of this, Badgequo employs one gap year student each year to work in the business and gain this experience first-hand. This relationship with the cosmetic industry's educational bodies has been very well received and allows the business to support the future talent stream.

The Group supports several local and national charities and events each year and fundraising and support will continue through 2026.

In addition, since 2021 Warpaint has maintained a long-term commitment to support the young person's mental health charity, "iHeart", with a donation of funds and visits to schools in Greater London. This charity supports young people by providing a range of courses and programmes on mental health education, resilience and wellbeing.

Our Technic business actively encourages and supports budding entrepreneurs at local primary schools during their innovation and industry weeks. This involves talking to children about the Group's work, how products are designed and made, listening to and encouraging children with their own ideas as part of their project work.

Diverse Products

Warpaint recognises the importance of its products to consumers regardless of their gender, sexuality or racial background, and seeks to ensure they are inclusive for all. Cosmetic and skincare products are developed for a wide range of skin tones, with a broad selection of shades aiming to make them as inclusive and affordable as possible.

Governance

Warpaint is dedicated to having robust governance policies, protocols and procedures throughout all aspects of our business. These help the business operate to high standards of conduct and to protect and grow the business for the benefit of all stakeholders.

Policies

Robust and Ethical Policies

The Group's policies, along with its approach to employees and equal opportunities, the environment, product testing, manufacture and materials and charitable causes are regularly reviewed, and are described below:

Anti-Bribery

The Group has in place an anti-bribery and anti-corruption policy, which sets out its zero-tolerance position and provides information and guidance to those working for the Group on how to report and deal with bribery and corruption issues. During the period, there were no incidents reported.

Whistleblowing

The Group's 'whistleblowing' procedures ensure that arrangements are in place to enable employees and contractors to raise concerns about possible improprieties on a confidential basis. Any issues raised are investigated and appropriate actions are taken. Should any significant issue arise they are highlighted to the board.

Modern Slavery and Human Trafficking

The Group has relationships with businesses around the world and is opposed to modern slavery and human trafficking wherever it may occur. The Group's processes and supply chains are examined and reviewed at least annually to ensure that slavery and human trafficking are prevented in its business and supply chains. Compliance with the Modern Slavery Act 2015 or equivalent anti-slavery, human trafficking laws are mandatory in all supply contracts. The Group's statement pursuant to the Modern Slavery Act 2015 which contains further information, is available at www.warpaintlondonplc.com.

Corporate Governance

Further information regarding the board's governance processes and procedures and how the directors are fulfilling their duties to promote the success of the Company including the interests of our key stakeholders is set out within the Company's Corporate Governance Statement for the year ended 31 December 2025 and the Section 172 (Engagement with Stakeholders) sections of the Annual Report.

Section 172 Report (Engagement with Stakeholders)

The Company believes that engagement with its principal stakeholders is vital to enhancing the Group's value and promoting its long-term success. The identity of and engagement with key stakeholders are described below.

Key Stakeholder Engagement

The key stakeholders for the Group are customers, distributors, suppliers, employees, shareholders and the environment and community in which we operate. Whilst interactions take place at all levels of the Group, the directors are aware of the importance of the relationships with key stakeholders and feedback is utilised wherever possible to sustain these relationships in order to drive the long-term success of the business.

Customers

Feedback with trade customers is initially directed through dedicated account managers followed by engagement with administration teams, and ultimately, senior management. For consumers, feedback is garnered through the peer-to-peer review site Yotpo, and social media such as Facebook, X (Twitter), Instagram, TikTok and Pinterest. Consumers frequently contact the Company in writing, by email, direct calls to the head office and through the website www.w7cosmetics.co.uk where they are also able to leave comments. The Group endeavours to respond to all consumers who reach out in a swift and efficient manner, typically by email or direct calls with all responses followed up to seek to achieve a positive outcome. The Group also receives, monitors and reacts to reviews left on all Amazon platforms by verified shoppers who have purchased Group products. Trends in the cosmetic business are dynamic and swift reaction to feedback is also vital in introducing new products and updating the Group's product range.

Distributors

The Group increasingly manages relationships with customers directly but also seeks to strengthen its relationships with distributors to garner feedback and provide support with regular meetings, attendance at trade shows and by maintaining close contact with them through sales representatives. Distributors provide feedback on product suitability including in regions of the world where there may be cultural or other sensitivities in the product packaging and branding. Different regions may also call for particular colour mixes and shades and such feedback enables the Group to optimise and tailor products in these regions. The aim is to align the interests of the distributor with those of the Group.

Suppliers

Suppliers are visited at least annually and regular contact maintained at other times through trade shows, meetings and other close communications. The Group's principal suppliers are made to feel part of the organisation with an open and honest dialogue encouraged so that feedback can be communicated and a rapid response provided. The Group has offices in China and Hong Kong to support more frequent visits and enhanced supplier contact. A strong relationship with the Group's suppliers is vital to the long-term success of the Company.

Employees

The Group places enormous importance on the wellbeing of its employees and also aims to keep them informed of developments in the Group through a combination of in-person meetings and electronic communication. The Group operates an open-door policy, and everyone is known by name to the senior managers and executive directors with the Chief Executive Officer and the Managing Director engaging daily with employees across the business. Communication is encouraged both on an informal basis and through regular departmental meetings, where input from colleagues is welcomed in any area. Communication

channels within the business are key and the open-door policy and regular meetings enable this. Where practicable, consideration is given to flexible working.

Further information about our employees is outlined in the Group's ESG Report.

Shareholders

The means of engagement with shareholders is detailed in Principle 3 of the Corporate Governance Report for the year ended 31 December 2025.

Community and Social Responsibilities

The Group has long-term associations with local communities and charities together with supporting a number of national charities and events each year. Further information is provided in the Group's ESG Report.

Environment and Sustainability

The board of directors is conscious of its environmental responsibilities and has embedded associated goals within its long-term strategy, with the aim of continually improving all aspects of its environmental performance, as far as economically feasible. Further information is provided in the Group's ESG Report.

Section 172 Companies Act 2006

The directors are well aware of their duty under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the:

- likely consequences of any decision in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and the environment;
- desirability of the Company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the Company.

The board always takes decisions for the long term, and collectively and individually aims to uphold the highest standards of conduct. Similarly, the board understands that the Company can only prosper over the long term if it understands and respects the views and needs of its customers, distributors, employees, suppliers and the wider community in which it operates. A firm understanding of investor needs is also vital to the Company's success along with a sustainable and environmentally responsible culture.

The directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172 of the Companies Act 2006 and the board is regularly reminded of the Section 172 requirements as a board agenda with the corresponding headline decisions recorded.

Relations with shareholders are detailed in the Corporate Governance Report. Relations with other key stakeholders such as employees, distributors, customers and suppliers are considered in more detail in the Corporate Governance Report and in the Engagement with Key Stakeholders section of the Directors' Report.

The board ensures that the requirements are met, and the interests of stakeholders are considered as referred to elsewhere in this report and through a combination of the following:

- a rolling agenda of matters to be considered by the board through the year, which includes an annual strategy review meeting, where the strategic plan for the following year is developed, which is implemented and supported by a budget and a medium term (three-year) financial plan;
- standing agenda points and papers presented at each board meeting, which report on customers, employees and other colleagues, health and safety matters and investors;
- a review of certain of these topics through the Audit Committee and the Remuneration Committee agenda items referred to in this report; and
- detailed consideration is given to any of these factors where they are relevant to any major decisions taken by the board during the year.

The key board decisions taken during the year ended 31 December 2025, which have long term implications for the ultimate success of the Company, and the Section 172 and stakeholder considerations are set out below.

Key Board Decision	Section 172 and Stakeholder Consideration
The completion of the acquisition of the entire issued share capital of Brand Architekts Group PLC ("Brand Architekts"), which was announced on 5 December 2024 and completed on 12 February 2025. The acquisition was made via a cash offer at 48 pence per share, with a share consideration alternative of 0.0916 new Warpaint shares for each Brand Architekt share (the "Alternative Share Offer"), in respect of which 103,422 new ordinary shares were issued and admitted to trading on AIM on 13 February 2025.	This was significant in bolstering the Company's growth opportunities at relatively low risk and providing the opportunity to enhance Brand Architekts' proposition and profitability to complement the Company's existing business, as part of the enlarged Warpaint Group. During 2025 Brand Architekts was fully integrated into the enlarged Warpaint Group. The acquisition and integration were aimed at enhancing and developing the long-term success of the Company for the benefit of shareholders and other key stakeholders enabling cross selling and expanding the brand offerings to the Group's customers. The Alternative Share Offer assisted in conserving the Company's cash, a consideration that was reflective of the business needs of the Company and enabled Brand Architekts shareholders to become shareholders in the Company thereby participating in the future of the Warpaint Group.
Annual Strategy Review meeting held to review and agree the Group's three-year Strategic Plan and KPIs, building on the Group's successful foundations to date, developing a strategy and KPIs based on substance that provide the optimum chances of success. Consideration was also given to the macroeconomic conditions (including US tariffs) that prevailed in 2025.	This is aimed at optimising and promoting the success of the Company in the long term, whilst providing measures for success, both vital for the benefit of members and stakeholders
The decision to adopt the QCA Corporate Governance Code 2023 ahead of time and report against this Code in April 2025 in respect of the Group's financial year ended 31 December 2024	This is aimed at demonstrating full engagement with members and other stakeholders in relation to the Company's corporate governance obligations.
The decision to formalise the Nomination Committee with appropriate term of reference in November 2025.	This assists with the enhancement of board governance and standards, structural operation and rigour.

The occupation of premises at Frontier Park, Burnley, which operates as a single warehouse and logistics hub for Technic products and other Group brands. This has halved the number of warehouse sites for Badgequo and Brand Architekts products from four to two.	To improve the Company's business operations and logistics, providing greater efficiency whilst also reducing the Group's energy resources thereby lessening the Group's environmental impact.
The decision to dispose of three brands in the Brand Architekts' portfolio in June 2025 and one of Brand Architekts' Australian subsidiaries in September 2025.	Strategic decisions aimed at consolidating the Group brands and business to drive the Group's strategic plan for the benefit of members.
The appointment of Joh. Berenberg, Gossler & Co KG, London ("Berenberg") as joint corporate broker to work alongside Shore Capital, the Group's existing Nominated Adviser and Corporate Broker in October 2025.	This appointment promotes greater corporate finance coverage for investors thereby widening investor engagement and investment in the Company for the benefit of shareholders and the Company's long term success.
Declaration of an interim dividend of 4.0p per share, which was paid on 21 November 2025.	To reward all shareholders and to encourage investment in the Company for its long-term success

Board of Directors

Clive Garston



Independent Non-Executive Chairman

Chair Insider Committee and Nomination Committee

Appointed November 2016. Clive has been a corporate lawyer for over 40 years specialising in corporate finance and mergers and acquisitions and is currently a consultant at Fladgate LLP. He has sat on the boards of a number of public and private companies and has been the deputy chairman of a fully-listed company and chairman of a number of other AIM companies. Clive has significant experience in small and medium quoted companies. He is a fellow of the Chartered Institute for Securities and Investment (CISI).

Skills: Corporate finance, legal, public companies and markets, corporate governance

Sam Bazini



Chief Executive Officer

On leaving school at 16, Sam started work in a cosmetics warehouse, supplementing his income by selling cosmetics directly to the public at numerous London Street markets which gave Sam an invaluable insight into consumer needs. In 1981 at the age of 18, using £500 he had saved, he set up his own business, buying and selling close-out and end-of-line cosmetics and fragrances. During the course of the next ten years, Sam and Eoin's paths crossed on numerous occasions, working intermittently with each other on a joint venture basis until they formally went into business together in 1992. Together with Eoin Macleod, Sam developed the business which resulted in the formation of W7.

Skills: Co-Founder of W7, entrepreneurship, industry knowledge and experience

Eoin Macleod

Managing Director

Eoin's first introduction to the world of beauty was at the age of 14 through a Saturday job in an indoor market selling cosmetics and perfumes. After leaving college, Eoin decided to set up his own business selling fragrances directly to the public through London street markets as well as selling into the wholesale sector and then expanding into selling cosmetics. In 1992 he formally went into business with Sam, operating initially in the close-out cosmetics and fragrance industry. Together with Sam Bazini, Eoin developed the business which resulted in the formation of W7.

Skills: Co-Founder of W7, entrepreneurship, industry knowledge and experience

Neil Rodol



Chief Financial Officer

Neil joined the Group in August 2015, having previously been an adviser to the business for several years and was appointed to the board as Chief Financial Officer in November 2016. Prior to joining the business, he was involved in several corporate purchases and acquisitions, selling his publishing company in 2006 to a quoted

group and becoming the group's licensing director; completing a management buyout in 2014. Neil trained as an accountant at BDO Stoy Hayward and holds an honours degree in Maths and Computer Science.

Skills: Financial skills, industry and public company experience

Sally Craig

Group Counsel & Company Secretary

Sally has been Company Secretary to Warpaint London plc since February 2017 and was appointed to the board in September 2018. She was the Corporate Finance, Legal and Regulatory Officer & Company Secretary of AIM quoted Diaceutics plc, a technology and solutions provider to the pharmaceutical industry from May 2020 to May 2025. Sally is a solicitor and has previously practised as a corporate lawyer, and has many years' experience providing company secretarial services to private and public companies in the UK, including then AIM quoted, Osmetech plc. Sally holds an honours degree in law from Manchester Metropolitan University.

Skills: Legal, company secretarial and public company experience

Paul Hagon

Executive Director

Paul joined the Group as a Non-Executive Director in November 2016, subsequently becoming an executive director on 1 January 2021, the effective date of renewal of the Company's strategic consultancy agreement with Ward & Hagon Management LLP. Having worked in the Grocery Sector for over 30 years in both wholesaling and major branded suppliers, Paul is currently providing consultancy services for a number of retail, manufacturing and wholesale businesses to assist with strategies, change programmes and the implementation of practical business plans. Prior to this, Paul has worked in selling, marketing and business management roles with Nestle and more recently, Palmer and Harvey, where his latter role was as Group Strategy and Development Director. Paul has also served as Chairman of the Association of Convenience Stores between 2014-2016, where he has been a board member for 20 years.

Skills: Retail and wholesale business experience and strategic planning

Indira Thambiah

Senior Independent Director and Independent Non-Executive Director

Chair Remuneration Committee

Indira joined the Group as a Non-Executive Director on 1 January 2024 and is an experienced multi-channel retail executive and consultant, with previous roles including Digital Director for Argos and Dixons Group. She has successfully managed several private businesses, most recently Roof Maker (CEO, 2018 to 2022). Indira has also been an independent non-executive director and member of the Remuneration Committee at each of Superdry plc (2010 to 2013) and Yorkshire Building Society (2007 to 2010), and is currently an independent non-executive director and Remuneration Committee Chair at Card Factory Plc, Senior Independent Director at Vivo Barefoot Ltd and a non-executive director at Verlinvest.S.A.. Indira is a qualified Chartered Accountant.

Skills: Retail, digital, direct to consumer (D2C), public company, private equity and family office experience.

Keith Sadler   

Independent Non-Executive Director

Chair Audit and Risk Committee

Keith joined the Group as a Non-Executive Director in November 2016. He is a non-executive director of 4Global Ltd a data driven sports participation company, and Chairman/CEO of HR Dept. Limited, a professional services business. Historically, Keith has been CEO or CFO of a number of quoted companies in the marketing services, telecoms and media industries. Keith is a chartered accountant and holds an honours degree in economics from the University of Kent.

Skills: Financial skills, communications and public company experience

Sharon Daly  

Independent Non-Executive Director

Sharon joined the Group as a Non-Executive Director on 1 January 2024 and has more than 25 years of experience within the healthcare industry, predominantly in marketing, international sales and business development roles. Sharon co-founded Venture Life Group in 2010 and made a significant contribution to the growth of the business from inception, until she left in 2023, including its IPO on AIM in 2014. Sharon currently holds independent non-executive roles with three AIM quoted companies: Brickability Group Plc, Gear4music (Holdings) plc and Billington Holdings Plc. She has extensive Remuneration, Audit and Nomination Committee experience and serves on the Audit and Remuneration Committees of all three entities. She also serves on the Nominations Committees and is Remuneration Chair at both Brickability Group Plc and Billington Holdings Plc. Sharon holds a degree in Marketing and an MBA (with distinction).

Skills: Marketing, Sales, Entrepreneurship and public company experience.

 Audit and Risk Committee

 Remuneration Committee

 Insider Committee

 Nomination Committee

Corporate Governance Report

Chairman's Introduction

I am pleased to present the Corporate Governance Report for the year ended 31 December 2025. The Warpaint directors recognise and prioritise the importance of sound corporate governance in supporting and delivering the strategy of the Company and its subsidiaries (together the "Group"). This involves managing the Group in an efficient manner for the benefit of its shareholders and other stakeholders (principally employees, customers and suppliers), whilst maintaining a corporate culture which is consistent with our values.

I have responsibility for the Group's corporate governance processes and procedures and compliance with the QCA Code. The Company has adopted the QCA Corporate Governance Code 2023 (the "2023 QCA Code") and is reporting against the 2023 QCA Code in respect of the Group's financial year ended 31 December 2025.

The Company's Corporate Governance Statement is available to view on the Company's website at www.warpaintlondonplc.com.

The board of directors is responsible for the long-term success of the Company and, as such, devises the Group strategy and ensures that it is implemented. The board is responsible for governance and is determined that the Company protects and respects the interests of all stakeholders and in particular is focused upon creating the right environment for its employees. We want a happy workplace, and we want our employees to be fully and properly rewarded and to feel that they are an integral part of the Warpaint family. A reward structure is therefore in place, which may include the grant of share options, enabling members of staff to participate in the growth of the Company, as appropriate. We want our suppliers, who are an essential part of the Company to feel part of the Warpaint family and we work closely with them to ensure that this is the case. Above all, the Company wishes to ensure that shareholders obtain a good return on their investment and that the Company is managed for the long-term benefit of all shareholders and other stakeholders. Appropriate corporate governance procedures will ensure that that is the case and reduce the risk of failure. The board also seeks to ensure that there are effective internal controls, risk is properly managed and that the Group strategy is implemented.

This report sets out our approach to governance and provides further information on the operation of the board of directors and its committees and how the Group seeks to comply with the ten principles of the QCA Code.

Clive Garston
Chairman

Principle 1 – Establish a purpose, strategy and business model which promote long term value for shareholders

Purpose and Mission

Warpaint's purpose and mission is to provide access to an extensive range of high-quality colour cosmetics and personal care brands at an affordable price. It is core to the Company's ethos which resonates throughout the Group and is reflected in its strategy, targets and long-term objectives.

Business Overview

Warpaint sells affordable branded cosmetics under the lead brand names of W7 and Technic. W7 is sold in the UK primarily to major retailers and internationally to local distributors or retail chains. The Technic brand is sold in the UK and continental Europe with a significant focus on the gifting market, principally for high street retailers and supermarkets. In addition, Warpaint supplies cosmetics under its other brand names of Man's stuff, Body Collection and Chit Chat, each targeting a different demographic. In February 2025, Warpaint acquired Brand Architekts Group plc, which has a number of leading health, beauty and personal care brands that complement Warpaint's existing cosmetics brands, including Skin & Tan, Super Facialist, Dirty Works and Fish Soho. Warpaint added to its brand portfolio with the acquisition of the Barry M brand in February 2026.

Strategy

The Group's strategy is reviewed each year by the board, taking account of relevant market data, the Group's track record, key strengths and experience, along with the Group's aims. The strategy is targeted by year and measured monitored and reviewed as part of the board's on-going business throughout the year.

The strategic plan, which comprises six key pillars, has been updated for 2026 forming the basis of the Group's development through to 2028. It is designed to drive shareholder value and contains defined targets for sales, EBITDA, earnings per share and cash generation, with a particular emphasis on driving incremental EBITDA growth.

Further details of the Group's strategy are set out in the strategy section of the Chief Executive's statement.

Principle 2 – Promote a corporate culture that is based on ethical values and behaviours

The board maintains a corporate culture consistent with the Group's strategic objectives which aims to promote an ethical and responsible business. This is monitored by the Chief Executive Officer who appraises the board of any issues arising.

During 2025 the board met at Warpaint's headquarters at Iver and this was combined with a lunch meeting with the Iver staff. This allowed the board to meet and engage fully with senior management and other personnel to both convey and receive important messaging about the Company, its business and culture directly from these key staff members.

The board is equally committed to maintaining appropriate standards for all the Company's business activities and ensuring that these standards are set out in written policies and procedures to support these standards. These include policies on Anti-Bribery, Whistleblowing and Modern Slavery, details of which are included in the ESG report.

See the ESG and Section 172 (Engagement with Stakeholders) sections of the Corporate Governance Report for further information on the Group's approach to and activities relating to its environmental responsibilities, key stakeholders and corporate culture.

Principle 3 – Seek to understand and meet shareholder needs and expectations

The Company remains committed to maintaining good communications and constructive dialogue with both its retail and institutional investors. The interests of shareholders are considered paramount to the decision-making process and strategic direction of the Group and good communication allows the Company to convey its strategy, business model and performance to its investors and, to understand and respond to the needs and expectations of shareholders. The board declared an interim dividend of 4.0p per share which was paid on 21 November 2025. In accordance with the Group's policy to pay appropriate dividends, the board is recommending a final dividend for 2025 of 9.0p per share, making a total dividend for the year of 13.0p per share.

The Chairman is available to engage with shareholders on governance and other matters if requested and the board takes into consideration comments and proxy voting recommendations received on the resolutions and business at the Annual General Meeting each year. The Chief Executive Officer takes part in online conferences and Q and A sessions for retail investors and the Chief Executive Officer, Managing Director and Chief Financial Officer make presentations to institutional shareholders and participate in Investor Roadshows around the time of the announcement of the full-year and half-year results and other conferences throughout the year.

On the Company's IPO in 2016 Samuel Bazini and Eoin Macleod entered into a Relationship agreement dated 24 November 2016 with the Company and Stockdale Securities Limited, the Company's NOMAD, as their aggregate holdings were in excess of 50% of the Company's issued share capital at that time (the "Relationship Agreement"). The Relationship Agreement provided for termination if the shareholdings of each director and his associates went below 20% of the Company's share capital. The shareholdings of Samuel Bazini and Eoin Macleod (and their associates) at 31 December 2025 were 19.80% so these undertakings and the Relationship Agreement have fallen away. However, in 2024 Samuel Bazini and Eoin Macleod reaffirmed their agreement to abide by their undertakings given in the Relationship Agreement.

All individual investor queries should be addressed to the Warpaint company secretary at: investors@warpaintlondonplc.com or to the Company's retained investor relations adviser, IFC Advisory Limited at: warpaint@investor-focus.co.uk.

See the ESG and Stakeholder Engagement sections of the Corporate Governance Report for further information on the Group's approach to and activities relating to its environmental and social responsibilities.

The means by which the Company communicates with its retail and institutional shareholders are set out in Principle 10.

Principle 4 – Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success

The Group has strong regard for the importance of its stakeholders including customers, distributors, suppliers, employees, shareholders, the environment and community in which we live.

See the ESG and Stakeholder Engagement sections of the Corporate Governance Report and Principle 10 for further information on the Group's approach to and activities relating to its environmental and social responsibilities, and other key stakeholders and how it garners and responds to feedback from these important stakeholders. The environmental KPIs by which the Company may be measured are set out in the ESG and Directors' Report sections of the Corporate Governance Report.

The Group's workforce is vital to the long-term success of the Company. The Company nurtures its employees and provides an environment and processes which allow for grievances to be raised in confidence via the whistleblowing policy and otherwise.

Principle 5 – Embed effective risk management, internal controls, and assurance activities, considering both opportunities and threats, throughout the organisation

The Company is exposed to a variety of risks that can have financial, operational and regulatory impacts on the Group's business performance. The board recognises that creating shareholder returns is the reward for taking and accepting risk. The evaluation, identification and effective management of risk are therefore critical to developing and supporting the delivery of the Group's strategic objectives.

Internal Control and Risk Management

The board is responsible for establishing and maintaining the Group's system of internal controls and reviewing its effectiveness. The procedures, which include financial, compliance and risk management, are reviewed on an on-going basis. The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss. The board has considered the need for an internal audit function but does not consider it necessary at the present time with the current controls in place. The Audit and Risk Committee gives consideration to the independence of the Group's auditors each financial year. The board considers that the internal controls in place are appropriate for the size, relative simplicity of the business and the risk profile of the Group.

The assessment and management of risk is primarily the function of the executive officers, most specifically the Chief Executive Officer for strategic and business risk and the Chief Financial Officer for financial risk. The Group maintains a formal risk register which is reviewed periodically.

The risk review subcommittee (comprising Neil Rodol, Paul Hagon, Sally Craig and the senior executives of Retra and Brand Architekts) meets at least twice every year before the reporting of the full year and interim results to review the risk register and from time to time outside these times. All known or potential risks are identified, impact recorded, probability assessed and the mitigating actions noted. The risk register and the findings of the risk review subcommittee are then reviewed and considered by the Audit and Risk Committee and any key findings referred for consideration and action by the board.

The principal risks identified by the board are set out in the Risk Management section of the Strategic Report.

Principle 6 – Establish and maintain the board as a well-functioning, balanced team led by the Chair

Composition, Roles and Responsibilities

The board currently comprises of the Chairman, Clive Garston three independent non-executive directors, Keith Sadler, Indira Thambiah and Sharon Daly and five executive directors, Sam Bazini, Eoin Macleod, Neil Rodol, Paul Hagon and Sally Craig, who is also the Company Secretary.

Indira Thambiah was appointed Senior Independent Director on 27 April 2026.

The Audit and Risk Committee and the Remuneration Committee are entirely comprised of independent non-executive directors.

The board is responsible for the long-term success of the Company. This includes formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and acquisitions and, reporting to the shareholders.

The board believes that it is fully diverse and is made up of individuals with varied and different backgrounds and experience. The board considers that its composition is pertinent at this stage of the Company's evolution, but this will remain under review.

Both Clive Garston and Keith Sadler were appointed as directors on the Company's IPO in November 2016 and in November 2026 will have been board members for 10 years. In February 2025 the board gave consideration as to whether, in these circumstances, they should continue in their roles beyond 2026. There was unanimous support from the Chief Executive Officer and the rest of the board that they should be asked to remain, and they are very happy to do so. The board does not consider that the length of their tenure is an impairment to their independence, both have other roles outside the Company that enable them to bring fresh perspective to the business and they retain a professional detachment from the executive. The board values their longstanding service and significant contribution to the Company. Indira Thambiah was appointed Senior Independent Director on 27 April 2026, providing further strength and balance to the independence of the board.

No single director is dominant in the decision-making process.

Roles of the Chairman, Chief Executive Officer, Managing Director, Chief Financial Officer and General Counsel & Company Secretary

The Chairman is responsible for running the business of the board and for ensuring appropriate strategic focus and direction. The Chief Executive Officer is primarily responsible for implementing and driving the Group strategy once it has been approved, investor relations and overseeing the management of the Company through the executive team. The Managing Director is responsible for driving sales operations and profitability.

The Chief Financial Officer works closely with the Chief Executive Officer and Managing Director and is responsible for all the financial affairs of the Group. In particular, the oversight of cash flow, the provision of monthly financial information to the board, control of working capital, overseeing the audit and preparation of all Group company statutory accounts and Interim Statements along with the overall financial

management of the Group and its processes. The executive officers are responsible for formulation of the Group strategy for submission to the board, the day-to-day management of the Group's businesses and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets to be discussed, considered and approved by the board of directors.

The General Counsel & Company Secretary is responsible for the oversight of legal issues and regulatory compliance along with executive share schemes, investor queries and policy implementation. In addition, she assists the Chairman and other committee chairs in ensuring all meetings of the board and committees are informed and effective.

Board Operation

The board has adopted a formal schedule of matters reserved solely for its consideration. These include reviewing and approving the Group's strategy, budgets, major items of capital expenditure and acquisitions, internal controls and reporting to the shareholders.

Board meetings are held in person and online and in 2025 three in person and six online meetings were scheduled. These meetings are supplemented by additional meetings where required for the proper management of the business. For 2026 there are scheduled to be four quarterly meetings and four regular board meetings that will be supplemented by additional meetings throughout the year as required for the proper oversight and scrutiny of the business and the executives, one of which includes a dedicated focused strategy session.

Board papers are circulated to board and committee members in advance to allow directors adequate time for discussion and consideration.

Dialogue occurs regularly between directors outside of scheduled meetings.

Board Meetings during the year and time committed

The board met nine times during the financial year ended 31 December 2025 for both scheduled and *ad hoc* meetings and calls.

In the event that directors are unable to attend a meeting, their comments on papers submitted may be discussed in advance with the Chairman enabling their contribution to be included in the wider board discussion.

Board and Committee Meeting attendance for the year ended 31 December 2025

The following table shows directors' attendance at scheduled and *ad hoc* board meetings during the year.

	Board	Audit	Remuneration	Insider	Nomination
Clive Garston	9/9	n/a	n/a	1/1	1/1
Sam Bazini	9/9	n/a	n/a	1/1	1/1
Eoin Macleod	9/9	n/a	n/a	n/a	n/a

Neil Rodol	9/9	n/a	n/a	1/1	n/a
Sally Craig	8/9	n/a	n/a	n/a	n/a
Paul Hagon	9/9	n/a	n/a	n/a	n/a
Keith Sadler	8/9	3/3	2/2	n/a	1/1
Indira Thambiah	9/9	3/3	2/2	n/a	n/a
Sharon Daly	8/9	3/3	2/2	n/a	n/a

The following directors are each required to commit at least the following number of days per week to their roles: The Chief Executive Officer and Managing Director, five days; the Chief Financial Officer and the General Counsel & Company Secretary (from 1 May 2025), four days. Paul Hagon, executive director, and the non-executive directors are required to provide such time as is required to fully and diligently perform their duties. All board members are expected to attend all meetings of the board and the committees on which they sit, wherever possible.

Board Rotation

The Articles of Association of the Company (the “Articles”) require that one-third of the directors must stand for re-election by shareholders annually in rotation and that any new directors appointed during the year must stand for re-election at the Annual General Meeting (“AGM”). In compliance with the 2023 QCA Code, all directors will retire by rotation and stand for re-election at the 2026 AGM.

Principle 7 – Maintain appropriate governance structures and ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Group’s governance structures have been reviewed against the 2023 QCA Code and the board believes them to be in accordance with best practice as adapted to best comply with the Group’s circumstances and stage of development.

The board is responsible for implementing the Group’s strategy and promoting the long-term success of the Company. The executive directors have overall responsibility for managing the Group’s day to day operational, commercial and financial activities supported by senior management. The non-executive directors are responsible for bringing independent and objective judgement to board decisions.

The business reports bi-monthly on its headline performance against its agreed budget, and the board reviews the monthly update on performance, and any significant variances are reviewed at each scheduled meeting. The board challenges the executive directors and senior management on performance against budgets, forecasts and key business milestones. Monthly updates on performance are reviewed at each formal board meeting.

At each meeting the board considers directors’ conflicts and potential conflicts of interest (if any). The Company’s Articles provide for the board to authorise any actual or potential conflicts of interest.

The board is confident that its governance structures and processes are appropriate and fit for purpose consistent with its current size and the relative simplicity of the business. The appropriateness of the Group’s

governance structures and practices will be reviewed and refined over time to take account of further developments in accepted best practice and the development of the Company.

The matters reserved for the board and the directors' roles and responsibilities are outlined in Principle 6.

Due to the size of the Group, issues concerning the nomination of directors have traditionally been dealt with by the board, aided by an *ad hoc* Nomination Committee comprising Clive Garston (as Chair), Samuel Bazini and Keith Sadler. The board formally constituted the Nomination Committee on 4 November 2025 with associated terms of reference, with the initial members comprising the members of the *ad hoc* committee described above. The Nomination Committee will assist with any succession process if deemed appropriate.

The committees of the board of directors are described below.

Audit and Risk, Remuneration, Insider and Nomination Committees

The board has established the Audit and Risk Committee, Remuneration Committee, Insider Committee and Nomination Committee with formally delegated duties and responsibilities and with written terms of reference. The full terms of reference of each committee are available on the Company's website at www.warpaintlondonplc.com.

The Audit and Risk Committee and the Remuneration Committee each comprises three independent non-executive directors: Keith Sadler (Chair of the Audit and Risk Committee), Indira Thambiah (Chair of the Remuneration Committee) and Sharon Daly. The Insider Committee comprises one non-executive director and two executive directors: Clive Garston (Chairman), Sam Bazini and Neil Rodol and the Nomination Committee comprises two non-executive directors and one executive director: Clive Garston (Chairman), Sam Bazini and Keith Sadler.

During the financial year ended 31 December 2025, the Audit Committee met three times, the Remuneration Committee two times, the Insider Committee once, and the Nomination Committee once. From time to time, separate committees are set up by the board to consider specific issues when the need arises.

The board retains a range of financial, commercial and entrepreneurial experience and there is a good balance of skills, independence, diversity and knowledge of both the Company and the sectors in which it operates including cosmetics, retailing, finance, legal, computing, innovation, international trading, e-commerce, marketing and public markets. Non-executive directors are appointed on merit and for their specific areas of expertise and knowledge. This enables them to bring independent judgement on issues of strategy and performance and to debate matters constructively.

The biographies of each of the directors, including the committees on which they serve, and chair and the skills brought to the board, are shown in the section headed Board of Directors.

The board is satisfied that, between the directors, it has an effective and appropriate balance of skills, knowledge, experience and time committed to enable it to deliver the strategy of the Group, it is nevertheless mindful of the need to continually review the needs of the business to ensure that this remains true.

Involvement with a variety of other boards allows directors to witness alternative approaches to similar business issues and to benefit from the advice of more than just the Group's advisers.

From time to time, directors attend seminars and trade events where appropriate to ensure that their knowledge and industry sector contacts remain current and may attend such courses or training, as they feel appropriate, to keep their knowledge up to date.

External and Internal Advice

The board seeks external advice from time to time to enable it to effectively perform its duties including from its lawyers, accountants, nominated adviser and corporate broker, financial PR advisers, remuneration consultants and insurance brokers.

At the start of 2025, the board engaged extensively with its advisers and others in connection with offer by the Company to acquire the entire issued share capital of Brand Architekts Group PLC ("Brand Architekts") which was announced on 5 December 2024. The offer was a cash offer at 48 pence per share, with a share consideration alternative of 0.0916 new Warpaint shares for each Brand Architekts share (the "Alternative Share Offer"). In connection with the acquisition the Company raised gross proceeds of £15 million via a Placing and a Retail Offer of shares at a price of 510p, which was also announced on 5 December 2024. The acquisition of Brand Architekts was completed on 12 February 2025 and the shares were admitted to trading on AIM pursuant to the Alternative Share Offer, on 13 February 2025.

The Remuneration Committee received advice in 2025 from h2g Remuneration Advisory LLP to assist them in connection with the directors' remuneration report and approach to remuneration policy and voting arrangements. Following a review of the Company's future requirements and a robust and competitive process, Alvaraz & Marsal were appointed effective from 29 October 2025 to provide general remuneration advice.

All directors have access to the advice and services of the General Counsel & Company Secretary, who is responsible for ensuring that board procedures are followed and that the Company complies with applicable rules, regulations and obligations.

Principle 8 – Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Group's performance is reported bi-monthly against headline performance and agreed budgets and reviewed by the board (as a minimum) at each monthly board meeting. The board challenges the executive directors and senior management on performance against budgets, forecasts and key business milestones and have adopted a set of KPIs against which the performance of the Company and therefore the board, may be measured.

The Company is yet to adopt a formal performance evaluation procedure for the board and directors individually. This will remain under review and the board will consider the implementation of performance evaluations facilitated by external advisers for the board, both individually and as a group, to ensure the

efficient and productive operation of the board. The Nomination Committee will assist with any succession process if deemed appropriate.

As the business of the Group grows, the expertise required at management level is expanded and developed although there are no prescribed procedures for succession planning at board level. Nevertheless, the board gives due consideration to succession planning.

Principle 9 – Establish a Remuneration Policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The board has adopted a remuneration policy that takes into account both Group and individual performance, market value and sector conditions in determining director and senior employee remuneration. Remuneration packages are constructed to provide a balance between fixed and variable rewards and for the vast majority of employees includes basic salary, pension, death in service benefit, discretionary annual bonus and long-term incentive awards. The board believes that this policy is aligned with the Company's purpose, strategy and culture at this stage of its development.

Compensation reflects the role and the experience of the individual and is benchmarked against the market and the annual bonus and LTIP is intended to align the interests of the executive directors and certain senior management with the interests of shareholders and stakeholders in the long term. Bonuses are paid in cash, based on Group performance and individual director contributions, and are discretionary. LTIPs are also granted at the discretion of the Remuneration Committee. Share option awards to executive directors and certain senior management have a minimum vesting period of three years and are subject to three-year objective group performance conditions.

In formulating the policy, pay and conditions across throughout the Group are taken into consideration and the board (via the Remuneration Committee) has consulted with external remuneration consultant h2g Remuneration Advisory LLP and, since 29 October 2025, Alvaraz & Marsal. The Committee's policy is to consult with major shareholders in respect of significant decisions on executive remuneration and the Chair of the Remuneration Committee, Indira Thambiah, is available for contact with investors concerning the Company's approach to remuneration.

Consideration is also given to the feedback from Proxy Advisers and institutional shareholders.

The Company's remuneration policy is set out in the Remuneration Committee Report and will continue to be monitored and developed throughout the coming year

In line with previous practice, the Remuneration Report (excluding the Remuneration policy) will be put to an advisory resolution at the 2026 AGM. The board is aware of evolving guidance (including that contained in the 2023 QCA Code) and market practice with respect to formal remuneration policies and is keeping this under review.

Principle 10 – Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Company's principal means of communication with shareholders is through the Annual Report and Financial Statements, the full-year and half-year announcements and the AGM. The board receives regular updates on the views of shareholders through briefings and reports from the executive directors, the Company's brokers and PR advisers and responds to and will take account, wherever possible, of recommendations made by proxy adviser companies.

Retail Investors

The board recognises that the AGM is an important opportunity to meet retail shareholders. Each substantially separate issue is the subject of a separate resolution at the AGM and all shareholders have the opportunity to put questions to the Board. All board members endeavour to attend AGMs and answer questions put to them which may be relevant to their responsibilities. In addition, the directors are available to listen informally to the views of shareholders immediately following the AGM, allowing all shareholders an opportunity to ask questions or represent their views

For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The Company releases the voting results for the AGM and other General Meetings by RNS and the results of the AGM are published on the Company's website.

The Chief Executive Officer takes part in online conferences and Q and A sessions for retail investors.

Corporate information, including Company announcements and presentations, are also available to shareholders, investors and the public on the Group's website www.warpaintlondonplc.com. The Company's contact details and email address for investor queries, and correspondence address are listed on the website and the website offers a facility to sign up for email alert notifications of the Company's news and regulatory announcements

Institutional Shareholders

The Chief Executive Officer, the Managing Director and the Chief Financial Officer make presentations to institutional shareholders and participate in Investor Roadshows and conferences both following the announcement of the full-year and half-year results and, at other times throughout the year. Not every executive officer participates in every investor presentation. A summary of investor sentiment is regularly circulated to the board. The Chairman participates in these presentations where appropriate and is available to speak with shareholders. In 2025 the Chairman met in person with one institutional shareholder. The Chief Executive Officer takes part in additional online conferences and dialogue with individual institutional shareholders also takes place in order to understand and work with these investors to seek to comply with their investor principles where practicable.

Investor queries may be addressed to the Company Secretary at investors@warpaintlondonplc.com. A range of corporate information (including all Company announcements) is also available to shareholders, investors and the public on the Company's website www.warpaintlondonplc.com.

Other Key Stakeholders

The Company's means of communicating with its other stakeholders are set out in the Stakeholder Engagement and ESG sections of the Strategic Report and the Section 172 report.

The Reports of the Audit and Risk Committee and the Remuneration Committee describe the responsibilities of those committees and the work undertaken throughout the year.

Audit and Risk Committee Report

On behalf of the board, I am pleased to present the Audit and Risk Committee Report for the year ended 31 December 2025.

The Audit and Risk Committee is responsible for ensuring that the financial performance of the Group is properly reported on and reviewed, and its role includes monitoring the integrity of the financial statements of the Group (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors, reviewing findings of an audit with the auditors, meeting regularly with the auditors and advising on the appointment of external auditors. It is further responsible for reviewing and monitoring the effectiveness of internal financial controls, risk management systems and overall risk framework and processes, considering appropriate risk appetite and strategy across all major activities, overseeing current and prospective risks faced by the Company and its strategy in relation to future risks, ensuring that risk management is properly considered in board decisions, and that the risk management function is adequately resourced.

During the year the Committee consisted of three non-executive directors: Keith Sadler (as Chair), Indira Thambiah and Sharon Daly.

The Audit and Risk Committee is convened as required and met three times during the year ended 31 December 2025 *inter alia* to discharge its responsibilities in connection with the Group's Financial Statements for the year ended 31 December 2024 and the Interim Financial Statements for the six months ended 30 June 2025. These meetings also included a planning meeting with the external auditor BDO LLP ("BDO") during the year. The Chief Financial Officer and the external auditor normally attend Committee meetings. I also met with the external auditor without management present during the year.

The board is satisfied that I, as Chairman of the Committee, have recent and relevant financial experience. I am a Chartered Accountant and, over the past 30 years have served on the board of a number of public limited companies in finance roles including as chief financial officer, group finance director and treasurer.

Whilst the board as a whole has a duty to act in the best interests of the Company, the Committee has a particular role, acting independently of management, to ensure that the interests of shareholders are properly protected in relation to financial reporting and the effectiveness of the Group's systems of financial internal controls.

The key responsibilities of the Committee are to:

- Monitor the integrity of the Group's financial statements and other statements and announcements relating to its financial performance, reviewing and challenging the methodology and assumptions used where necessary;
- Consider the Group's accounting policies and practices along with its application of accounting standards and significant judgements;

- Review and monitor the effectiveness of the Group's system of internal controls, including financial reporting and controls and risk management systems and overall risk framework and processes;
- Consider and oversee the Group's appetite and strategy for risk across all major activities, oversee current and prospective risks and the management thereof, ensure the proper consideration of risk by the board and adequate resourcing of the risk management function;
- Review the adequacy and security of the Group's procedures and controls for whistleblowing, the detection of fraud and the prevention of bribery;
- Consider and make recommendations to the board on the appointment, reappointment, removal or resignation and remuneration of the external auditor; and
- Oversee the relationship with the Group's external auditor including consideration of the objectivity and independence of the external audit process.

The full terms of reference for the Committee can be found on the Company's website at www.warpaintlondonplc.com.

Key Activities during the Year

During the year ended 31 December 2025, the Audit and Risk Committee has:

- Received and reviewed statements from management regarding their approach to key accounting considerations, estimates and judgements in the financial statements for the year ended 31 December 2024, in particular revenue recognition, valuation of inventory recorded on the statement of financial position, impairment assessments on the carrying value of goodwill and other intangible and tangible assets, debtor recoverability, management's assessment of going concern;
- Discussed the report received from the external auditor regarding its audit in respect of the year ended 31 December 2024;
- Reviewed and discussed with the external auditor the key accounting considerations, estimates and judgements reflected in the Group's financial statements for the year ended 31 December 2024;
- Reviewed the full-year financial statements to 31 December 2024 and half-year results to 30 June 2025;
- Reviewed and approved the going concern statement for 2025, including the approach and assumptions taken, giving consideration to key risks;
- Reviewed and agreed the external auditors audit strategy memorandum in advance of its audit for the year ended 31 December 2025, including a statement on its independence and objectivity;
- Agreed the terms of engagement and fees to be paid to the external auditor for the audit of the 2025 financial statements; and
- Reviewed the risk register and the risk assessment provided by the risk review subcommittee prior to the preliminary results in April 2025 and the interim results in September 2025 and made recommendations on matters that should be brought to the attention of the board.

The risk review subcommittee (comprising Neil Rodol, Paul Hagon, Sally Craig and the senior executives of Retra and Brand Architektks) meets at least twice every year before the reporting of the full year and interim results to review the risk register and from time to time outside these times (if required). All known or potential risks are identified, impact recorded, probability assessed and the mitigating actions noted. The risk register and the findings of the risk review subcommittee are then reviewed and considered by the Audit and Risk Committee and any key findings referred for consideration and action by the board.

An overview of the Company's approach to risk and risk management through 2025, together with a summary of the principal risks facing the Group, is provided in the risk management section.

External auditor

The Committee oversees the Group's relationship with BDO and formally reviews the relationship, policies and procedures to ensure its independence. BDO also reports to the Committee on the steps it has taken through the year to safeguard its independence and to comply with the relevant professional and regulatory requirements. The BDO partner in charge of the audit is Hannah Pop who has held the role for three years. The maximum term for which a partner in charge can perform the role is five years.

BDO has been auditor to the Group for ten years since its appointment in respect of the 2016 year end, with the lead audit partner being rotated on a regular basis, most recently in 2023 in respect of the audit for the year ended 31 December 2023. The last tender for the audit of Warpaint London PLC and its subsidiaries occurred in 2016. The board is satisfied that BDO's appointment as auditor remains appropriate for the size and complexity of the Group, but consideration is given to the tendering for auditors from time to time and this will remain under review. There are no contractual obligations that restrict the Committee's choice of external auditor.

BDO LLP was appointed by the board as the Company's external auditor on 17 June 2025 for the 2025 reporting period and it is their intention to put themselves forward at the AGM to stand as auditors for the next financial period.

The Group paid £646,000 to BDO for audit services in 2025, relating to the statutory audit of the Group and Company financial statements, the audit of the acquisition of Brand Architekts Group PLC in the year, and the audit of Group subsidiaries. The Group paid £nil to BDO in 2025 for tax or any other advice.

Independence

No non-audit services prohibited by the FRC's Ethical Standard (2019) were provided to the entity.

Committee performance and effectiveness

The Company is yet to adopt a formal performance evaluation procedure for the board, its committees and directors individually.

Audit and Risk Committee Report

This Audit and Risk Committee Report was reviewed and approved by the board on 28 April 2026.

Keith Sadler

Chair Audit and Risk Committee

Remuneration Committee Report

On behalf of the board of directors, I am pleased to present the Remuneration Committee Report for the year ended 31 December 2025. This report explains the outcomes for the year and the decisions we have made for the year ahead.

The Remuneration Committee

The main objectives of the Remuneration Committee are to develop and implement compensation packages designed to attract, incentivise and retain staff, creating opportunities for senior management and employees to participate in the success of the Company and be rewarded for performance and increasing shareholder value over the long term.

The Remuneration Committee has responsibility for determining, within the agreed terms of reference, the Group's remuneration policy and the specific remuneration packages of the Company's Chairman, and the executive directors and such other members of the senior management as it is designated to consider. The remuneration of non-executive directors is a matter for the board (excluding the non-executives). No director or manager partakes in any discussions as to their own remuneration. In exercising this role, the directors shall have regard to the recommendations put forward in the relevant QCA Guidelines.

During the financial year ended 31 December 2025, the Committee consisted of three independent non-executive directors: Indira Thambiah (Chair), Keith Sadler and Sharon Daly.

The Remuneration Committee is convened not less than twice a year and otherwise as required. The Committee met two times during the year ended 31 December 2025.

The full terms of reference for the Committee can be found on the Company's website at www.warpaintlondonplc.com.

Key Activities during the Year

During the year ended 31 December 2025, the Remuneration Committee:

- Appointed Alvaraz & Marsal to provide independent remuneration advice.
- Reviewed the salary proposals for 2026
- Confirmed the bonus outcomes for 2025; and
- Considered the operation of share option awards for 2026

Business performance in year and bonus outcomes

Despite the challenges, 2025 was again a year of achievement, with the Group delivering record sales of £105.1 million (2024: £101.6 million), at an increased gross margin. On a like-for-like basis, excluding the sales generated by Brand Architekts in the period, revenue was £93.3 million. However, the results for the year were negatively impacted by certain specific, one-off events as reported in the Group's year end trading update. These included: tariff volatility in the US, which disrupted the placing of Christmas gift orders and

impacted regular business causing the loss of approximately £2.4 million of sales, and a large customer of the Technic brand going into administration, causing the loss of £3.3 million of sales. These issues were major contributors to the lower profit before tax of £16.8 million (2024: £23.8 million), with basic earnings per share of 15.8 pence (2024: 23.5 pence).

In 2025, the addition of the Brand Architekts' brands to the Group's portfolio, and more recently the Barry M brand, has provided additional opportunities to grow sales and profits over and above those we expect from our core cosmetic brands. Our global market share remains modest and there continues to be substantial opportunities for growth, both with the Group's existing retail partners and from other major retailers globally that we are in discussions with.

In the light of significant achievements in a tough year, the Committee decided bonuses should be awarded to the Executive team, but at a reduced level in comparison to those awarded for the previous year. Bonuses were paid to Neil Rodol and Sally Craig, and further detail is provided on page [X]. Neil Rodol's bonus was half of that received in 2025 and Sally Craig's bonus was slightly above that received in 2025, but was reflective of the enhanced workload required in the year to support one acquisition and two disposals. Sam Bazini and Eoin Macleod informed the Committee that they wished to waive any entitlement and therefore no annual bonus was paid for the year.

2025 and 2026 AGM

At the Company's Annual General Meeting ("AGM") on 17 June 2025, the Remuneration Report was put to an advisory vote and over 94% of votes were cast in favour of the resolution. The Committee appreciates the support of the shareholders.

In line with our previous practice, we will put this Remuneration Report to an advisory resolution at our 2026 AGM. The Company is not required to submit our Remuneration Policy to a vote and therefore, in line with current market practice, does not intend to do so this year. The Committee notes the evolving expectations under the QCA Corporate Governance Code and will keep this position under regular review for future years.

External Advice

The Remuneration Committee received advice from h2g Remuneration Advisory LLP in the year to assist them in connection with the directors' remuneration report and approach to remuneration policy and voting arrangements and were the Committee's remuneration advisors until 28 October 2025. Following a review of the Committee's future requirements and a robust and competitive assessment process, Alvaraz & Marsal were appointed as independent advisors effective from 29 October 2025.

Directors Remuneration Policy

The Group takes into account both Group and individual performance, market practice and sector conditions in determining director and senior employee remuneration. The remuneration packages are constructed to provide a balance between fixed and variable rewards. Therefore, remuneration packages for executive directors may include basic salary, pension, benefits, discretionary annual bonus and long-term incentive awards.

Salary, pension and benefits

The Company uses base salary as well as benefits, including pensions, to recruit and retain high quality executives. Compensation reflects the role and the experience of the individual and is appropriately benchmarked against the market. The individual's performance is reviewed on an annual basis with any salary changes normally effective 1 January.

Pension benefits for senior executives are in line with the wider workforce (i.e. 3% of qualifying earnings up to HMRC's banding limit).

Benefits also include a death in service benefit for executive directors and the wider workforce. Private medical insurance is provided for Sam Bazini and Eoin Macleod and to satisfy legacy "benefit in kind" arrangements for acquired businesses.

Annual bonus

The annual bonus is intended to reflect performance delivered over the financial year for our shareholders and stakeholders. Bonuses are paid in cash, based on Group performance and individual director contributions, and are discretionary.

LTIP

The LTIP is intended to align the interests of the executive directors with the shareholders and stakeholders in the long term. Share options, which may be granted under CSOP or EMI when under HMRC limits, are also granted at the Committee's discretion. Share option awards to executive directors have a minimum vesting period of three years and are underpinned by three-year objective Group performance conditions.

Non-executive director remuneration

Remuneration is set having regard for the need to attract and retain high quality individuals with the skills, experience and time to excel in their role. Fees are paid in cash and are set based on market rates in comparative companies.

Some non-executive directors had previously participated in the pension arrangements on the same basis as the wider workforce (as described above). With effect from April 2026, non-executive directors will no longer participate.

Service Contracts and non-executive directors' Letters of Appointment

The executive directors have rolling contracts that are terminable on 12 months' notice in the case of Sam Bazini and Eoin Macleod and six months' notice in the case of Neil Rodol and Sally Craig. As noted below, Paul Hagon provides services to the Group through Ward & Hagon. The Chairman and other non-executive directors have each accepted a letter of appointment which is terminable on three months' notice.

Remuneration of employees below the Group board

Employees below the Group board receive base salary, death in service benefit, annual bonus and may be invited to participate in the option scheme as well as being eligible to participate in the CSOP or EMI on the same terms as other eligible employees. Pay and conditions throughout the Group are taken into consideration when setting remuneration policy. The Committee does not consult other employees when setting executive remuneration.

Shareholder consultation

The Committee's policy is to consult with major shareholders in respect of significant decisions on executive remuneration. The Chair of the Remuneration Committee is available for contact with investors concerning the Company's approach to remuneration.

Consideration of new executive directors or senior executives

When recruiting or promoting any senior executive, we seek to apply consistent policies on fixed and variable remuneration components in line with the remuneration policy set out above.

Directors' Remuneration for the year ended 31 December 2025

	Salary £'000	Pension £'000	Benefits £'000	Bonus £'000	Total Remuneration 2025 £'000	Total Remuneration 2024 £'000
S Bazini	289	-	9	-	298	463
E Macleod	289	-	18	-	307	465
N Rodol	234	1	-	75	310	374
S Craig	87	1	-	10	98	77
C Garston	90	-	-	-	90	75
P Hagon	44	-	-	-	44	42
K Sadler	53	-	-	-	53	50
S Daly	53	1	-	-	54	51
I Thambiah	53	1	-	-	54	51

** Shares granted to consultancy company Ward & Hagon Management Consulting LLP, of which director Paul Hagon is a member*

Salaries during 2025

With effect from 1 January 2025, the salaries of Sam Bazini (CEO) Eoin Macleod, Neil Rodol (CFO) and Paul Hagon (executive director) were increased by c.5%, in line with the employee average.

For Sally Craig (General Counsel & Company Secretary), in light of a 25% increase in her time commitment, her salary was commensurately increased to £94,500 effective from 1 May 2025.

Paul Hagon, an executive director, is a member of Ward & Hagon. In addition to the salary paid to Paul Hagon (per the table above), Ward & Hagon were paid consulting fees of £255,000 (2024: £225,000), £88,838 commission (2024: £101,504) and expenses of £3,904 in 2025 (2024: £8,487).

The fee of the Chairman was £90,000 and the base fee of our non-executive directors was £52,500.

Ward & Hagon Management Consulting LLP

Paul Hagon provides services to the Group through Ward & Hagon Management Consulting LLP, of which Paul Hagon is a partner, and which is owned by an entity in which Paul Hagon has a material interest ("Ward & Hagon"). Ward & Hagon were originally appointed in February 2020 to provide additional strategic resource and to assist the Company in implementing its strategic growth plans. This contract was extended most recently for an initial period of two years from 1 January 2024, and from 1 January 2026 is terminable

by six months' notice by either party. Ward & Hagon are remunerated by fees, commission and options which were granted on 1 March 2022, and which are referred to in the table of share options below.

Bonus in year

Executive Directors were eligible for a discretionary bonus for the year to 31 December 2025, which was based primarily on the achievement of the Company's budget for the financial year, as well as a broader assessment of other financial and strategic achievements for the role. Following assessment of performance, bonuses were paid to Neil Rodol (32% of salary) and Sally Craig (12% of salary). Neil Rodol's bonus was half of that received in 2025 and Sally Craig's bonus was slightly above that received in 2025, but was reflective of the enhanced workload required in the year to support one acquisition and two disposals. Sam Bazini and Eoin Macleod informed the Committee that they wished to waive any entitlement and therefore no annual bonus was paid for the year.

Long term incentives

There were no options exercised in the year by any director.

Directors' interests and share options as at 31 December 2025

As at 31 December 2025, the following directors held the following performance related share awards (Enterprise Management Incentive Scheme Options or CSOPs) over ordinary shares of 25p each under the Warpaint London plc Enterprise Management Incentive Scheme and the Warpaint London plc Company Share Option Plan. For details of the share option schemes see Note 23 in the Consolidated Financial Statements.

No long term incentives were granted in 2025.

	Type of Share Award	Date of Grant	Number of options at 31 December 2025	Exercise Price	End of Performance Period/First Exercise Date	Number of options at 31 December 2024
S Bazini	-	-	-	-	-	-
E Macleod	-	-	-	-	-	-
N Rodol	CSOP	24.11.2023	9,230	325.0p	24.11.2026	9,230
	EMI (Non-Qualifying)	24.11.2023	110,770	325.0p	24.11.2026	110,770
	EMI (Non-Qualifying)	5.12.2024	120,000	490.0p	5.12.2027	120,000
S Craig	EMI	29.06.2017	10,000	237.5p	29.06.2020	10,000
	CSOP	20.05.2020	10,000	49.5p	20.05.2024	10,000
	CSOP	24.11.2023	10,000	325.0p	24.11.2026	10,000
	EMI (Non-Qualifying)	5.12.2024	10,000	490.0p	5.12.2027	10,000
P Hagon	(Non-Qualifying)	01.03.2022	*200,000	127.5p	01.03.2025	*200,000
C Garston	-	-	-	-	-	-

K Sadler	-	-	-	-	-
S Daly	-	-	-	-	-
I Thambiah	-	-	-	-	-

** Shares granted to consultancy company Ward & Hagon Management Consulting LLP, of which director Paul Hagon is a member. Further details of this award are disclosed in Note 24*

The directors, who held office at 31 December 2025, had the following interests in the ordinary shares of 25p each in the capital of the Company:

	Number of share options held at 31 December 2025	Number of Ordinary Shares held at 31 December 2025	Ordinary Shares as % of issued share capital	Number of Ordinary Shares held at 31 December 2024
S Bazini (a)	-	15,994,227	19.80	15,994,227
E Macleod (b)	-	15,994,227	19.80	15,994,227
N Rodol	240,000	105,921	0.13	105,921
S Craig	40,000	980	0.00	980
P Hagon	*200,000	32,615	0.04	32,615
C Garston	-	132,197	0.16	132,197
K Sadler	-	44,899	0.05	42,399
S Daly	-	6,040	0.01	6,040
I Thambiah	-	1,960	0.00	1,960

** Shares granted to consultancy company Ward & Hagon Management Consulting LLP, of which director Paul Hagon is a member.*

The above holdings:

(a) include 4,250,000 (2023: 4,250,000) shares are held by the wife of Sam Bazini

(b) include 4,250,000 (2023: 4,250,000) shares are held by the wife of Eoin Macleod

For details of the share option schemes see Note 23 in the Consolidated Financial Statements.

There were no changes in the shareholdings of the directors between 31 December 2025 and the date of this report.

Remuneration in 2026

Executive remuneration will be operated in 2026 as set out below.

Salaries and fees

Effective 1 January 2026, the executive directors received salary increases of 3.7%, in line with the employee average. As a result, the salaries of the CEO, MD, CFO, General Counsel & Company Secretary, and Paul Hagon, executive director are £299,434; £299,434; £242,814, £97,997 and £45,732, respectively. Paul Hagon will continue to provide services through Ward & Hagon.

Effective 1 January 2026, the annual fee of the Chairman was increased by 7% to £96,300, an uplift to

reflect the Committee's review of market data and time commitment for the role. The base fee for the non-executive directors was increased in line with the employee average by 3.7% to £54,443.

Annual bonus plan

Annual bonus will operate in 2026 in a similar way to its operation in 2025.

Long term incentives

Following the absence of any grants during 2025, the Committee intends to grant share options to employees during 2026, including to Neil Rodol, Sally Craig and another senior executive. Awards of market value share options will be granted at the level of 100% and 75% of salary to Neil Rodol and Sally Craig, respectively. It is the intention that these awards be granted under the EMI scheme.

No share options will be granted to Sam Bazini and Eoin Macleod in 2026. The Committee will review their participation for 2027 during the year ahead.

As market value share options, growth in the share price is required in order for the awards to generate value. In addition, the vesting of awards will be subject to a three-year performance condition requiring Earnings per Share growth of 5% p.a..

I hope that you have found this report helpful and informative. We would welcome any feedback you have on this report and our remuneration, and I can be contacted through the Company Secretary.

Indira Thambiah

Chair Remuneration Committee

Directors' Report

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report for the year ended 31 December 2025. The Corporate Governance statement forms part of this report.

Going concern

The Company's going concern statement can be found in Note 1 Material Accounting Policies in the Consolidated Financial Statements.

Results and dividends

The directors recommend a final dividend of 9.0 pence per ordinary share for the year ended 31 December 2025, to be paid on 3 July 2026 to shareholders on the register at 12 June 2026. The shares will go ex-dividend on 11 June 2026. The final dividend, when added to the interim dividend of 4.0 pence per share gives a total dividend for the year of 13.0 pence per share. In the year ended 31 December 2024 the final dividend per ordinary share was 7.5 pence per share and the interim dividend 3.5 pence per share, giving a total dividend for the year ended 31 December 2023 of 11.0 pence per share.

Directors

The following directors who held office during the year are as follows:

Non-executive Chairman

C Garston

Executive directors

S Bazini

E Macleod

N Rodol

S Craig

P Hagon

Non-executive directors

K Sadler

I Thambiah

S Daly

In compliance with the 2023 QCA Code, all directors will retire by rotation and stand for re-election at the 2026 AGM.

Likely Future developments

Details of the Group's future developments are contained in the Strategic report.

Substantial shareholdings

The Group is aware of the following shareholdings of 3% or more in the share capital as at 31 December 2025:

Shareholder	Number of Shares	%
S Bazini (including connected parties)	15,994,227	19.80
E Macleod (including connected parties)	15,994,227	19.80
Schroders plc	8,059,259	9.98
Rathbones Group Plc	4,884,610	6.05

Financial instruments

The Group's financial risk management objectives and policies are discussed in Note 25 to the Consolidated Financial Statements.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that BDO LLP be re-appointed as auditors of the Group will be put to the Annual General Meeting.

Indemnity of Directors

The Company has purchased and maintained directors' and officers' liability insurance for the board.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Employees

It is the Company's policy not to discriminate between employees or potential employees on any grounds. Full and fair consideration is given to the recruitment, training and promotion of disabled people and, should staff become disabled during the course of their employment, efforts are made to provide appropriate re-training. Further information about the Company's engagement with its employees is set out in the ESG report and the Section 172 Report (Engagement with Stakeholders).

Engagement with Key Stakeholders

The Company believes that engagement with its principal stakeholders is vital to enhancing the Group's value and promoting its long-term success. Details of the identity of and engagement with key stakeholders are set out in the ESG report and the Section 172 Report (Engagement with Stakeholders).

Streamline Energy and Carbon Reporting ("SECR")

Our SECR covers the energy consumption and Greenhouse Gas ("GHG") emissions for the period 1 January 2025 to 31 December 2025 (with comparatives shown for the same period in 2024). The tables below show for the financial years 2025 and 2024, the energy and GHG emissions from business activities involving the combustion of gas, and the purchase of electricity in both kWh and tCO₂e.

Financial Year 2025	Energy Usage in kWh	GHG Emissions in tCO2e
Scope 1	155,836	28.5
Scope 2	270,770	47.9
Scope 3	26,637	6.5
Total for 2025	456,243	82.9
Intensity ratio (tCO2e per £mil)		0.79

Financial Year 2024	Energy Usage in kWh	GHG Emissions in tCO2e
Scope 1	232,131	42.5
Scope 2	293,723	60.8
Total for 2024	525,854	103.3
Intensity ratio (tCO2e per £mil)		1.02

We have selected an intensity metric based on Group sales and this is 0.79 tCO2e/£mil in the year (2024: 1.02 tCO2e/£mil). We will use this sales-driven ratio to monitor our energy efficiency performance over time.

The Group includes energy efficiency measures whenever possible in carrying out its business, and when making operational decisions. In 2024, the Group completed the upgrade of internal and external lighting to LED units throughout all its sites. In 2024 Warpaint completed the installation of solar panels to the roof at its largest warehouse site. These provide electricity throughout the year and from 2025 have returned any surplus energy back to the grid. In 2025 we fitted LED lighting throughout our new warehouse and distribution facility in Burnley. The number of electric cars driven by employees again increased in 2025, resulting in additional charging points being added at our site in Burnley and in 2026 at our Iver site.

New technologies continue to be considered to improve the environmental performance of the Group's sites, to reduce energy consumption and improve overall energy efficiency throughout the business.

SECR METHODOLOGY

The figures quoted include meter readings for electricity and gas, and diesel usage in litres taken from receipts. Conversion factors used are taken from the GOV.UK website www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025 and www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024 to calculate emissions for Scope 1, 2 and 3.

SECR MATERIALITY

The data provided by the Group has been determined as accurate and complete and covers the Group's operations in the United Kingdom, specifically the operations of the two UK subsidiaries, Warpaint Cosmetics (2014) Limited and Badgequo Limited.

Research and Development

The Company did not carry out any research and development in the year (2024: £nil).

Post Balance Sheet Events

Details of the Group's post balance sheet events are discussed in Note 29 to the Consolidated Financial Statements.

Corporate Governance

The corporate governance statement set out earlier in this document forms part of this report.

Statement of disclosure to the auditors

So far as the directors are aware:

- (a) there is no relevant audit information of which the Company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

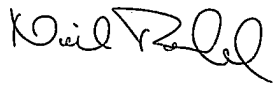
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards, and the Company financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards or United Kingdom Generally Accepted Accounting Practice; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

On behalf of the board

A handwritten signature in black ink, appearing to read 'Neil Rodol', with a stylized, cursive flourish at the end.

Neil Rodol
Chief Financial Officer
28 April 2026

Independent auditor's report to the members of Warpaint London PLC

Report on the audit of the financial statements

Opinion

In our opinion:

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

We have audited the financial statements of Warpaint London PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise of the following:

Group	Parent Company
Consolidated statement of comprehensive income	Company statement of financial position
Consolidated statement of financial position	Company statement of changes in equity
Consolidated statement of changes in equity	
Consolidated statement of cash flows	
Notes 1 to 30 to the consolidated financial statements	Notes 1 to 11 to the company financial statements
Material accounting policy information	Summary of significant accounting policies

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the process the Directors followed to make their assessment, including checking if the assessment and underlying projections were prepared by appropriate individuals with sufficient knowledge of the underlying financial information as well as an understanding of the Group's markets, strategies and risks;
- Understanding, challenging and corroborating the key assumptions included in Group's cash flow forecasts in the context of historic performance. Further we considered the Group's assessment of the impact of the current macro-economic environment, as well as the geopolitical landscape, and we have corroborated the Group assumptions used to our knowledge of the business and independent market data, along with the findings from other areas of our audit;
- Understanding the Group's undrawn borrowing facilities, including any financial covenants or restrictions on their utilisation, and assessing how these facilities were considered by the Directors in their going concern assessment;
- Comparison of the post year end trading results to the forecasts so as to assess whether there are any significant adverse matters that could impact the forecasts used in the going concern assessment;
- Evaluating via inquiry with the Directors, review of board minutes and review of external resources the potential impact of any a) macroeconomic influences (including inflationary pressures) and b) one-off cash outflows that may have been omitted from cash flow forecasts and assessing the impact these could have on future cash flows and cash reserves;
- Assessing appropriateness of stress test scenarios, and challenging whether other reasonably possible scenarios could occur and considering whether the assumptions included within these were appropriate. In doing so we also challenged the mitigations provided by the Directors in the event of a reasonable downside scenario occurring; and
- Considering the adequacy of the disclosures relating to going concern included within the annual report against the requirements of the accounting standards and consistency of the disclosures against the forecasts and going concern assessment.

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

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

Overview

Key audit matters	2025	2024
	Revenue recognition	✓
Materiality	<i>Group financial statements as a whole</i>	
	£1,000,000 based on 1% of revenue, capped to £1,000,000 (2024: £1,050,000 based on 4.3% of profit before tax adjusted for acquisition related expenses, amortisation of acquired intangibles and share based payments)	

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

From the above risk assessment and planning procedures, we determined which of the Group's components were likely to include risks of material misstatement relevant to the Group's financial statements. We then determined the type of procedures to be performed at these components.

As part of performing our Group audit, we have determined the components in scope as follows:

Warpaint Cosmetics (2014) Limited, Badgequo Limited, Brand Architekts Limited, Marvin Leeds Marketing Services Inc, Warpaint London plc, Brand Architekts Group Limited and Warpaint Cosmetics (ROI) Limited.

In determining components, we have considered how components are organised within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities. Lack of commonality of controls across the Group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the aggregation of components.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures.
- procedures on one or more classes of transactions, account balances or disclosures
- specific audit procedures

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following:

Component	Component Name	Group Audit Scope
1	Warpaint Cosmetics (2014) Limited	Procedures on the entire financial information of the component.
2	Badgequo Limited	Procedures on the entire financial information of the component.
3	Brand Architekts Limited	Procedures on the entire financial information of the component.
4	Marvin Leeds Marketing Services Inc	Procedures on one or more classes of transactions, account balances or disclosures
5	Warpaint London PLC	Procedures on one or more classes of transactions, account balances or disclosures
6	Brand Architekts Group Limited	Procedures on one or more classes of transactions, account balances or disclosures
7	Warpaint Cosmetics (ROI) Limited	Specific audit procedures

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Changes from the prior year

There have been changes to the group audit scope compared to the prior year. Two new components, Brand Architekts Group Limited and Brand Architekts Limited, have been added to the group audit scope in the current year as a result of acquisition completed during the year.

Key audit matters

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

Key audit matter		How the scope of our audit responded to the risk
Revenue Recognition Refer to Note 2 and relevant accounting policy in Note 1	The Group has recorded revenues of £105.3m in the year, representing an increase on the prior year amount of £101.6m. Revenue is measured net of any rebates or discounts granted to customers. The Group records revenues at the point in time when goods have been delivered to the customers; for overseas sales, however the performance obligation is considered fulfilled upon delivery to either the port of departure or according to the terms of sale agreed with the customer. We identified a significant risk that revenue could be overstated by posting unusual journals in revenue. As a result of the above, we considered revenue recognition to be a key audit matter.	We assessed and evaluated management's accounting policy for revenue recognition in accordance with IFRS 15. We updated our understanding of the nature of journal entries posted into revenue throughout the year. These journals are mainly transactional in nature. We set our journal testing criteria based on the expectation of postings to revenue debiting trade receivables and/or reclassification between different revenue account codes. For each of the journals identified which did not meet the criteria set out above, we performed the following: • We enquired of management as to the rationale for the journal posted. • We traced the journal to the appropriate corresponding entry and checked that postings were made to correct account. • We also obtained and agreed the journal entries selected to supporting documentation to check if postings made had valid business reasons and were in the correct accounting period. Key observations: We have not identified any issues on the work we have performed regarding the Group's recognition of revenue that would indicate that revenue is materially misstated.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2025 £	2024 £	2025 £	2024 £
Materiality	1,000,000	1,050,000	810,000	825,000
Basis for determining materiality	1% of revenue, capped at £1,000,000	4.3% of profit before tax adjusted for acquisition related expenses, amortisation of acquired intangibles and share based payments.	1.50% of gross assets	1.50% of gross assets capped at 78% of Group materiality
Rationale for the benchmark applied	We considered revenue to be the most appropriate measure for the basis of materiality given revenue is a more stable and consistently monitored measure and a key metric for users of the financial statements.	We considered adjusted profit before tax to be the most appropriate measure for the basis of materiality given the importance of underlying trading profit as a measure for users of the financial statements in assessing the performance of the Group.	Warpaint London plc ("the Parent Company") is the holding company that does not trade but holds investments in the subsidiary companies. Therefore, we consider gross assets to be, the most appropriate benchmark for materiality.	The component materiality used is lower of the materiality determined using a benchmark of 1.50% of gross assets and 78% of the Group materiality.

Performance materiality	750,000	735,000	607,000	577,500
Basis for determining performance materiality	75% (2024: 70%) of Group materiality, based on our overall risk assessment. In setting the level of performance materiality, we considered a number of factors including the control environment, our testing strategy, the expected total value of known and likely misstatements (based on past experience and other factors) and management's attitude towards proposed adjustments.		75% (2024: 70%) of Parent Company materiality, based on our overall risk assessment. In setting the level of performance materiality, we considered a number of factors including the control environment, our testing strategy, the expected total value of known and likely misstatements (based on past experience and other factors) and management's attitude towards proposed adjustments.	
Rationale for the percentage applied for performance materiality				

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 30% and 95% (2024: 41% and 90%) of Group performance materiality dependent on a number of factors including size of component and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £225,000 to £712,000 (2024: £302,400 to £661,500).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £50,000 (2024: £42,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the *Annual Report* other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of non-compliance with applicable laws and regulations. These included but were not limited to the Companies Act 2006 (including section 172 and SECR), AIM listing rules, tax legislation in the jurisdictions in which the Group operates.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety at work Act, employment legislation, data protection legislation, VAT regulations and Customs Act.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Confirmed with Management that there was no correspondence with regulatory and tax authorities;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of corporate tax, employment tax and indirect tax experts in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;
- Confirmation with external legal counsel of current claims; and
- Review of the Group's internal summary of claims and litigations and consultation with the Group's internal legal counsel

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud be management's capability to override controls and, as noted in our key audit matter, the appropriateness of revenue recognition around the year end where incentive might exist to accelerate revenue.

Our procedures in respect of the above included:

- We performed a detailed walkthrough of the financial reporting process flow and assessed the design and implementation of controls around review of management reports;
- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing the sample to supporting documentation;
- Introducing an element of unpredictability into our audit work, we tested an additional sample on a random basis, outside of our defined risk criteria, by agreeing the sample to supporting documentation;
- Testing a sample of post year end journals based on a defined risk criteria, to identify any unusual postings after period end and agreed these entries to supporting documentation;
- For significant and unusual transactions, particularly those occurring at or near year end, we obtained evidence for the rationale of these transactions and evidence supporting the transactions;
- We considered management's estimates and judgements applied in the preparation of the financial statements throughout the audit, specifically around recognition of pension surplus, provision of inventory and recognition of intangibles on acquisition, individually and in aggregate, to evaluate whether there were any indications of bias in the application of these judgements;
- In response to the risk of fraud in revenue recognition we have performed the procedures set out in the key audit matters section of our report. We performed a critical review of the consolidation and, in particular, manual or late journals posted at consolidation level; and
- We performed analysis of adjusted and unadjusted audit differences for indicators of bias or deliberate misstatement.

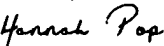
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:

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Hannah Pop (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

28 April 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

		Year ended 31 December	
		2025 £'000	2024 £'000
Revenue	Note		
	2	105,082	101,607
Cost of sales	2	(60,343)	(59,739)
Gross profit		44,739	41,868
Administrative expenses	3,4	(29,783)	(17,921)
Impairment (loss)/gain on financial assets		(995)	39
Gain on bargain purchase	12	4,524	-
Profit from operations		18,485	23,986
Finance expense	5	(625)	(341)
Finance income	5	242	116
Profit before tax		18,102	23,761
Tax expense	6	(3,750)	(5,528)
Profit for the year attributable to equity holders of the parent company		14,352	18,233
<i>Item that will not be reclassified to profit or loss:</i>			
Re-measurement of defined benefit liability	13	1,085	-
<i>Item that will or may be reclassified to profit or loss:</i>			
Exchange gain on translation of foreign subsidiary		(41)	11
Total comprehensive income attributable to equity holders of the parent company, net of tax		15,396	18,244
Basic earnings per share (pence)	27	17.77	23.47
Diluted earnings per share (pence)	27	17.73	23.34

The notes on pages 95 to 157 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

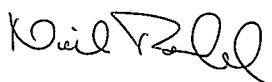
		As at 31 December	
	Note	2025	2024
		£'000	£'000
Non-current assets			
Goodwill	8	7,274	7,274
Intangibles	9	4,318	90
Property, plant, and equipment	10	3,373	2,527
Right-of-use assets	11	9,513	4,073
Deferred tax assets	19	1,221	568
Retirement benefit surplus	13g	3,339	-
Total non-current assets		29,038	14,532
Current assets			
Inventories	14	31,351	31,192
Trade and other receivables	15	19,957	16,336
Corporation tax recoverable		1,850	273
Cash and cash equivalents	16	15,985	21,887
Derivative financial instruments	25	-	1,340
Total current assets		69,143	71,028
Total assets		98,181	85,560
Current liabilities			
Trade and other payables	17	(7,883)	(7,630)
Lease liabilities	18	(1,275)	(1,326)
Derivative financial instruments	25	(129)	-
Total current liabilities		(9,287)	(8,956)
Non-current liabilities			
Lease liabilities	18	(8,541)	(2,919)
Deferred tax liabilities	19	-	(391)
Total non-current liabilities		(8,541)	(3,310)
Total liabilities		(17,828)	(12,266)
NET ASSETS		80,353	73,294

The notes on pages 95 to 157 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

		2025	2024
		£'000	£'000
Equities			
Share capital	21	20,197	20,171
Share premium		34,114	34,114
Merger reserve		(15,584)	(16,100)
Foreign exchange reserve		(8)	33
Share based payment reserves	23	1,041	652
Retained earnings		40,593	34,424
TOTAL EQUITY		80,353	73,294

The financial statements of Warpaint London plc were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



Neil Rodol
Chief Financial Officer

Date: 28 April 2026

The notes on pages 95 to 157 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Share Capital	Share Premium	Merger Reserve	Foreign exchange reserve	Share based payment reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December 2023	19,314	19,726	(16,100)	22	594	23,249	46,805
<i>Comprehensive Income for the year</i>							
Profit for the year	-	-	-	-	-	18,233	18,233
<i>Other comprehensive income:</i>							
Exchange gain arising on translation of foreign subsidiaries	-	-	-	11	-	-	11
Total comprehensive income for the year	-	-	-	11	-	18,233	18,244
<i>Contributions by and distributions to owners</i>							
Equity shares issued (note 21)	857	14,835	-	-	-	-	15,692
Share issue costs (note 21)	-	(447)	-	-	-	-	(447)
Transfer to retained earnings for exercised share options	-	-	-	-	(321)	321	-
Deferred tax movement	-	-	-	-	30	-	30
Share based payment charge	-	-	-	-	349	-	349
Dividends paid	-	-	-	-	-	(7,379)	(7,379)
Total contributions by and distributions to owners	857	14,388	-	-	58	(7,058)	8,245
As at 31 December 2024	20,171	34,114	(16,100)	33	652	34,424	73,294
<i>Comprehensive Income for the year</i>							
Profit for the year	-	-	-	-	-	14,352	14,352
<i>Other comprehensive income:</i>							
Exchange gain arising on translation of foreign subsidiaries	-	-	-	(41)	-	-	(41)
Remeasurement of defined benefit liability (note 13)	-	-	-	-	-	1,085	1,085
Total comprehensive income for the year	-	-	-	(41)	-	15,437	15,396
<i>Contributions by and distributions to owners</i>							
Equity shares issued (note 21)	26	-	516	-	-	-	542
Transfer to retained earnings for expired share options	-	-	-	-	(23)	23	-
Deferred tax movement	-	-	-	-	(208)	-	(208)
Share based payment charge	-	-	-	-	620	-	620
Dividends paid	-	-	-	-	-	(9,291)	(9,291)
Total contributions by and distributions to owners	26	-	516	-	389	(9,268)	(8,337)
As at 31 December 2025	20,197	34,114	(15,584)	(8)	1,041	40,593	80,353

The notes on pages 95 to 157 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	Year ended 31 December	
		2025 £'000	2024 £'000
Operating activities			
Profit before tax		18,102	23,761
<i>Non-cash items:</i>			
Finance expense	5	625	341
Finance income	5	(242)	(116)
Impairment loss/(gain) on financial assets		995	(39)
Gain on bargain purchase	12	(4,524)	-
Depreciation of property, plant and equipment	10	1,274	934
Depreciation on right of use assets	11	1,524	1,273
Loss on disposal of property, plant and equipment	3	105	9
Loss on disposal of subsidiary	12	44	-
Amortisation of intangible assets	9	294	26
Impairment of intangible assets	9	122	-
Profit on sale of intangibles	9	(123)	-
Share based payments	23	620	349
Contributions to defined benefit pension scheme	13	(292)	-
Movement in derivative financial instruments		1,469	(1,858)
Increase in deferred tax liabilities	19	-	24
Foreign exchange impact		26	45
<i>Other adjustments:</i>			
Acquisition related costs	3	-	418
<i>Working capital adjustments:</i>			
Decrease/(increase) in inventories	14	2,647	(2,807)
Decrease/(increase) in trade and other receivables	15	165	(3,190)
Decrease in trade and other payables	17	(3,053)	(1,943)
Cash generated from operations		19,778	17,227
Tax paid		(5,431)	(8,070)
Net cash flows from operating activities		14,347	9,157
Investing activities			
Acquisition related costs	3	-	(418)
Acquisition of subsidiary, net of cash acquired (note 2 below)	12	(7,362)	-
Purchase of intangible assets	9	(2)	(23)
Purchase of property, plant and equipment	10	(2,184)	(2,237)
Proceeds from sales of property, plant and equipment		2	12
Proceeds from the sale of intangible assets		275	-
Proceeds from disposal of subsidiary net of cash disposed	12	118	-
Interest received	5	242	116
Net cash used in investing activities		(8,911)	(2,550)
Financing activities			
Loans received from Directors		-	14,000
Loans repaid to Directors		-	(14,000)
Lease payments	18	(1,393)	(1,270)
Proceeds from issued share capital		-	15,245
Lease liability interest	18	(473)	(206)
Interest paid	5	(152)	(135)
Dividends	20	(9,291)	(7,379)
Net cash (used in)/from financing activities		(11,309)	6,255

The notes on pages 95 to 157 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

		Year ended 31 December	
		2025	2024
	Note	£'000	£'000
Net (decrease)/increase in cash and cash equivalents		(5,873)	12,862
Cash and cash equivalents at beginning of period		21,887	9,053
Exchange loss on cash and cash equivalents		(29)	(28)
Cash and cash equivalents at end of period	16	15,985	21,887
Cash and cash equivalents consist of:			
Cash and cash equivalents ¹	16	15,985	21,887
		15,985	21,887

Note 1: Cash and cash equivalents in 2024 include restricted cash of £14,021,000 (see Note 16) which was held in an escrow account at 31 December 2024. The funds were released in February 2025 and utilised in the acquisition of Brand Architekts Group PLC. Further details of this acquisition are provided in Note 12.

Note 2: On 12 February 2025, the Company issued 103,422 ordinary shares of £0.25 each at £5.24 per share as partial consideration for the acquisition of Brand Architekts Plc

The notes on pages 95 to 157 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT ENDED 31 DECEMBER 2025

1. Material accounting policies

Basis of preparation

The financial statements of Warpaint London PLC (the “Company” or “Warpaint”) and its subsidiaries (together the “Group”) for the year ended 31 December 2025 were authorised for issue by the board of directors on 28 April 2026.

Warpaint London PLC is a public limited Company incorporated and registered in England and Wales. Its registered office is Units B&C, Orbital Forty-Six, The Ridgeway Trading Estate, Iver, Buckinghamshire, SL0 9HW.

The Group’s financial statements have been prepared in accordance with UK adopted international accounting standards and in conformity with the requirements of the Companies Act.

The financial statements are presented in pounds sterling and are rounded to the nearest thousand (£’000) except where otherwise indicated foreign operations are included in accordance with policies set out in the Foreign Currencies accounting policy.

The annual financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are carried at fair value.

The preparation of financial statements in accordance with UK adopted international accounting standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on management’s best knowledge of current events and actions, actual results ultimately may differ from those estimates. The principal accounting policies adopted are set out below.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. All subsidiaries have a reporting date of December.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

1. Material accounting policies (continued)

On consolidation, the results of overseas operations are translated into pounds sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in the profit or loss of the Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Going concern

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of signing of these accounts. The Group made a statutory profit after tax of £14.3 million in the year to 31 December 2025 (2024: £18.2 million) and had net current assets of £59.9 million at 31 December 2025 (2024: £62.1 million).

The Group occasionally makes use in its Retra Holdings Limited ("Retra") subsidiary of a £6.0 million bank facility that can be used for confidential invoice discounting, and a £2.0 million bank facility that can be used for stock finance, which is used if needed during the peak gift buying season. These facilities are ongoing without a fixed term. In addition, the Group has a £1.0 million general purpose bank facility in its Warpaint Cosmetics (2014) Limited ("Warpaint Cosmetics") subsidiary. This facility was renewed for another year on 10 March 2026 and was put in place to support the continued growth of the business. As at the year end £nil of the bank facilities were utilised and the Directors expect that in 2026 the facilities will rarely be used, if at all and only to modest levels well within the facility limits, to support the day to day working capital of the business. At the 31 March 2026 the Company had cash of £17.3 million (8 April 2025: £17.3 million), no debt and had used £nil of its bank facilities (8 April 2025: No debt and £nil bank facilities were used).

The Directors have prepared forecasts covering the period to December 2027, built from the detailed Board-approved budget for 2026. The forecasts include a number of assumptions in relation to varying levels of sales revenue. Whilst the Group's trading and cash flow forecasts have been prepared using current trading assumptions, the operating environment presents a number of challenges which could negatively impact the actual performance achieved. These challenges include, but are not limited to, achieving forecast levels of sales and order intake, the impact on customer confidence as a result of general economic conditions, achieving forecast margin improvements, supply side price inflation, increases in freight costs, and the director's ability to implement cost saving initiatives in areas of discretionary spend where required.

1. Material accounting policies (continued)

The Group's cash flow forecasts and projections, taking account of reasonable and possible changes in trading performance, offset by mitigating actions within the control of management including reductions in areas of discretionary spend, show that the Group will be able to operate comfortably through to the end of December 2027, and in Retra and Warpaint Cosmetics within the level of their own bank facility.

In preparing this analysis, a number of scenarios were modelled. The scenarios modelled were all based on varying levels of sales revenue, including one that assumes no growth for 2026 and 2027 as a reasonable downside scenario, and more extreme falls in revenue of up to 30% in both years as a worst-case scenario. In each scenario, mitigating actions within the control of management have been modelled. In addition, management have considered the changing US tariffs made in recent months and during 2025, even though sales into the US are a small part of the business (Sales 2025: £6.9 million, 2024: £8.7 million). Management calculated that the changes in tariff made an immaterial impact on the business and the carrying value of the goodwill in its US entity. Under each of the scenarios modelled, the Group has sufficient cash to meet its liabilities as they fall due and consequently, the directors believe that the Group has sufficient financial strength to withstand the possible disruption to its activities.

While the ongoing Middle East crisis has been monitored by management, it currently does not pose a threat to the Group's status as a going concern. The business maintains immaterial sales exposure within the affected region, ensuring that core revenue streams remain insulated from direct geopolitical volatility. The primary impacts are operational rather than structural, specifically involving fluctuations in shipping rates and extended transit times due to rerouted logistics. These inflationary pressures and delays are being managed through proactive supply chain adjustments and are not expected to impair the Company's ability to meet its financial obligations for the foreseeable future.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Revenue Recognition

Performance obligations and timing of revenue recognition

The Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains no control of the goods in question.

UK sales are recognised and invoiced to the customer once the goods have been delivered to the customer. Overseas sales are recognised and invoiced to the customer once the goods have been delivered to the customer or collected by the customer from the Group's warehouse according to the terms of sale. Online sales are recognised and invoiced to the customer once the goods have been delivered to the customer.

Under IFRS 15, volume rebates and early settlement discounts represent variable consideration and is estimated and recognised as a reduction to revenue as performance obligations are satisfied. Management recognises revenue based on the amount of estimated rebate and discounts to the extent that revenue is

1. Material accounting policies (continued)

highly probable of not reversing. Management monitors this estimate at each reporting date and adjusts it as necessary.

Determining the transaction price

Most of the group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Exceptions are as follows:

- Some contracts provide customers with a limited right of return. These relate predominantly, but not exclusively, to online sales direct to consumers and sales made to certain large retailers. Historical experience enables the group to estimate reliably the value of goods that will be returned and restrict the amount of revenue that is recognised such that it is highly probable that there will not be a reversal of previously recognised revenue when goods are returned.
- Variable consideration relating to volume rebates has been considered in estimating revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognised when the amount of volume rebates has been determined.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Practical Exemptions

The group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

Alternative Performance Measures

Alternative performance measures (APM's) are used by the Board to assess the Group's performance and are applied consistently from one period to the next. They therefore provide additional useful information for shareholders on the underlying performance and position of the Group. Additionally, adjusted profit from operations is used to determine adjusted EPS which is used in some instances for the Company's share option schemes. These measures are not defined by IFRS and are not intended to be a substitute for IFRS measures.

Adjusted numbers are closer to the underlying cash flow performance from recurring operations of the business, which is regularly monitored and measured by management.

Underlying results are used in the day-to-day management of the Group. They represent statutory measures adjusted for items which could distort the understanding of performance and comparability year on year. Non-underlying items include the amortisation of intangible assets, acquisition related costs in respect of the acquisition of Brand Architekts Group Plc (see note 12) and share-based payments.

Non-underlying items are considered by management to be non – cash items which are included as part of the consolidation process such as amortisation of intangible assets, other non – cash items and one-off

expenditure, such as exceptional items and foreign exchange gains and losses, which management consider will distort the performance measures being monitored.

1. Material accounting policies (continued)

The table below discloses the performance measures monitored by the Company.

	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Statutory profit from operations	£18.49m	£24.00m
Depreciation	£1.27m	£0.93m
Depreciation of right of use assets	£1.52m	£1.27m
Amortisation of intangible assets	£0.29m	£0.03m
Foreign exchange gain/loss	£2.23m	£ (2.0) m
EBITDA	£23.80m	£24.23m
Gain on bargain purchase**	£(4.52)m	
Exceptional Items*	£1.39m	£0.42m
Share based payments	0.62m	£0.35m
Adjusted EBITDA	£21.29m	£25.00m
Statutory profit from operations	£18.49m	£24.00m
Exceptional Items*	£1.39m	£0.42m
Amortisation of intangible assets	£0.29m	£0.03m
Gain on bargain purchase**	£(4.52)m	
Share based payments	£0.62m	£0.35m
Adjusted profit from operations	£16.27m	£24.80m
Adjusted profit margin from operations	£16.27m / £105.08m = 15.48%	£24.80m / £101.61m = 24.4%
Statutory PBT	£18.10m	£23.76m
Exceptional Items*	£1.39m	£0.42m
Amortisation of intangible assets	£0.29m	£0.03m
Share based payments	£0.62m	£0.35m
Gain on bargain purchase**	£(4.52)m	
Adjusted PBT	£15.88m	£24.56m
Statutory profit attributable to equity holders	£14.35m	£18.23m
Exceptional Items*	£1.39m	£0.42m
Amortisation of intangible assets	£0.29m	£0.03m
Share based payments	£0.62m	£0.35m
Gain on bargain purchase**	£(4.52)m	
Foreign exchange gain/loss	£2.23m	£ (2.0) m
Tax attributable to adjusting items	£(0.88)m	£0.29m
Adjusted profit attributable to equity holders	£13.48m	£17.32m
Weighted number of ordinary shares	80,774,765	77,691,505
Adjusted EPS	16.68p	22.29p

Exceptional Items*

Exceptional items are those which, in the directors' judgement, should be disclosed separately by virtue of their size, nature, or incidence to enable a full understanding of the group's financial performance. They include directly attributable acquisition costs, restructuring costs and other one-off costs as a result of the acquisition of Brand Architekts Group PLC.

Gain on bargain purchase**

The gain on bargain purchase relates to the acquisition of Brand Architekts in the year. See note 12 for further explanation.

1. Material accounting policies (continued)**Intangible assets*****Intangible assets acquired in a business combination***

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation is provided on customer lists and brands so as to write off the carrying value over the expected useful economic life of five and fifteen years. Other details of the acquisition are detailed in note 9.

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued, plus the amount of any non-controlling interests in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is considered to have an indefinite useful economic life and is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date and is shown as "gain on bargain purchase"

Impairment of non-financial assets (excluding inventories and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end.

Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

1. Material accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives. It is provided at the following rates:

Plant and machinery	-	25% reducing balance or 20% straight line
Fixtures and fittings	-	25% reducing balance or 20% straight line or 33.3% straight Line.
Computer equipment	-	25% reducing balance or 33.33% straight line
Motor vehicles	-	20% straight line

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic value (see "Financial liabilities" section for out-of-the-money derivatives classified as liabilities). They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

1. Material accounting policies (continued)

Impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available and has been adopted by the Group. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's financial assets measured at amortised cost comprise trade and other receivables, and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents include cash in hand, deposits held at call with banks and restricted cash held under escrow (see note 16). For the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises out-of-the-money derivatives where the time value does not offset the negative intrinsic value (see "Financial assets" for in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic value). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Other financial liabilities include the following items:

- Trade payables, other borrowings and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1. Material accounting policies (continued)

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk, through the use of foreign exchange rate forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Foreign currencies

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

Leases

The Group assesses whether contract is, or contains, a lease at the inception of the contract.

At the commencement date of a lease, a right of use asset and corresponding lease liability are recognised.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

1. Material accounting policies (continued)

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount ; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

1. Material accounting policies (continued)

Nature of leasing activities (in the capacity as lessee)

The group leases a number of properties in the jurisdictions from which it operates with a fixed periodic rent over the lease term. The group has a total of 7 property leases.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group also assesses the right-of-use asset for impairment when such indicators exist.

The right-of-use assets are included in a separate line within non-current assets on the Consolidated Balance Sheet.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of comprehensive income and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit at the time of the transaction, does not give rise to equal taxable and deductible temporary differences; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

1. Material accounting policies (continued)

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different Company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of the cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs are calculated using the FIFO (first in, first out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officers, Managing Director and the Chief Financial Officer.

The Board considers that the Group's activity constitutes two operating segments presented in Note 2, as defined under IFRS 8. Management reviews the performance of the Group by reference to total results against budget.

The total profit measures are operating profit and profit for the year, both disclosed on the face of the combined income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group financial information.

Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and shares in employee benefit trusts, determined in accordance with the provisions of IAS 33 earnings per Share. Diluted earnings per share is calculated by dividing earnings attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year adjusted for the potentially dilutive ordinary shares.

Share Capital

The Group's ordinary shares are classified as equity instruments. Costs specifically relating to the issue of shares are offset against any share premium arising on the issue of those shares. Any share issue costs in excess of share premium are expensed to the consolidated statement of comprehensive income.

1. Material accounting policies (continued)

Pension obligations

The Group operates both defined benefit and defined contribution pension plans.

i) Defined benefit plans

Defined benefit scheme surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date;
- less Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post employment benefit obligations; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- Actuarial gains and losses
- Return on plan assets (interest exclusive)
- Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

ii) Defined contribution plans

Costs of defined contribution pension plans are charged to the profit or loss in the year they fall due.

Exceptional items

Exceptional items are significant, non-recurring items of income or expense presented separately to aid understanding of underlying performance. In the current period, they relate primarily to acquisition costs, including professional and transaction fees, which are not expected to recur in the normal course of business.

1. Material accounting policies (continued)

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid to the shareholders. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

Changes in accounting policies

a) New standards, interpretations and amendments adopted from 1 January 2025

The following amendments are effective for the period beginning 1 January 2025:

- Lack of exchangeability (Amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates*)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 *The Effects of Changes in Foreign Exchange Rates* (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

These amendments had no effect on the consolidated financial statements of the Group.

The following illustrative examples have been issued during 2025 with no effective date:

- Illustrative examples on reporting uncertainties in financial statements

On 28 November 2025, the IASB issued *Disclosures about Uncertainties in the Financial Statements – Illustrative examples*, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near-final staff draft of the illustrative examples in July 2025. The Group has considered these illustrative examples in its preparation of

1. Material accounting policies (continued)

the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

b) *New standards, interpretations and amendments not yet effective*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*)
- *Contracts Referencing Nature -dependent Electricity* (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

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

The Group is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 *Presentation and Disclosure in Financial Statements*, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 *Basis of Preparation of Financial Statements* (renamed from *Accounting Policies, Changes in Accounting Estimates and Errors*). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group does not expect to be eligible to apply IFRS 19.

Critical accounting judgements and key sources of estimation uncertainty

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1. Material accounting policies (continued)

Key sources of estimation uncertainty

a) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of the cost and net realisable value. There is judgement involved in assessing the level of inventory provision required in respect of slow-moving inventory. Inventory is carried at a value of £31.3 million (2024: £31.2 million) at the year end.

To better manage the group business as we continue to grow, we have amended our stock provision policy. Instead of tracking the specific age of individual items, we now apply a flat 1.3% across our total stock value, plus we make provision for specific stock items that are slow moving or being sold at less than cost. The 1.3% value was derived after examining the running average of the group stock provisions for the previous four years, being 2021 to 2024.

The Group made a 1.3% general provision of its total stock holding at the year end. In addition, a further “net realisable value” provision is made to write stock down for any slow-moving items, or items that are being sold at less than cost. At the year end the general provision of 1.3% totalled £423,000, and the net realisable value provision totalled £178,000, making a total provision for the year of £601,000. If the same provision basis had been applied in 2024 the year end the general provision of 1.3% would have totalled £411,000, and the net realisable value provision would have totalled £84,000, making a total provision for the year of £495,000.

The previous provision basis was a 50% specific provisions for perishable items of stock that were greater than two years old. In 2024 we reported a provision of £423,000, and for 2025 the provision would have been £686,000 if the previous method was used.

b) Defined benefit pension

The present value of post-employment benefit obligations is determined on an actuarial basis using various assumptions, including the discount rate, inflation rate and mortality assumptions.

Changes in these assumptions can have a material impact on the defined benefit obligation and net pension position. Actuarial gains and losses arising from changes in assumptions and experience are recognised in other comprehensive income in the period in which they occur.

The Group uses independent actuaries to determine the assumptions, which are reviewed at each reporting date to reflect current market conditions.

Key assumptions and sensitivities for post-employment benefit obligations are disclosed in Note 12.

c) Business combinations

The accounting for business combinations requires significant estimation in determining the fair value of identifiable assets and liabilities at the acquisition date.

Valuation techniques, including discounted cash flow models, are used to measure identifiable intangible assets such as brands and customer relationships, requiring assumptions such as future cash flows, growth rates and discount rates.

Judgement is also required in recognising deferred tax assets on tax losses carried forward in the acquired entity. This assessment is based on the probability of future taxable profits and the period over which the losses can be utilised. Where recovery is not considered probable, a portion of the deferred tax asset is not recognised.

These estimates and judgements affect the fair value of net assets recognised and, consequently, the amount of gain on bargain purchase arising on acquisition.

1. Material accounting policies (continued)

Critical accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements.

Recognition of defined benefit pension surplus

In applying IAS 19 Employee Benefits, management has exercised judgement in determining whether, and to what extent, a surplus in the Group's defined benefit pension scheme is recoverable and can therefore be recognised as an asset.

In accordance with IFRIC 14 The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction, the amount recognised as an asset is limited to the economic benefits available to the Group in the form of refunds from the plan or reductions in future contributions.

The assessment of recoverability requires judgement and consideration of the scheme rules, funding arrangements and applicable legislation. In particular, management considers whether the Group has an unconditional right to a refund or whether the surplus can be recovered through reduced future contributions.

Recognition of deferred tax assets on tax losses

Management has exercised judgement in determining the extent to which deferred tax assets are recognised in respect of tax losses, particularly those arising in an acquired subsidiary, in accordance with IAS 12 Income Taxes.

This includes judgement as to whether it is probable that sufficient future taxable profits will be available against which the losses can be utilised, taking into account the specific circumstances of the acquired entity, including its historical performance, business plans and the period over which the losses can be used.

Deferred tax assets have been recognised only on those losses for which recovery is considered probable. Losses for which utilisation is not considered probable have not been recognised.

2. Segmental information

For management purposes, the Group is organised into two operating segments; Branded and Close-out. The segment 'Branded' relates to the sale of own branded products whereas 'Close-out' relates to the purchase of third-party stock which is then repackaged for sale. These segments are the basis on which the Group reports internally to the Board. The executive directors Sam Bazini, Eoin Macleod and Neil Rodol together with members from the Group's senior management teams are the chief operating decision makers of the whole business.

Year ended 31 December	2025	2025	2025	2024	2024	2024
	Branded	Close-out	Total	Branded	Close-out	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	102,582	2,500	105,082	99,357	2,250	101,607
Cost of sales	(58,911)	(1,432)	(60,343)	(58,416)	(1,323)	(59,739)
Gross profit	43,671	1,068	44,739	40,941	927	41,868
Administrative expenses	(25,707)	(594)	(26,301)	(15,253)	(396)	(15,649)
Depreciation	(1,274)	-	(1,274)	(934)	-	(934)
Depreciation of right of use assets	(1,524)	-	(1,524)	(1,273)	-	(1,273)
Amortisation	(294)	-	(294)	(26)	-	(26)
Gain on bargain purchase	4,524	-	4,524	-	-	-
Exceptional items	(1,385)	-	(1,385)	-	-	-
Profit from operations	18,011	474	18,485	23,455	531	23,986
Reconciliation of segment result to profit before tax:						
Segment result	18,011	474	18,445	23,455	531	23,986
Finance Income	242	-	242	116	-	116
Finance expense	(625)	-	(625)	(341)	-	(341)
Profit before tax	17,268	474	18,102	23,230	531	23,761
Analysis of total revenue by geographical market:						
UK	36,883	1,975	38,858	32,870	2,128	34,998
Europe – Other	8,686	69	8,755	10,283	10	10,293
Europe – Spain	12,409	29	12,438	14,623	84	14,707
Europe – Denmark	31,605	106	31,711	29,716	17	29,733
Rest of World – USA	6,540	321	6,861	8,649	11	8,660
Rest of World – Australia and New Zealand	5,145	-	5,145	2,168	-	2,168
Rest of World – Other	1,314	-	1,314	1,048	-	1,048
Total	102,582	2,500	105,082	99,357	2,250	101,607

2. Segmental information (continued)

During the year ended 31 December 2025, revenues of approximately £30.9 million (2024: £27.7 million) were derived from a single external customer based in Denmark, with operations across Europe (29.3%; 2024: 27.3%).

The Directors are not able to attribute the Group's assets and liabilities by reportable business segment.

Analysis of non-current assets by geographical market:

Year ended 31 December	2025	2025	2025	2024	2024	2024
	UK	USA	Total	UK	USA	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Goodwill	6,720	554	7,274	6,720	554	7,274
Customer lists	255	-	255	-	-	-
Brand	4,000	-	4,000	-	3	3
Patents	40	-	40	60	-	60
Website	23	-	23	27	-	27
Property, plant and equipment	2,915	458	3,373	1,986	541	2,527
Right of use assets	9,448	65	9,513	4,023	50	4,073
	23,401	1,077	24,478	12,816	1,148	13,964

The Group has disaggregated revenue into the following category:

Sales Type	Year ended 31 December	
	2025	2024
	£'000	£'000
Sales to retailers and distributors	93,479	93,199
E-commerce sales	11,603	8,408
	105,082	101,607

3. Operating profit

Operating profit for the period is stated after (crediting)/charging:

	Year ended 31 December	
	2025 £'000	2024 £'000
Foreign exchange loss/(gain)	2,227	(2,004)
Depreciation	1,274	934
Loss on disposal of property, plant and equipment	105	9
Profit on disposal on intangible assets	(123)	-
Impairment of intangible assets	122	-
Depreciation of right-of-use assets	1,524	1,273
Amortisation of intangible assets	294	26
Impairment (loss)/gain on financial assets	995	(39)
Exceptional items	1,385	418
Staff costs (note 4)	11,054	9,337
Write off of inventories	178	45
Inventories recognised as an expense (note 14)	49,462	50,244

Exceptional items are those which, in the directors' judgement, should be disclosed separately by virtue of their size, nature, or incidence to enable a full understanding of the group's financial performance. They include directly attributable acquisition costs, restructuring costs and other one-off costs as a result of the acquisition of Brand Architekts Group PLC. Further details of the acquisition are provided in note 12.

Auditor's Remuneration

Analysis of auditor's remuneration is as follows:

	Year ended 31 December	
	2025 £'000	2024 £'000
Fees payable to the Company's auditor for the audit of the Group's annual accounts	413	147
Fees payable to the Company's auditor and its associates for the audit of subsidiary companies	233	186
Total audit fees	646	333
Tax advice	-	5
Total non-audit fees	-	5

4. Staff costs

Year ended 31 December

2025	2024
£'000	£'000

Wages and salaries	9,540	8,199
Social security costs	1,279	1,004
Share based payment (note 23)	620	349
Pension costs (note 13)	235	134
	11,674	9,686

The average monthly number of employees during the period was as follows:

Year ended 31 December

2025	2024
No.	No.

Directors	9	9
Administrative	35	23
Finance	20	14
Warehouse	73	71
Sales	23	17
New Product Development and PR	27	21
	187	155

2025	2024
------	------

£'000	£'000
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Directors' remuneration, included in staff costs

Salaries and bonus	1,277	1,616
Share based payments (note 23)	108	74
Benefits	27	28
Pension contributions	4	4
	1,416	1,722

Remuneration of the highest paid director:

2025	2024
------	------

£'000	£'000
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Directors' remuneration, included in staff costs

Salaries and bonus	309	450
Pensions	1	-
Benefits	-	15
	310	465

4. Staff costs (continued)

The highest paid director did not exercise any share options in the year and had no shares receivable under long-term incentive schemes.

The highest paid director in 2025 is (2024: is not) a member of the Company's money purchase pension scheme.

Number of executive directors to whom retirement benefits are accruing under the money purchase pension scheme was 2 (2024: 2)

Number of non- executive directors to whom retirement benefits are accruing under the money purchase pension scheme was 2 (2024: Nil).

During the year no options over ordinary shares were of 25p each were exercised or sold by the Directors.

In 2024 Directors exercised 250,000 options over ordinary shares of 25p at an exercise price of 122p and sold for 485p.

The Directors of the Group are the only key management personnel.

5. Finance income and finance expenses

	Year ended 31 December	
	2025 £'000	2024 £'000
Finance income		
Interest received	242	116
	<u>242</u>	<u>116</u>
Finance expenses		
Lease liability interest (note 18)	(473)	(206)
Other interest relating to trade finance facilities	(152)	(135)
	<u>(625)</u>	<u>(341)</u>

6. Income tax

	Year ended 31 December	
	2025 £'000	2024 £'000
Current tax expense		
Current tax on profits for the period	3,852	5,335
Overprovided tax in respect of prior periods	-	(72)
	<u>3,852</u>	<u>5,263</u>
Deferred tax expense		
Origination and reversal of temporary differences	(102)	265
	<u>(102)</u>	<u>265</u>
Total tax expense	<u>3,750</u>	<u>5,528</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit for the year before tax as follows:

	Year ended 31 December	
	2025 £'000	2024 £'000
Profit for the period before taxation	18,102	23,761
Expected tax charge based on UK effective corporation tax rate of % (2024: 25% UK standard rate)	4,525	5,940
Expenses not deductible/(income not allowable)	(884)	(175)
Other adjustments	239	-
Different tax rates applied in overseas jurisdiction	(16)	(68)
Losses utilised	(114)	-
Reduction of deferred tax on losses utilised	-	(97)
Overprovided tax in prior years	-	(72)
	<u>3,750</u>	<u>5,528</u>
Total tax expense	<u>3,750</u>	<u>5,528</u>

The standard rate of UK corporation tax is 25% (2024: 25%). The Group's effective tax rate for the year is 20.72% (2024: 23.27%).

7. Subsidiaries

At the period end, the Group has the following subsidiaries:

<u>Subsidiary name</u>	<u>Nature of business</u>	<u>Place of incorporation</u>	<u>Percentage owned</u>
Warpaint Cosmetics Group Limited	Holding company	England and Wales	100%
Warpaint Cosmetics (2014) Limited*	Wholesaler	England and Wales	100%
W7 Cosmetics India Private Limited**	Wholesaler	India	100%
Treasured Scents (2014) Limited	Holding company	England and Wales	100%
Treasured Scents Limited*	Non – operating entity	England and Wales	100%
Warpaint Cosmetics Inc.	Holding company	U.S.A.	100%
Retra Holdings Limited	Holding company	England and Wales	100%
Badgequo Limited*	Wholesaler	England and Wales	100%
Badgequo Hong Kong Limited*	Supply chain management	Hong Kong	100%
Jinhua Badgequo Cosmetics Trading Co., Ltd*	Wholesaler	People's Republic of China	100%
Marvin Leeds Marketing Services, Inc.*	Wholesaler	U.S.A.	100%
Warpaint Cosmetics (ROI) Limited	Wholesaler	Republic of Ireland	100%
Beaute Sales EU Limited	Wholesaler	England & Wales	100%
Brand Architekts Group Limited	Holding company	England and Wales	100%
The Brand Architekts Limited *	Wholesaler	England and Wales	100%
MR. Haircare Limited *	Non – operating entity	England and Wales	100%
InnovaDerma Limited *	Holding company	England and Wales	100%
InnovaDerma UK Limited *	Non – operating entity	England and Wales	100%
SkinnyTan UK Limited *	Non – operating entity	England and Wales	100%
InnovaDerma AUS & NZ Pty Ltd *(owned from 12 Februray 2025 to 12 September 2025)	Wholesaler	Australia	100%
Skinny Tan Pty *	Wholesaler	Australia	100%
Innova Science, Inc *	Wholesaler	U.S.A.	100%

* Indicates indirect interest

** incorporated 31 October 2025

All entities detailed above have been in existence for the whole of the reporting period, except for W7 Cosmetics India Private Limited, which was incorporated on 31 October 2025.

The registered office for all UK incorporated subsidiaries is Units B&C, Orbital Forty-Six, The Ridgeway Trading Estate, Iver, Bucks. SL0 9HW, with the exception of Beaute Sales EU Limited (Units 3 & 4 Zodiac Business Park, High Road, Cowley, UB8 2GU as per CH, as below.

The registered office for Warpaint Cosmetics Inc. is 445 Northern Boulevard – Great Neck, New York 11021. The registered office for Badgequo Hong Kong Limited is 12F, 3 Lockhart Road, Wanchai, Hong Kong.

The registered office for W7 Cosmetics India Private Limited is M100 Basement, Saket, Saket (South Delhi), New Delhi, South Delhi, 110017, Delhi, India.

The registered office for Jinhua Badgequo Cosmetics Trading Co. Ltd is Room 1401, Gongyuan Building No. 307 South Shuanglong Street, Wucheng District, Jinhua, Zhejiang, China 321000.

The registered office for Marvin Leeds Marketing Services, Inc. is 225 West 34th Street, 9th Floor, New York, NY 10122.

7. Subsidiaries (continued)

The registered office for Warpaint Cosmetics (ROI) Limited is 6th Floor, South Bank House, Barrow Street, Dublin 4, D04 TR29.

The registered office for Beaute Sales EU Limited is Units 3 & 4 Zodiac Business Park, High Road, Cowley, Uxbridge, UB8 2GU.

The registered office of Innova Science Inc is 251 Little Falls Drive, Wilmington, Delaware, USA.

The registered office of Skinny Tan Pty Limited is Level 42, 2-26 Park Street Sydney NSW 2000 Australia.

The registered office of InnovaDerma Aus & NZ Pty Limited was Suite 743, 1 Queens Road, Melbourne, VIC 3004, Australia.

8. Goodwill

Cost	£'000
At 1 January 2024, 31 December 2024 and 31 December 2025	8,086
Impairment	
At 1 January 2024, 31 December 2024 and 31 December 2025	812
Net book value	
At 31 December 2025	7,274
At 31 December 2024	7,274

Goodwill represents the excess of consideration over the fair value of the Group's share of the net identifiable assets of the acquired business/CGU at the date of acquisition. The carrying value as at 31 December 2025 includes Treasured Scents (2014) Limited ("TS2014") (the Close-out business) of £513,000, Retra Holdings Limited £6,207,000 and Marvin Leeds Marketing Services, Inc. £554,000.

Impairment is calculated by comparing the carrying amounts to the recoverable amount being the higher of value in use derived from discounted cash flow projections or the fair value less costs to sell. A CGU is deemed to be an individual division, and these have been grouped together into similar classes for the purpose of formulating operating segments as reported in Note 2. The discount rate for the CGU has been calculated using various assumptions to arrive at the Weighted Average Cost of Capital ("WACC"). The WACC has been

8. Goodwill (continued)

calculated by weighting the required returns of interest bearing debt and common equity in line with an estimated split of the capital structure of market participants. Value in use calculations are based on a discounted cash flow model ("DCF") for the subsidiary, which discounts expected cash flows over a five-year period using a pre-tax discount rate of 13.5%. Cash flows beyond the five-year period are extrapolated using a long-term average growth rate of 2.0%.

The fair value less costs to sell was based on a multiple of earnings less estimated costs to sell. For the year ended 31 December 2024, a multiple of 6.9 was applied. As the recoverable amount based on the fair value less costs of disposal was, in each case, in excess of the carrying value, the value in use was not calculated for that year. For the year ended 31 December 2025, a multiple of 6.3 was applied. In addition, however, the value in use was also calculated as referred to above.

Management have performed the annual impairment review as required by IAS 36 and have concluded that no impairment is indicated for TS2014, Retra Holdings Limited ("Retra") or Marvin Leeds Marketing Services, Inc. ("LMS") as the recoverable amounts exceed the respective carrying values.

Key assumptions and sensitivity to changes in assumptions

The key assumptions are based upon management's historical experience. The calculation of VIU is most sensitive to the following assumptions:

- Discount rate – the pre-tax discount rate was estimated at 13.5% that reflects current market assessments of the time value of money and the risks specific to the asset.
- Growth Rate – used to extrapolate beyond the budget period and for terminal values based on a long-term average growth rate of 2.0%.
- Operating cash flows – forecasts were prepared for each CGU incorporating compound annual growth in revenues of 15% for LMS, 10% for Retra and 5% for Treasured Scents over the next five years, with assumptions made for the gross margin percentage and growth in administrative expenses. The forecast EBITDA figures link into operating cash flow projections for each CGU.

Sensitivity to changes in assumptions

The impairment review of the Group is sensitive to changes in the key assumptions, most notably the pre-tax discount rate, the terminal growth rate, the projected operating cash flows. Reasonable changes to these assumptions are considered to be:

- 5.0% increase in the pre-tax discount rate;
- reduction in the terminal growth rate to 1%; and
- 10.0% reduction in projected operating cash flows.

Reasonable changes to the assumptions used, considered in isolation, would not result in an impairment of goodwill.

9. Intangible assets

	Brands	Customer lists	Patents	Website	Licences	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2024	3,802	8,241	244	49	6	12,342
Additions	-	-	-	23	-	23
At 31 December 2024	3,802	8,241	244	72	6	12,365
Additions	-	-	-	2	-	2
Acquired through business combinations (note 12)	4,508	286	-	-	-	4,794
Disposals	(152)	-	-	-	-	(152)
At 31 December 2025	8,158	8,527	244	74	6	17,009
Accumulated amortisation and impairment						
At 1 January 2024	3,799	8,241	161	42	6	12,249
Charge for the year	-	-	24	2	-	26
At 31 December 2024	3,799	8,241	185	44	6	12,275
Charge for the year	237	31	19	7	-	294
Impairment	122	-	-	-	-	122
At 31 December 2025	4,158	8,272	204	51	6	12,691
Net book value						
At 31 December 2025	4,000	255	40	23	-	4,318
At 31 December 2024	3	-	59	28	-	90

For details of securities and charges against intangible assets, please refer to note 30.

Sale of Brands in the Year

On 27 June 2025, The Brand Architekts Limited (a wholly owned subsidiary of Warpaint London PLC) disposed of all the inventory and intellectual property associated with three brands (Mr Expert Solutions, The Solution, and Kind Natured). The assets disposed had a total carrying value of £0.7 million, comprising £0.548 million of inventory, £0.152 million of brand assets. Total consideration received was £0.823 million, comprising £0.548 for inventory and £0.275 million for brand assets, resulting in a gain on disposal of £0.123 million, recognised in the consolidated statement of comprehensive income (note 3). In addition, various Christmas Season brands, acquired as part of the acquisition of The Brand Architekts Limited, were discontinued during the year. These brands had a carrying value of £0.122 million, which were written off in full. The disposal and discontinuation of these brands were undertaken as they were not considered critical to the Group's ongoing strategic objectives.

10. Property, plant and equipment

	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Costs					
At 1 January 2024	1,437	1,761	618	78	3,894
Additions	56	2,089	42	50	2,237
Disposals	-	(155)	(2)	(34)	(191)
Foreign exchange gain	-	1	-	-	1
At 31 December 2024	1,493	3,696	658	94	5,941
Additions	1,115	952	117	-	2,184
Acquired through business combinations(note 12)	81	-	-	-	81
Disposals	(1)	(348)	-	-	(349)
Foreign exchange gain/(loss)	3	(57)	(2)	-	(56)
At 31 December 2025	2,691	4,243	773	94	7,801
Accumulated depreciation					
At 1 January 2024	1,049	1,165	381	54	2,649
Charge for year	99	741	83	11	934
Disposals	-	(135)	(1)	(34)	(170)
Foreign exchange gain	-	1	-	-	1
At 31 December 2024	1,148	1,772	463	31	3,414
Charge for year	232	941	85	16	1,274
Disposals	-	(242)	-	-	(242)
Foreign exchange loss	-	(15)	(3)	-	(18)
At 31 December 2025	1,380	2,456	545	47	4,428
Net book value					
At 31 December 2025	1,311	1,787	228	47	3,373
At 31 December 2024	345	1,924	195	63	2,527

11. Right-of-use assets

	Leasehold property	Computer equipment	Total
	£'000	£'000	£'000
Costs			
At 1 January 2024	8,998	77	9,075
Additions	66	-	66
Disposals	(139)	-	(139)
At 31 December 2024	<u>8,925</u>	<u>77</u>	<u>9,002</u>
Additions	6,888	-	6,888
Modification	76	-	76
At 31 December 2025	<u>15,889</u>	<u>77</u>	<u>15,966</u>
Accumulated amortisation			
At 1 January 2024	3,718	77	3,795
Charge for the year	1,273	-	1,273
Disposals	(139)	-	(139)
At 31 December 2024	<u>4,852</u>	<u>77</u>	<u>4,929</u>
Charge for the year	1,524	-	1,524
At 31 December 2025	<u>6,376</u>	<u>77</u>	<u>6,453</u>
Net Book Value			
At 31 December 2025	<u>9,513</u>	<u>-</u>	<u>9,513</u>
At 31 December 2024	<u>4,073</u>	<u>-</u>	<u>4,073</u>

The weighted average incremental borrowing rate applied to measure lease liabilities and Right of use assets on initial recognition is 6.85% (2024: 4.16%) for leasehold property.

12. Business combination/disposal during the period

12 (a) Business combination during the period

On 12 February 2025 the Group acquired 100% of the voting equity instruments of Brand Architekts Group Plc (**“Brand Architekts”**), Brand Architekts is a beauty brand specialist which offers a portfolio of problem-solving challenger beauty brands, sold throughout the UK and internationally. Brand Architekts’ focus is on brands and products that engender high levels of consumer loyalty and reflect the focus on high-performance problem-solving solution-led brands for everyday beauty. Brand Architekts’ brand portfolio encompasses female skincare, self-tan and male grooming. Brands (including Super Facialist, Skinny Tan and Dirty Works) are available on the high street in leading pharmacy and drugstore chains; in national grocery stores; on the platforms of global e-tailers; and through ecommerce websites.

Brand Architekts operates in a similar sector to the Group and its acquisition will further bolster Warpaints’ growth opportunities and relatively low risk. In addition, Brand Architekts has a number of high-quality health beauty and personal care brands with a well established customer base which complements Warpaint’s existing customer relationships and its brand portfolio. The acquisition will strengthen the enlarged Warpaint’s customer proposition and facilitate cross -selling opportunities by leveraging a wider brand offering and broader customer relationships.

In addition, while Brand Architekts has grown its gross margins over recent financial periods, it carries a high overhead cost base relative to the level of gross profit generated by the business, in part as a result of being a small Company carrying the corporate and governance costs associated with a public quotation. The Warpaint Board believes that the level of overheads relative to the scale of the Brand Architekts Group is inefficient and has impacted profitability. Warpaint believes that the Acquisition will provide the opportunity to generate cost synergies and reduce overheads to a more efficient level which should increase Brand Architekts’ profitability in the future.

12. Business Combination during the period (continued)

12 (a) Business combination during the period

	Fair value £'000
Non-current assets	
Intangible assets	
Goodwill	
Brands	4,508
Customer relationships	286
Property plant and equipment	81
Retirement benefit surplus	1,539
Deferred tax asset	3,183
Current assets	
Inventories	3,111
Trade and other receivables	4,819
Cash	5,976
Current liabilities	
Trade and other payables	(3,514)
Tax payable	(2)
Non- Current liabilities	
Deferred tax	(1,583)
Total net assets	<u>18,404</u>
 Fair value of consideration paid	
Cash	13,338
Shares	542
Total consideration	<u>13,880</u>
 Negative goodwill	<u>4,524</u>

103,422 shares of £0.25 each per share were issued at £5.24, Warpaint's share price on 4 December 2024.

The fair value of identifiable assets and liabilities acquired which was a net value of £18.4 million exceed the total consideration payable of £13.8 million. Accordingly, the excess gives rise to negative goodwill, known as a "gain on bargain purchase" totalling £4.5 million.

Business Combination during the period(continued)

12 (a) Business combination during the period

As part of the acquisition of Brand Architekts, the Group recognised a gain on bargain purchase of £4.524 million, representing the excess of the fair value of the identifiable assets acquired and liabilities assumed over the consideration transferred.

The gain on bargain purchase arose principally because, at the acquisition date, Brand Architekts was loss-making and experiencing ongoing cash outflows, which adversely affected its valuation and resulted in the business being acquired at a price below the fair value of its identifiable net assets.

In accordance with IFRS 3, management reassessed the identification and measurement of all identifiable assets acquired, and liabilities assumed and concluded that all relevant items had been appropriately recognised and measured at fair value at the acquisition date.

Separately, following the acquisition, the Group expects to realise operational efficiencies and cost savings through the integration of the acquired business, particularly through the reduction of overhead costs.

Exceptional items, include £426,000, directly attributable acquisition costs as a result of the acquisition of Brand Architekts Group PLC.

Since the acquisition date, Brand Architekts has contributed £12.2 million to group revenues and incurred a loss of £0.1 million against group profit before tax (this being after exceptional costs of acquiring the business in the year). If the acquisition had occurred on 1 January 2025, the Group's revenue would have been £106.7 million and the Group's profit before tax for the period would have been £16.4 million.

12 (b) Business disposal during the period

On 12 September 2025, InnovaDerma Limited, a wholly owned subsidiary of the Group, sold its 100% shareholding in InnovaDerma AUS & NZ Pty Ltd. The subsidiary operated in Australia and New Zealand selling men's beauty and healthcare products under the Charles & Lee brand and was acquired as part of the earlier acquisition of The Brand Architekts business. At the acquisition date, no value was attributed to the Charles & Lee brand, as InnovaDerma AUS & NZ Pty Ltd had been loss-making for a number of years. Following the acquisition, the Group received and accepted an offer to dispose of the business, including the Charles & Lee brand. The disposal resulted in a loss of £44,000 compared to the net assets of the business at the completion date, which has been recognised as an exceptional item in the consolidated financial statements (Note 3). The net assets disposed of comprised of:

	<u>£'000</u>
Current assets	
Inventories	305
Trade and other receivables	38
Cash	11
Current liabilities	
Trade and other payables	<u>(181)</u>
Total net assets	<u>173</u>
 Total consideration	
Cash	<u>129</u>
Total consideration	<u>129</u>
 Loss on disposal	<u>(44)</u>

13. Employee benefits

Defined Contribution Pension Plan

The Group operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the statement of comprehensive income in the period to which they relate. The amount charged to profit in each period was £235,267 (2024: £134,432).

Defined Benefit Pension Plan

The Group acquired the defined benefit pension plan on acquisition of Brand Architekts on 12 February 2025

The Group operates a funded defined benefit plan, the Aerosols International Pension Plan (the Plan) in the UK which provides both pensions in retirement and death benefits to members. Key characteristics of the plan are detailed below.

Payments made by the Company to the Plan and in respect of Plan liabilities were:

	12 February to 31 December 2025 £000's
Deficit recovery payments	292
Plan administrative expenses	82
Pension Protection Fund premium	-
Total	<u>374</u>

13. Employee benefits (continued)

The amounts expensed in the Group Statement of Comprehensive Income were:

	2025 £000's
In Operating profit:	
Plan administrative expenses	67
Pension Protection Fund premium	12
	79
In Finance income:	
Interest receivable	(79)
Total	-

Based on the triennial valuation in 2023, a deficit reduction payment of £318,000 per annum until 30 June 2033 was agreed. The scheme will have its next triannual valuation in April 2026. The triennial valuation is a mandatory, legal, actuarial assessment of a defined benefit pension scheme's financial position conducted every three years. It calculates the difference between assets and liabilities to determine if the scheme is properly funded and determines the employer contribution rates needed. Current independent valuations undertaken for the Company indicate the scheme is in surplus, such that its assets exceed pension liabilities. The scheme surplus at 31 December 2025 has been valued at £3.3 million (30 June 2024: £0.8 million, 12 February 2025: £1.5 million) and has been included as an asset in the balance sheet.

Anticipated payments by the Company in respect of plan administrative expenses and the pension protection fund premium in the year ending 31 December 2026 are expected to be of a similar order of magnitude to payments in the current period.

IAS 19 requires that the assets and liabilities to members of the Plan are consolidated in these Group accounts using the valuation method prescribed in the accounting standard. The effects of the application of IAS19 on the statement of financial position at December 2025 are:

	2025 £'000s
Remeasurement of defined benefit liabilities	1,429
Deferred tax on remeasurement of defined pension obligations (Note 19)	(344)
Recognised in Other Comprehensive Income	1,085

Accounting standards require the discount rate used for valuations under IAS 19 'Employee Benefits' to be based on yields on high quality (usually AA-rated) corporate bonds of appropriate currency, taking into account the term of the relevant pension plan's liabilities. Corporate bond indices are used as a proxy to determine the discount rate. At the reporting date, the yields on bonds of all types were higher than they were at 12 February 2025. This has resulted in higher discount rates being adopted for accounting purposes compared to last year. This has decreased the fair value of the plan liabilities as measured under IAS 19, which, combined with an improvement in the fair value of the scheme's assets, has translated into a decreased liability under the IAS 19 methodology. For accounting purposes at 31 December 2025, the Group recognised under IAS 19 a net asset of £3,339.

Under the rules of the scheme, the Company has an unconditional right to a refund of surplus under the principles of IFRIC 14 where the Company elects to "run-off" the Scheme until there are no liabilities left to be paid and only assets remain before choosing to terminate allowing the Trustees and Employer to wind-up the Scheme.

The Company has therefore recognised a surplus in full as at 31 December 2025. No additional minimum funding liability has been recognised in relation to the Company's ongoing deficit reduction contributions to the Scheme as the surplus is unrestricted.

(a) The actuarial assumptions used at the Statement of Financial Position date were as follows:

	2025
Discount rate	5.65%
Inflation assumption (RPI)	2.65%
Inflation assumption (CPI)	2.35%
Deferred revaluation for benefits before retirement	
GMP	Fixed
Non-GMP	2.4%
Rate of increase in pensions in payment:	
CPI, max 3%	1.95%
RPI, max 5%	2.60%
RPI, max 2.5%	1.85%
Mortality assumptions:	
Life expectancy of male aged 45 now	21.9
Life expectancy of female aged 45 now	20.7
Life expectancy of male aged 65 in 20 years	24.3
Life expectancy of female aged 65 in 20 years	22.9
Cash commutation:	95% of members take maximum tax-free cash using Scheme factors (no change to assumption)
Mortality (current and future pensioners)	S4PXA tables with a 1-year age rating, future improvements in line with CMI_2024 and a long term improvement rate of 1.25% p.a.

The weighted-average duration of the defined benefit obligation at 31 December 2025 was 13 years.

The assumptions used in determining the overall expected return on the plan's assets have been set with reference to yields available on corporate bonds.

b) The assets in the plan at the Statement of Financial Position date were as follows:

	2025
	Market value
	£'000
Unquoted Investments	
Equity*	10,390
Property*	1,824
Index Linked Gilts	1,575
Corporate Bonds	2,329
Diversified Growth Funds	3,153
LDI Funds	4,173
Insureds	117
Cash/Other	104
Fair value of plan assets	23,665

*Equity and property are invested through pooled investment vehicle, which provides indirect exposure to these asset classes without direct ownership

13. Employee benefits (continued)

(c) Amounts recognised in the Statement of Financial Position:

	2025 £'000
Present value of funded obligations	(20,326)
Fair value of plan assets	23,665
Net asset recognised in the Statement of Financial Position	3,339

A surplus, based on an actuarial valuation on 31 December 2025, has been recognised within the financial statements. The Company has access to economic benefit in the future where the scheme is in surplus from reduced contributions and, as a result, no onerous liability in respect of future contributions is recognised.

(d) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	2025 £'000
Benefit obligation at 12 February 2025	(21,299)
Movement in the year:	
Notional finance cost	(982)
Actuarial gains – financial	1,422
Actuarial losses – demographic	(90)
Actuarial losses – experience	(252)
Net benefits paid out	875
Benefit obligation at end of year	(20,326)

(e) Reconciliation of opening and closing balance of the fair value of plan assets:

	2025 £'000
Fair value of plan assets at 12 February 2025	22,838
Movement in the year:	
Notional interest on plan assets	1,061
Return on assets, excluding interest income	349
Contributions – employer	292
Benefits paid out	(875)
Fair value of plan assets at end of year	23,665

13. Employee benefits (continued)

(f) Re-measurement of the net defined benefit liability to be shown in other comprehensive income

	2025 £'000
Net re-measurement – financial	1,422
Net re-measurement – demographic	(90)
Net re-measurement – experience	(252)
Return on assets, excluding interest income	349
Impact of asset ceiling	-
	1,429
Deferred taxation	(344)
Total re-measurement of the net defined benefit liability to be shown in OCI	1,085

(g) History of plan – the history of the plan for the current year and prior years is as follows:

	2025 £'000	12 February 2025 £'000
Statement of Financial Position		
Present value of defined benefit obligation	(20,326)	(21,299)
Fair value of plan assets	23,665	22,838
At end of year	3,339	1,539

The weighted-average duration of the defined benefit obligation at 31 December 2025 was 13 years.

Characteristics of the Plan and the risks associated with the Plan

a) Information about the characteristics the Plan

- i. The Plan provides pensions in retirement and death benefits to members. Pension benefits are linked to a member's final salary at retirement and their length of service. As of 31 December 2015, the Plan closed to future accrual.
- ii. The Plan is a registered plan under UK legislation and was contracted out of the State Second Pension.
- iii. The Plan is subject to the plan funding requirements outlined in UK legislation. The last scheme funding valuation of the Plan was as at 5 April 2023 and revealed a deficit of £4,612,000.
- iv. The Plan membership as at 5 April 2023 comprised 217 deferred pensioner members and 161 pensioner members.
- v. The Plan was established from 1 January 1987 under trust and is governed by the Plan's trust deed and rules dated 19 January 2001. The Trustees are responsible for the operation and the governance of the Plan, including making decisions regarding the Plan's funding and investment strategy in conjunction with the Company.

b) Information about the risks of the Plan to the Company

The Plan exposes the Company to actuarial risks such as market (investment) risk, interest rate risk, inflation risk, currency risk and longevity risk. (see below). The small number of Plan members means that the Plan and ultimately the Company are exposed to the experience (such as life expectancy and take-up of member options) of individual members. The Plan does not expose the Company to any unusual Plan-specific or Company-specific risks.

Market (investment) risk

The present value of the scheme's liabilities is calculated using a discount rate. The rate is set by referencing market yields available on high quality corporate bonds (generally considered to be rated AA or equivalent) of appropriate currency and term to the liabilities. There is a risk for potential financial losses due to broad market fluctuations that affect all investments simultaneously.

The Trustee holds a proportion of the Scheme's assets in pooled funds invested in gilts, corporate bonds and liability driven investment funds to provide some degree of matching with the Scheme's liabilities. Liability driven Investment funds and an index-linked gilts fund are used to provide a degree of price inflation and interest rate matching with the liabilities.

Interest rate and currency risk

Interest and exchange rate fluctuations can affect the value of assets, liabilities, and net interest income. The scheme has indirect exposure to currency risk as the scheme assets and liabilities are predominantly sterling and therefore the overall risk is considered to be low.

Inflation risk

The rate of inflation can affect the level of revaluation to pensions in deferment and increases to pensions in payment. Variation in inflation rates can lead investors to be concerned about the potential for future inflation to be higher than anticipated.

The Scheme's investment strategy is to invest broadly 75% in return seeking assets and 25% in matching assets, which include leveraged liability driven investment funds in order to hedge some of the Scheme's interest rate and inflation exposure.

This strategy reflects the Scheme's liability profile and the Trustees' and Company's attitude to risk.

Longevity risk

The risk that a scheme member will outlive their expected life span, leading to potential shortfalls in retirement savings or higher than anticipated payout obligations. The present value of the scheme's liabilities is calculated on the best estimate of the mortality of the scheme's participants.

The latest published tables from UK self-administered pension schemes ("SAPS") tables are used with consideration of an adjustment for the specific demographics of the Scheme members.

13. Employee benefits (continued)

c) Virgin Media vs NTL Pension Trustees II Limited

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the necessary S37 certification associated to these historic amendments was not prepared or documented appropriately. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision. The

High Court's decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis and made amendments between April 1997 and April 2016. Historic scheme amendments without the appropriate certification might now be considered invalid, leading to additional, unforeseen liabilities.

In September 2025, the Government introduced an amendment to the forthcoming Pension Schemes Bill that intends to allow affected schemes to obtain retrospective written actuarial confirmation that historic benefit changes met the relevant statutory requirements. The Company, together with the scheme trustees, continues to assess whether the proposed legislation will be applicable to the Group's scheme and, if so, the circumstances in which retrospective actuarial confirmation of historic benefit changes may be required. While this assessment is ongoing, on the basis of the information available at the reporting date, management is not aware of any indications of non-compliance with the relevant statutory requirements. There remains uncertainty as to the extent to which the proposed legislation may affect the measurement of the Group's defined benefit obligations. Accordingly, no adjustment has been made to the carrying amount of the defined benefit pension liabilities recognised in the financial statements. The position will continue to be monitored and reassessed as further clarity becomes available.

Amount, timing and uncertainty of future cash flows

a) Sensitivity analysis

Please note that the results in the disclosures are inherently volatile, particularly the figures shown on the statement of financial position. The results disclosures are dependent on the assumptions chosen by the Directors.

The table below shows the approximate impact of varying the key assumptions adopted as at 31 December 2025.

		2025 £'000
		Impact on scheme liabilities
Discount rate (increase of 0.25% p.a.)	Decrease by	690
Rate of RPI inflation (increase of 0.25% p.a.)	Increase by	430
Mortality (1.5% long term rate, rather than 1.25%)	Increase by	110

b) Description of asset-liability matching strategies

The Trustees hold a proportion of the Plan's assets in pooled funds invested in gilts, corporate bonds and liability driven investment funds to provide some degree of matching with the Plan's liabilities. Liability driven investment funds and an index-linked gilts fund are used to provide a degree of price inflation and interest rate matching with the liabilities.

c) The Plan's investment strategy

The Plan's investment strategy is to invest broadly 75% in return seeking assets and 25% in matching assets, which include leveraged liability driven investment funds in order to hedge some of the Plan's interest rate and inflation exposure. This strategy reflects the Plan's liability profile and the Trustees' and Company's attitude to risk.

The Plan holds a number of annuity policies which match a portion of pensions in payment.

14. Inventories

	As at 31 December	
	2025 £'000	2024 £'000
Finished goods	31,952	31,615
Provision for impairment	(601)	(423)
	<u>31,351</u>	<u>31,192</u>

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to £49.5 million in the year ended 31 December 2025 (2024: £50.2 million).

The cost of inventories recognised as an expense includes a provision for impairment in the year of £178,000 (2024: £45,000).

15. Trade and other receivables

	As at 31 December	
	2025 £'000	2024 £'000
Trade receivables – gross	17,136	13,562
Provision for impairment of trade receivables	(151)	(85)
Trade receivables – net	<u>16,985</u>	<u>13,477</u>
Other receivables	966	465
Prepayments	2,006	2,394
Total	<u>19,957</u>	<u>16,336</u>

The directors consider that the carrying values of trade and other receivables, excluding prepayments, measured at book value and amortised cost approximates to their fair value.

The individually impaired receivables relate to the supply of goods to customers. A provision is recognised for amounts not expected to be recovered. Movements in the accumulated impairment losses on trade receivables were as follows.

15. Trade and other receivables (continued)

	As at 31 December	
	2025 £'000	2024 £'000
Accumulated impairment losses at 1 January	85	129
Acquired balances – Brand Architekts	101	-
Additional impairment losses recognised/(released) during the year, net	995	(39)
Amounts written off during the year as uncollectible	(1,030)	(5)
Accumulated impairment losses at 31 December	151	85

The impairment losses recognised during the year are net of a credit of £0.009 million (2024: £Nil) relating to the recovery of amounts previously written off as uncollectable.

16. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	As at 31 December	
	2025 £'000	2024 £'000
Cash at bank and in hand	15,985	7,866
Cash equivalents (restricted)	-	14,021
	15,985	21,887

In 2024, Cash equivalents (restricted) refers to cash held in escrow and could only be used for the acquisition that took place in February 2025 (see note 12).

17. Trade and other payables

	As at 31 December	
	2025	2024
	£'000	£'000
Current		
Trade payables	3,307	3,119
Social security and other taxes	1,162	1,101
Other payables	398	85
Accruals	3,016	3,325
Total	7,883	7,630

The directors consider that the carrying values of trade and other payables excluding social security and other taxes measured at book value and amortised cost approximates to their fair value.

Accruals comprise goods in transit accruals of £841,999 (2024: £1,353,276) while the remaining are accruals for usual business expense.

18. Lease liabilities

	As at 31 December	
	2025	2024
	£'000	£'000
Lease liabilities		
Repayable within 1 year	1,275	1,326
Repayable within 2 – 5 years	2,977	2,263
Repayable in more than 5 years	5,564	656
	9,816	4,245

The Group did not enter into any short-term leases or leases of low-value assets during the period. Accordingly, no amounts have been recognised in profit or loss in respect of such leases under the recognition exemptions permitted by IFRS 16 Leases.

Undiscounted lease payments

	As at 31 December	
	2025	2024
	£'000	£'000
Lease liabilities		
Repayable within 1 year	1,914	1,476
Repayable within 2 – 5 years	5,096	2,605
Repayable in more than 5 years	7,780	689
Total	14,790	4,770

18. Lease liabilities (continued)

Lease liabilities

	As at 31 December	
	Leasehold property £'000	Total £'000
As at 1 January 2024	5,449	5,449
Lease additions	66	66
Interest expense	206	206
Lease payments	(1,476)	(1,476)
As at 31 December 2024	4,245	4,245
Lease additions	6,964	6,964
Interest expense	473	473
Lease payments	(1,866)	(1,866)
As at 31 December 2025	9,816	9,816

Nature of lease liabilities

The Group leases a number of properties in the United Kingdom and United States of America.

The interest rates expected are as follows:

	As at 31 December	
	2025	2024
	%	%
Interest rates	5.74	6.74 ¹

Note 1: Base rate + 1.99%

19. Deferred tax

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated in full on temporary differences under the liability method using tax rate of 25%. The movement on the deferred tax account is as shown below:

	2025 £'000	2024 £'000
At 1 January	177	412
<i>Recognised in the profit and loss</i>		
Tax expense	102	(265)
<i>Recognised in other comprehensive income</i>		
Actuarial gain on defined benefit scheme	(450)	-
<i>Recognised in equity</i>		
Share based payment	(208)	30
-		
As at 31 December	(379)	177
Arising on business combination	1,600	-
As at 31 December	1,221	177

Details of the deferred tax asset/(liability), amounts recognised in profit and loss and amounts recognised in other comprehensive income are as follows:

	Asset	Liability	Net	(Charged)/c redited to the profit and loss	(Charged)/ (credited) /to Other comprehensive income	(Charged)/ credit to equity
	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000
Accelerated capital allowances	14	(640)	(626)	(236)	-	-
Available losses	3,678	-	3,678	273	-	-
Share based payment	37	-	37	(100)	-	(208)
Pensions	-	(835)	(835)	24	(450)	-
Intangible assets	-	(1,109)	(1,109)	65	-	-
Right of use assets	-	(2,378)	(2,378)	(2,378)	-	-
Lease liability	2,454	-	2,454	2,454	-	-
Total asset (liability)	6,183	(4,962)	1,221	102	(450)	(208)
Set off of tax liability	(4,962)	4,962	-	-	-	-
	1,221	-	1,221	102	(450)	(208)

	Asset	Liability	Net	(Charged)/cr edited to the profit and loss	(Charged)/ (credited) /to Other comprehensive income	(Charged)/ credited to equity
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000
Accelerated capital allowances	-	(391)	(391)	(211)	-	-
Available losses	222	-	222	(56)	-	-
Share based payment	346	-	346	2	-	30
Total asset (liability)	568	(391)	177	(265)	-	30
Set off of tax liability	-	-	-	-	-	-
	568	(391)	177	(265)	-	30

19. Deferred tax (continued)

The deferred tax asset has arisen from loss carry forward for LMS amounting to £1,842,067 (2024: £1,198,923) and recognised at a rate of 21% amounting to £509,826 (2024: £222,000) and losses carried forward from Brand Architekts Group Limited, which could be utilised amounting to £5,200,000, recognised at rate of 25% amounting to £1,300,000.

Deferred tax amounting to £36,075 (2024:£244,368*) has been recognised in the share based payment reserve, in the Statement of Changes in Equity.

Deferred tax recognised amounting to £450,000 has been charged to other comprehensive income in respect for remeasurement of defined pension obligations.

*In the prior period £346,316 was disclosed, this being the deferred tax asset in respect of share based payments recognised in the statement of financial position

20. Dividends

Year to December 2025	Paid	Amount per share	Total £'000
Final dividend – 2024	04 July 25	7.5p	3,232
Interim dividend – 2025	21 Nov 25	4p	6,059
			9,291
Year to December 2024	Paid	Amount per share	Total £'000

Final dividend – 2023	05 July 24	6p	4,658
Interim dividend – 2024	22 Nov 24	3.5p	2,721
			7,379

The Group has proposed a final dividend for the year ended 31 December 2025 of 9.0p per share.

21. Called up share capital

	No. of shares	
	'000	£'000
Allotted and issued		
Ordinary shares of £0.25 each:		
At 1 January 2024	77,257	19,314
Issued on 9 May 2024	86	21
Issued on 30 May 2024	290	73
Issued on 19 September 2024	110	28
Issued on 9 December 2024	2,941	735
At 31 December 2024	80,684	20,171
Issued on 12 February 2025	103	26
At 31 December 2025	80,787	20,197

On 9 May 2024, the Company issued 85,895 equity shares with par value of £0.25 per share for £2.375 per share. The entire amount was paid in cash. No shares were allotted other than for cash. £182,527 was recognised in share premium.

On 30 May 2024, the Company issued 290,000 equity shares with par value of £0.25 per share for £1.22 per share. The entire amount was paid in cash. No shares were allotted other than for cash. £281,300 was recognised in share premium.

On 19 September 2024, the Company issued 110,000 equity shares with par value of £0.25 per share for £1.22 per share. The entire amount was paid in cash. No shares were allotted other than for cash. £106,700 was recognised in share premium.

On 9 December 2024, the Company issued 2,941,176 equity shares with par value of £0.25 per share for £5.10 per share. The entire amount was paid in cash. No shares were allotted other than for cash. £14,264,704 was recognised in share premium.

On 12 February 2025, the Company issued 103,422 ordinary shares of £0.25 each at £5.24 per share as partial consideration for the acquisition of Brand Architekts Plc.

Expenses incurred on the issue of shares amounting to £Nil (2024: £447,000) were deducted from Share Premium.

All ordinary shares carry equal rights.

22. Reserves

Share premium

The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses incurred by the Company.

Retained earnings

Retained earnings represent cumulative profits or losses, net of dividends and other adjustments.

Merger reserve

The merger reserve arose due to the group reconstruction in 2016. The effect of the application of merger accounting principles on the merger reserve is that the share capital and other distributable reserves that existed in Warpaint Cosmetics Group Limited (the Company) as at the point Warpaint London PLC legally acquired Warpaint Cosmetics Group Limited is accounted for as if it had been in existence as at 31 December 2015 and as at 1 January 2015. The corresponding entry being the merger reserve so the overall net assets as at the comparative dates are not affected.

During the year, the balance on the merger reserve increased as a result of the Company issuing equity shares as consideration for the acquisition of Brand Architekt's (see note 12). In accordance with section 612 of the Companies Act 2006, the excess of the fair value of the shares issued over their nominal value has been credited to the merger reserve rather than the share premium account.

Share option reserves

'Share option reserves' have arisen from the share-based payment charge. The shares over which the options were issued are that of the parent company.

Foreign exchange reserves

'Foreign exchange reserves' have arisen on translation of foreign subsidiaries.

23. Share based payments

The Company have granted options under two schemes:

Company Share Option Plan (CSOP)

These options are granted to key persons discharging managerial responsibilities (PDMR's). The options are exercisable between three and ten years from the date of grant, with the usual first exercise date being the 3rd anniversary of the date of the grant. There are no performance conditions attaching to these options.

Company Share Option scheme (unapproved)

Under the Company share option scheme which follows the Enterprise Management Incentive (EMI) scheme rules. The options are exercisable between three and ten years from the date of grant, with the usual first exercise date being the 3rd anniversary of the date of the grant. In general, there are no performance conditions attaching to these options except or those issued on 5 December 2024. These Options are exercisable subject to certain non-market based performance conditions being met, including that the compound annual growth rate in the Company's Adjusted Basic earnings per share must exceed 10 per cent. over the three financial years commencing 1 January 2025, subject to the discretion of the Board.

Long term Investment Plan (LTIP)

Share options with an exercise price of 254.50p, equal to the closing mid-market value immediately prior to the date of grant, and subject to the achievement of demanding Earnings Per Share ("EPS") and Total Shareholder Return ("TSR") performance conditions measured over a period of up to 5 years were granted to certain directors.

All options are equity settled.

23. Share based payments (continued)

CSOP

Movements in the number of options and their weighted average exercise price are as follows:

	Weighted average exercise price (pence) 2025	Number of options 2025	Weighted average exercise price (pence) 2024	Number of options 2024
Outstanding at the beginning of the year	382.51	990,200	313.54	675,781
Granted during the year	-	-	490.00	360,509
Adjustment	382.51	2,000	-	-
Reclassified to EMI options	325.0	(38,156)	-	-
Exercised	-	-	216.7	(46,090)
Expired and lapsed during the year	417.9	(51,500)	-	-
Outstanding at the end of the year	<u>382.92</u>	<u>902,544</u>	<u>382.51</u>	<u>990,200</u>

The weighted average remaining contractual life of the options is 8.78 years (2024: 9.79 years).

EMI

	Weighted average exercise price (pence) 2025	Number of options 2025	Weighted average exercise price (pence) 2024	Number of options 2024
Outstanding at the beginning of the year	367.44	839,073	177.08	839,456
Granted during the year	-	-	272.07	460,922
Adjustment	247.72	70	-	-
Reclassified from CSOP options	325.0	38,156	-	-

Exercised	-	-	143.51	(461,305)
Outstanding at the end of the year	<u>3655.00</u>	<u>877,299</u>	<u>367.44</u>	<u>839,073</u>

The weighted average remaining contractual life of the options is 7.96 years (2043: 8.96 years).

23. Share based payments (continued)

The following options over ordinary shares have been granted by the Company and remain unexercised at the year end:

	Share option scheme	Exercise price Pence	Expiry period (years)	Number of options
29 June 2017	EMI	237.50	10	10,842
20 May 2020	CSOP	49.50	10	10,000
01 March 2022	EMI	127.50	10	200,000
24 November 2023	CSOP	325.00	10	559,035
24 November 2023	EMI	325.00	10	205,465
30 October 2024	CSOP	490.00	10	333,509
30 October 2024	EMI	490.00	10	255,992
05 December 2024	EMI	490.00	10	205,000

At the date of grant, the options were valued using the Black-Scholes option pricing model. The fair value of options granted and the assumptions used in the calculations were as follows:

	05 Dec 24	30 Oct 24	24 Nov 23	01 Mar 22	20 May 20	29 June 17
Expected volatility	42%	41%	40%	54%	76%	64%
Expected life (years)	3	3	3	3	3	3
Risk-free interest rate	4.03%	4.06%	4.35%	0.99%	0.01%	0.38%
Expected dividend yield	1.75%	1.75%	1.79%	4.94%	2.08%	2%
Fair value per option (£)	1.617	1.371	0.918	0.354	0.213	0.963

On 30 October 2024, the Company granted in aggregate 362,509 ordinary shares of 25 pence each at an exercise price of 490 pence each under a Company Share Option Plan (CSOP) scheme. The options are exercisable between three and ten years from the date of grant, with the usual first exercise date being the 3rd anniversary of the date of the grant.

On 30 October 2024, the Company granted in aggregate 255,992 ordinary shares of 25 pence each at an exercise price of 490 pence each under an unapproved Enterprise Management Incentive (EMI) scheme. The

options are exercisable between three and ten years from the date of grant, with the usual first exercise date being the 3rd anniversary of the date of the grant.

On 05 December 2024, the Company granted in aggregate 205,000 ordinary shares of 25 pence each at an exercise price of 490 pence each under an unapproved Enterprise Management Incentive (EMI) scheme. The options are exercisable between three and ten years from the date of grant, with the usual first exercise date being the 3rd anniversary of the date of the grant. The Options are exercisable subject to certain non-market based performance conditions being met, including that the compound annual growth rate in the Company's Adjusted Basic earnings per share must exceed 10 per cent. over the three financial years commencing 1 January 2025, subject to the discretion of the Board.

The charge in the statement of comprehensive income for the share-based payments during the year was £619,356 (2024: £348,913).

24. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Key management personnel are considered to be the directors. Compensation of the directors is disclosed in note 4 with the exception of dividends which are disclosed in note 20.

The lease between Warpaint Cosmetics (2014) Limited and Direct Supplies (2014) Group Limited is a 10 year lease which commenced on the 3 August 2016, with annual rental payments of £138,800. During 2025, Warpaint Cosmetics (2014) Limited paid rent in the sum of £138,800 (2024: £138,800) to Direct Supplies (2014) Group Limited, of which S Bazini is a director. At the year end the amount due to Direct Supplies (2014) Group Limited was £34,700 (2024: £34,700).

The lease between Warpaint Cosmetics (2014) Limited and Trading Scents Group Limited is a 10 year lease which commenced on the 3 August 2016, with annual rental payments of £138,800. During 2025, Warpaint Cosmetics (2014) Limited paid rent in the sum of £138,800 (2024: £138,800) to Trading Scents Group Limited, of which E Macleod is a director. At the year end the amount due to Trading Scents Group Limited was £34,700 (2024: £34,700).

During the year ended 31 December 2023, Warpaint Cosmetics (2014) Limited entered into two lease agreements, for two additional units with Warpaint Cosmetics Limited. The agreements relate to two leases to the 2 August 2026, with annual rental payments of £138,000 and £110,250 respectively. Warpaint Cosmetics (2014) Limited paid rent in the sum of £248,250 (2024: £248,250) to Warpaint Cosmetics limited, of which S Bazini and E Macleod are directors. At the year end the amount due to Warpaint Cosmetics Limited was £62,063 (2024: £62,063).

Warpaint Cosmetics (2014) Limited also entered into a 10 year lease agreement with Warpaint Cosmetics Limited on the 3 August 2016, with annual rental payments of £138,800. During 2025, Warpaint Cosmetics (2014) Limited paid rent in the sum of £138,800 (2024: £138,800) to Warpaint Cosmetics Limited, of which E Macleod and S Bazini are directors. At the year end the amount due to Warpaint Cosmetics Limited was £34,700 (2024: £34,700).

During 2025, Retra Holdings Limited paid rent in the sum of £410,107 (2024: £410,107) to Warpaint Cosmetics Limited, of which E Macleod and S Bazini are directors. The leases between Retra Holdings Limited and Warpaint Cosmetics Limited are two 10 year leases which commenced on 11th March 2018 with annual rental payments of £225,000, and £185,107 respectively. At the year end the amount due to Warpaint Cosmetics Limited was £34,176 (2024: £34,176).

Paul Hagon, an executive director of Warpaint London plc ("Warpaint"), is a member of Ward & Hagon. Ward & Hagon were paid £255,000 fees (2024: £225,000).

24. Related party transactions (continued)

Financing of the Acquisition of Brand Architekts PLC - Directors' Loans

The Company completed its purchase of the entire ordinary share capital of **Brand Architekts PLC** in February 2025 (see note 12). Before raising the funds through a placing which completed on 9 December 2024, the Company received loans from two of its Directors in order to demonstrate adequate cash resources prior to the placing of new shares in the Company.

The Directors' Loans in the year consisted of:

- a loan from Sam Bazini of £8,500,000 to Warpaint London PLC; and
- a loan from Eoin Macleod of £5,500,000 to Warpaint London PLC.

The Directors' Loans were each on the same terms and interest was payable by the Company on the full amount of each Directors Loan at the Bank of England's base rate plus 0.5 percent, until the date on which the relevant loan was repaid in full, there was no fixed term, and no security was provided by the Company.

The Director's Loans were made on the 29th November 2024, and repaid in full on the 10th December 2024. There were no amounts outstanding at the end of the year

25. Financial instruments

Capital risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group reports in Sterling. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors.

The Group manages its capital to ensure its ability to continue as a going concern and to maintain an optimal capital structure to reduce cost of capital. The capital structure of the Group comprises equity attributable

to equity holders of the Company consisting of invested capital as disclosed in the Statement of Changes in Equity and cash and cash equivalents.

The Group's invested capital is made up of share capital, share premium and retained earnings totalling £93,326,000 as at 31 December 2025 (2024: £88,709,000) as shown in the statement of changes in equity.

The Group maintains or adjusts its capital structure through the payment of dividends to shareholders and issue of new shares.

25. Financial instruments (continued)

	Year ended 31 December	
	2025 £'000	2024 £'000
Financial assets		
Financial assets at amortised cost:		
Trade and other receivables	17,951	13,942
Cash and cash equivalents	15,985	21,887
Financial assets measured at fair value through the profit and loss:		
Derivative financial instruments	-	1,340
	33,936	37,169
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	(6,721)	(6,529)
Lease liabilities	(9,816)	(4,245)
Financial liabilities measured at fair value through the profit and loss:		
Derivative financial instruments	(129)	-
	(16,666)	(10,774)

Financial assets measured at fair value through the profit and loss comprise derivative financial instruments.

Financial assets measured at amortised cost comprise trade receivables and other receivables, excluding prepayments and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade payables and other payables, and lease liabilities but exclude social security costs and other taxes.

Cash and cash equivalents

This comprises cash and short-term deposits held by the Group). The carrying amount of these assets approximates their fair value.

General risk management principles

The Group's activities expose it to a variety of risks including market risk (interest rate risk), credit risk and liquidity risk. The Group manages these risks through an effective risk management programme and through this programme, the Board seeks to minimise potential adverse effects on the Group's financial performance. The Directors have an overall responsibility for the establishment of the Group's risk management framework. A formal risk assessment and management framework for assessing, monitoring and managing the strategic, operational and financial risks of the Group is in place to ensure appropriate risk management of its operations.

25. Financial instruments (continued)

The following represent the key financial risks that the Group faces:

Market risk

The Group's activities expose it to the financial risk of interest rates.

The Group, along with other businesses, will face the risk of inflationary pressures through commodities cost increases.

Interest rate risk

The Group has minimal interest rate exposure as it has no external borrowing.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations.

The Group's principal financial assets are trade and other receivables and bank balances and cash. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's credit risk is primarily attributable to trade receivables. The Group has a policy of assessing credit worthiness of potential and existing customers before entering into transactions. There is ongoing credit evaluation on the financial condition of accounts receivable using independent ratings where available or by assessment of the customer's credit quality based on its financial position, past experience and other factors. The Group manages the collection of its receivables through its ongoing contact with customers so as to ensure that any potential issues that could result in non-payment of the amounts due are addressed as soon as identified. The Group makes a provision in the financial statements for expected credit losses based on an evaluation of historical data and applies percentages based on the ageing of trade receivables.

The maximum exposure to credit risk in respect of the above is the carrying value of financial assets recorded in the financial statements. As at 31 December 2025, the Group has trade receivables of £17,136,000 (2024: £13,562,000).

25. Financial instruments (continued)

The following table provides an analysis of trade receivables that were due, but not impaired, at each financial year end. The Group believes that the balances are ultimately recoverable based on a review of past impairment history and the current financial status of customers.

	As at 31 December	
	2025	2024
	£'000	£'000
Current	12,900	7,000
1 – 30 days	2,715	4,560
31 – 60 days	869	1,573
61 – 90 days	418	185
91 + days	234	244
	17,136	13,562
Provision for impairment of trade receivables	(151)	(85)
Total trade receivables – net	16,985	13,477

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 December 2025 and, consequently, no further provisions have been made for bad and doubtful debts.

The allowance for bad debts has been calculated using a 12-month lifetime expected credit loss model, as set out below, in accordance with IFRS 9.

	As at 31 December			As at 31 December		
	2025			2024		
	£'000	%	£'000	£'000	%	£'000
Current	12,900	0.135%	17	7,000	0.135%	9
1 – 30 days	2,715	0.405%	11	4,560	0.405%	18
31 – 60 days	869	1.215%	11	1,573	1.215%	19
61 – 90 days	418	3.645%	15	185	3.645%	7
91 + days	234	41.880%	98	244	13.115%	32
			152			85

25. Financial instruments (continued)

Credit quality of financial assets

	As at 31 December	
	2025	2024
	£'000	£'000
Trade receivables, gross (note 15):		
Receivable from large companies (see below for definition)	11,325	6,284
Receivable from small or medium-sized companies	1,575	716
Total neither past due nor impaired	12,900	7,000

For the purpose of the Group's monitoring of credit quality, large companies or groups are those that, based on information available to management at the point of initially contracting with the entity, have annual turnover in excess of £100,000 (2024: £100,000).

	As at 31 December	
	2025	2024
	£'000	£'000
Past due but not impaired:		
Less than 30 days overdue	2,686	4,533*
30 – 90 days overdue	1,261	1,732
91+ days	138	212
Total past due but not impaired	4,085	6,477
Lifetime expected loss provision:		
Less than 30 days overdue	29	27
30 – 90 days overdue	26	26
91+ days	97	32
Total lifetime expected loss provision (gross)	152	85
Less: Impairment provision	(152)	(85)
Total trade receivables, net of provision for impairment	16,985	13,477

Cash and cash equivalents, neither past due nor impaired.

*The 2024 figure has been amended from £4,542.

25. Financial instruments (continued)

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet the obligations as they fall due. Bank and loan facilities are available within the Group but they were not utilised during the financial year or after the year end.

The Board receives monthly cash balance updates and weekly sales and margin reports marked against budget. At the start of each year the Board approve and adopt a budget and cash flow for the next 24 months, the CFO monitors these and reports any material divergences to the Board, so that management can ensure that sufficient funding is in place as it is required. The budget and cash flow are updated at the end of each year, for the following 24 months.

The tables below summarise the maturity profile of the combined group's non-derivative financial liabilities at each financial year end based on contractual undiscounted payments, including estimated interest payments where applicable:

Year ended 31 December 2025

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
	£'000	£'000	£'000	£'000	£'000
Trade payables	3,382	-	-	-	3,382
Other payables	398	-	-	-	398
Accruals	3,474	-	-	-	3,474
Lease liabilities	957	957	5,096	7,780	14,790
	<u>8,211</u>	<u>957</u>	<u>5,096</u>	<u>7,780</u>	<u>22,044</u>

Year ended 31 December 2024

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
	£'000	£'000	£'000	£'000	£'000
Trade payables	3,119	-	-	-	3,119
Other payables	85	-	-	-	85
Accruals	3,325	-	-	-	3,325
Lease liabilities	738	738	2,605	689	4,770
	<u>7,267</u>	<u>738</u>	<u>2,605</u>	<u>689</u>	<u>11,299</u>

25. Financial instruments (continued)

The borrowings of the subsidiary companies, Retra Holdings Limited and Badgequo Limited, are secured by a debenture including a fixed charge over the present leasehold property, a first fixed charge over book and other debts and a first floating charge over all assets of those companies.

Foreign exchange risk

The Group operates in a number of markets across the world and is exposed to foreign exchange risk arising from various currency exposure in respect of cash and cash equivalents, trade receivables and trade payables, in particular with respect to the US dollar and Euro.

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

As of 31 December the Group's net exposure to foreign exchange risk was as follows:

Currency	Liabilities		Assets	
	2025	2024	2025	2024
USD	\$809,085	\$7,487,643	\$5,366,833	\$7,284,506
EUR	€62,126	€13,289	€1,690,215	€2,252,459
HKD	HKD 22,952	HKD 22,952	HKD 295,831	-
RMB	¥4,248	¥52,942	¥166,472	¥418,453

Included within the assets and liabilities of the Group are balances in currencies other than GBP £. If these currencies were to strengthen by 5% against GBP£, this would give rise to a gain of £255,146 (2024: £86,312)

Foreign exchange risk

	2025	2024
	£'000	£'000
Derivatives carried at fair value:		
Forward foreign currency contracts	(129)	1,340

25. Financial instruments (continued)

Derivatives: Foreign currency forward contracts

The Group enters into forward foreign exchange contracts to manage the risk associated with anticipated sale and purchase transactions which are denominated in foreign currencies. Derivatives are recognised initially at their fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised immediately in the profit or loss unless the derivative is designed and effective as a hedging instrument, in which event the timing and recognition in the profit or loss depends on the nature of the hedging relationship. Derivative financial instruments are measured at fair value as level 2 instruments. Level 2 assets and liabilities are valued using externally sourced information provided by the counterparties, Santander and NatWest.

As at 31 December 2025, the group has in total 74 (2024: 66) forward foreign exchange contracts outstanding, made up of regular forward foreign exchange contracts.

Regular forward foreign exchange contracts:

At 31 December 2025, there were 74 (2024: 66) regular forward foreign exchange contracts, to buy US dollars and sell Euros, for an agreed amount of foreign currency on a specific future date. The purchase or sale is made at a predetermined exchange rate. The outcome is certain and will deliver a known fixed amount. The following table details the regular forward foreign exchange contracts outstanding as at the balance sheet date.

a) Contracted exchange rate	2025	2024	2025	2024
	£/\$		£/€	
3 months or less	1.3372	1.2851	n/a	n/a
3 to 6 months	1.3402	1.2855	n/a	1.1635
6 to 12 months	1.3425	1.2752	1.1414	1.1613
12 months or more	1.3667	n/a	n/a	n/a

b) Contract value	2025	2024	2025	2024
	£/\$		£/€	
	£'000	£'000	£'000	£'000
3 months or less	11,573	27,403	-	-
3 to 6 months	18,709	13,882	-	1,289
6 to 12 months	27,561	3,530	657	728
12 months or more	2,195	-	-	-
	60,038	44,815	657	2,017

c) Foreign currency	2025	2024	2025	2024
	\$'000	\$'000	€'000	€'000
3 months or less	15,476	35,242	-	-
3 to 6 months	25,074	17,830	-	1,500
6 to 12 months	37,000	4,500	750	845
12 months or more	3,000	-	-	-
	80,550	57,572	750	2,345

25. Financial instruments (continued)

Fair value of financial assets and liabilities

Financial instruments are measured in accordance with the accounting policy set out in Note 1. All financial instruments carrying value approximates its fair value with the exception of foreign currency forward contracts which are considered Level 2. The Directors consider that there is no significant difference between the book value and fair value of the Group's financial assets and liabilities and is considered to be immaterial.

26. Controlling party

In the opinion of the directors there is no ultimate controlling party.

27. Earnings per share

Basic earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period.

	2025	2024
Basic earnings per share (pence)	17.77	23.47
Diluted earnings per share (pence)	17.73	23.34
The calculation of basic and diluted earnings per share is based on the following data:		
Earnings	2025	2024
	£'000	£'000
Earnings for the purpose of basic and diluted earnings per share, being the net profit	14,352	18,233
Number of shares	2025	2024
Weighted number of ordinary shares for the purpose of basic earnings per share	80,774,765	77,691,505
Potentially dilutive shares awarded	176,758	433,257
Weighted number of ordinary shares for the purpose of diluted earnings per share	80,951,523	78,124,762

In the current year, 985,342 (2024: 1,779,843) share options in issue have been included in the computation of diluted earnings per share, as per IAS 33, as they are all likely to be exercised given that the average market price is higher than the exercise price.

28. Notes supporting statement of cash flows

Changes in liabilities arising from financing activities are shown in the table below.

	Non-current loans and borrowings £'000	Current loans and borrowings £'000	Total £'000
At 1 January 2024	4,190	1,259	5,449
Non-cash flows	66	-	66
Cash flows	-	(1,270)	(1,270)
Reclassification from Non-current loans and borrowings to current loans and borrowings	(1,337)	1,337	-
Loans received	-	14,000	14,000
Loans repaid	-	(14,000)	(14,000)
At 31 December 2024	2,919	1,326	4,245
Non-cash flows	6,964	-	6,964
Cash flows	-	(1,393)	(1,393)
Reclassification from Non-current loans and borrowings to current loans and borrowings	(1,342)	1,342	-
At 31 December 2025	8,541	1,275	9,816

The above relates to payments in respect of the groups right of use assets. The group does not have any loans and borrowings.

29. Post balance sheet events

On 9th February 2026 the Group acquired the Barry M brand, including its intellectual property, stock and order book, but excluding the manufacturing capabilities and any liabilities, out of administration, for a cash consideration of £1.4 million.

30. Commitments and contingencies

The Company has provided guarantees in respect of certain subsidiary undertakings to enable them to claim exemption from statutory audit under section 479A of the Companies Act 2006.

The following companies are exempt from the requirements relating to the audit of individual accounts for the year ended 31 December 2025 or for the 18 month period to 31 December 2025, by virtue of a guarantee provided by Warpaint London Plc under section 479A of the Companies Act 2026:

<u>Subsidiary name</u>	<u>Company Number</u>
Warpaint Cosmetics Group Limited	08994198
Treasured Scents (2014) Limited	08967110
Treasured Scents Limited	03287650
Retra Holdings Limited	05783393
Beaute Sales EU Limited	14622684
Brand Architekts Group Limited*	01975376

The Brand Architekts Limited *	06315241
MR. Haircare Limited *	09495035
InnovaDerma Limited *	09226823
InnovaDerma UK Limited *	09028508
SkinnyTan UK Limited *	09363606

*Accounts for the 18 months ended 31 December 2025

Assets pledged as security

Certain subsidiaries within the Group have granted fixed and floating charges over their assets in favour of third parties.

Fixed and floating charges are held over all the property and undertakings of the certain subsidiaries, most of which are those subsidiaries acquired in Brand Architekts, and are currently in the process of being removed.

There is also a legal assignment of contract monies held in respect on one of the subsidiaries, The Brand Architekts Limited. This being a legacy factor arrangement that has expired and has not been used for several years. The Brand Architekts Limited are in the process of having this assignment removed.

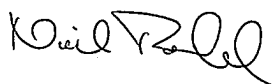
**COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025**

Company number: 10261717

	Note	2025 £'000	2024 £'000
Fixed assets			
Investments	3	48,799	34,493
		48,799	34,493
Current assets			
Trade and other receivables	4	24,055	21,566
Other current assets	5	-	14,021
Cash at bank and in hand	5	5,868	1,009
Total current assets		29,923	36,596
Creditors: amounts falling due within one year	6	(4,019)	(1,565)
NET ASSETS		74,703	69,524
Capital and reserves			
Share capital	7	20,197	20,171
Share premium	8	34,114	34,114
Merger reserve		2,411	1,895
Share based payment reserve		1,005	408
Retained earnings		16,976	12,936
Shareholders' funds		74,703	69,524

As permitted by section 408 of the Companies Act 2006, the profit and loss account is not presented. The profit for the year amounted to £13,307,632 (2024: £7,146,724).

The financial statements of Warpaint London PLC were approved and authorised for issue by the Board of Directors and signed on its behalf by:



Neil Rodol
Chief Financial Officer,
Date: 28 April 2026

The notes on pages 160 to 168 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Share Capital	Share Premium	Merger Reserve	Share Based payment Reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December 2023	19,314	19,726	1,895	380	12,847	54,162
<i>Comprehensive Income for the year</i>						
Profit for the year	-	-	-	-	7,147	7,147
Total comprehensive income for the year	-	-	-	-	7,147	7,147
<i>Contributions by and distributions to owners</i>						
Equity shares issued	857	14,835	-	-	-	15,692
Share issue costs	-	(447)	-	-	-	(447)
Share based payment charge	-	-	-	349	-	349
Fair value of exercised options	-	-	-	(321)	321	-
Dividends paid	-	-	-	-	(7,379)	(7,379)
Total contributions by and distributions to owners	857	14,388	-	28	(7,058)	8,215
As at 31 December 2024	20,171	34,114	1,895	408	12,936	69,524
<i>Comprehensive Income for the year</i>						
Profit for the year	-	-	-	-	13,308	13,308
Total comprehensive income for the year	-	-	-	-	13,308	13,308
<i>Contributions by and distributions to owners</i>						
Equity shares issued	26	-	516	-	-	542
Share based payment charge	-	-	-	620	-	620
Transfer to retained earnings for expired share options	-	-	-	(23)	23	-
Dividends paid	-	-	-	-	(9,291)	(9,291)
Total contributions by and distributions to owners	26	-	516	597	(9,268)	(8,129)
As at 31 December 2025	20,197	34,114	2,411	1,005	16,976	74,703

The notes on pages 160 to 168 form part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Significant accounting policies

Basis of preparation

These separate financial statements of Warpaint London PLC have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland (FRS 102), and with the Companies Act 2006.

The Company's financial statements are presented in GBP.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- no cash flow statement or net debt reconciliation has been presented for the parent company.
- disclosures in respect of the parent company's income, expense, net gains, and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole.
- disclosures in respect of the parent company's share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements except as set out below.

Investments

Investments in subsidiaries are recognised initially at cost. Cost includes the purchase price and any directly attributable costs of acquisition.

Following initial recognition, investments in subsidiaries are measured at cost less any accumulated impairment losses.

The Company assesses investments for impairment at each reporting date where there are indicators that the investment may be impaired. If such indicators exist, the recoverable amount of the investment is estimated, and any excess of the carrying amount over the recoverable amount is recognised as an impairment loss in profit or loss.

1. Significant accounting policies (continued)

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also considers non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received.

Where share options are granted by the Company to employees of one or more group entities the Company makes a reasonable recharge of the expense to subsidiary for the group expense calculated in accordance with accounting standards.

Going Concern

The directors have assessed the ability of the Group and the Company (the parent undertaking) to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

The Groups going concern assessment is set out in note 1 of the consolidated financial statements.

As the Company's own financial position and cash flow forecasts are consistent with the Group assessment. Accordingly, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the Company financial statements.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid to the shareholders. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

1. Significant accounting policies (continued)

Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. There are no critical estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Financial instruments

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. Significant accounting policies (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments include any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as creditors amounts falling due within one year. If not, they represent creditors falling due after more than one year. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

2. Staff costs

	Year ended 31 December	
	2025	2024
	£'000	£'000
Salaries and bonus	1,275	1,616
Share based payments	108	74
Benefits	27	28
Pension costs	4	4
	<u>1,414</u>	<u>1,722</u>

The average monthly number of employees during the period was as follows:

	Year ended 31 December	
	2025	2024
	No.	No.
Directors	9	9
	<u>9</u>	<u>9</u>

	2025	2024
	£'000	£'000
Directors' remuneration, included in staff costs		
Salaries and bonus	1,275	1,616
Share based payments	108	74
Benefits	27	28
Pension contributions	4	4
	<u>1,414</u>	<u>1,722</u>

The directors are the only key management personnel.

The highest paid director did not exercise any share options in the year and had no shares receivable under long-term incentive schemes.

The highest paid director in 2025 is (2024: is not) a member of the Company's money purchase pension scheme.

Number of executive directors to whom retirement benefits are accruing under the money purchase pension scheme was 2 (2024: 2).

Number of non- executive directors to whom retirement benefits are accruing under the money purchase pension scheme was 2 (2024: Nil).

During the year no options over ordinary shares were of 25p each were exercised or sold by the Directors.

In 2024 Directors exercised 250,000 options over ordinary shares of 25p at an exercise price of 122p and sold for 485p.

3. Investments

	At 31 December 2025 £'000
Cost	
At January 2025	34,493
Additions	14,306
	48,799
Impairment	
At January 2025 and 31 December 2025	-
Net book value	-
At 31 December 2025	48,799
At 31 December 2024	34,493

Details of subsidiaries are shown in note 7 of the Consolidated Financial Statements.

Investments represents the cost of the Company's investment in its subsidiaries as detailed in Note 7 to the consolidated financial statements.

Additions in the year include £13,338,000 relating to cash consideration, £542,000 relating to the fair value of shares issued as consideration, and £426,000 of directly attributable acquisition costs.

Impairment of investments in subsidiaries

Investments in subsidiaries are stated at cost less impairment. At each reporting date, the Company assesses whether there are indicators of impairment in accordance with FRS 102.

In performing this assessment, the Company has considered the results of the impairment reviews carried out in respect of goodwill arising on consolidation at the Group level (note 8). These assessments involve determining the recoverable amount of the relevant cash-generating units based being the higher of value-in-use derived from discounted cash flow projections of the fair value less cost to sell. Discounted cash flow projections are based on various assumptions which are detailed in Note 8 of the consolidated financial statements.

The Directors consider that the outcomes of the Group's impairment assessments provide an appropriate basis for assessing whether the carrying value of the Company's investments exceed their recoverable amount taking into account the Company's specific circumstances. On this basis, the carrying values of the Company's investments are supported by the underlying net assets and expected future cash flows of the subsidiaries.

Based on this assessment, no impairment has been recognised in respect of the Company's investments in subsidiaries.

4. Debtors

	2025 £'000	2024 £'000
Amounts due from group undertakings	23,907	20,937*
Other receivables	-	208
Prepayments	148	421
	<u>24,055</u>	<u>21,566</u>

Amounts due from group undertakings are unsecured, non-interest bearing and repayable on demand. The directors do not consider there to be any expected credit loss relating to group companies having assessed their underlying profitability and financial position.

*The prior year figure has been amended from £20,397 to correct a transposition error. The correction is immaterial and has no impact on the statement of financial position.

5. Cash at bank and in hand and other current assets

Cash and cash equivalents include the following:

	As at 31 December	
	2025 £'000	2024 £'000
Cash at bank and in hand	5,868	1,009
Restricted cash	-	14,021
	<u>5,868</u>	<u>15,030</u>

In 2024, restricted cash refers to the cash held under escrow and could only be used for the acquisition that took place in February 2025 (see note 12 of the consolidated financial statements).

6. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade payables	16	745
Amounts due to group undertakings	3,778	-

Other taxation and social security	13	52
Accruals	212	768
	<u>4,019</u>	<u>1,565</u>

Amounts due to group undertakings are repayable on demand.

7. Called up share capital

	No of shares '000	£'000
Allotted and issued		
<u>Ordinary shares of £0.25 each</u>		
At 1 January 2024	77,257	19,314
Issued on 9 May 2024	86	21
Issued on 30 May 2024	290	73
Issued on 19 September 2024	110	28
Issued on 9 December 2024	2,941	735
At 31 December 2024	<u>80,684</u>	<u>20,171</u>
Issued on 12 February 2025	103	26
At 31 December 2025	<u>80,787</u>	<u>20,197</u>

On 9 May 2024, the Company issued 85,895 equity shares with par value of £0.25 per share for £2.375 per share. The entire amount was paid in cash. No shares were allotted other than for cash. £182,527 was recognised in share premium.

On 30 May 2024, the Company issued 290,000 equity shares with par value of £0.25 per share for £1.22 per share. The entire amount was paid in cash. No shares were allotted other than for cash. £281,300 was recognised in share premium.

On 19 September 2024, the Company issued 110,000 equity shares with par value of £0.25 per share for £1.22 per share. The entire amount was paid in cash. No shares were allotted other than for cash. £106,700 was recognised in share premium.

On 9 December 2024, the Company issued 2,941,176 equity shares with par value of £0.25 per share for £5.10 per share. The entire amount was paid in cash. No shares were allotted other than for cash. £14,264,704 was recognised in share premium.

On 12th February 2025, the Company issued 103,422 equity shares at £5.24 per share.

Expenses incurred on the issue of shares amounting to £Nil (2024: £447,000) were deducted from Share Premium.

All ordinary shares carry equal rights.

8. Share premium

	2025 £'000	2024 £'000
Share premium	34,114	34,114

The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses incurred by the Company.

9. Other reserves

The movement in merger reserve represents the difference between the nominal value of shares issued by the Company and the issue price on the acquisition of subsidiary undertaking, Brand Architect Plc. The shares were issued as consideration for the acquisition, and merger relief has been applied in accordance with the Companies Act 2006.

The share based payment reserve represents share-based payment charges on the share options that were in issue.

10. Related party transactions

The Company has taken advantage of the disclosure of related party transactions with wholly owned fellow group companies. Related party transactions with key management personnel (including directors) are shown in Note 24 of the Consolidated Financial Statements.

11. Share based payments

The Group has taken advantage of the exemption to not disclose details of the parent company's share-based payment arrangements.

Disclosure of the Group's share-based payment arrangements has been made in Note 23 of the Group accounts.

Officers and Professional Advisers

Directors	C Garston S Bazini E Macleod N Rodol S Craig P Hagon I Thambiah S Daly K Sadler	Chairman Chief Executive Officer Managing Director Chief Financial Officer General Counsel & Company Secretary Executive Director Senior Independent Director Non-Executive Director Non-Executive Director
Registered Office	Units B&C Orbital Forty Six The Ridgeway Trading Estate Iver Buckinghamshire SL0 9HW	
Company Number	10261717	
Nominated Adviser and Joint Broker	Shore Capital Cassini House 57-58 St James's Street London SW1A 1LD	
Joint Broker	Joh. Berenberg, Gossler & Co KG 60 Threadneedle Street London EC2R 8HP	
Auditors	BDO LLP 55 Baker Street London W1U 7EU	
Registrars	Neville Reistrars Limited Neville House Steel Park Road Halesowen West Midlands B62 8HD	
Financial PR and IR	IFC Advisory Limited Birchin Court 20 Birchin Lane London EC3V 9DU	