

10 September 2025

## Warpaint London PLC

(“Warpaint”, the “Company” or the “Group”)

### Interim Results for the six months ended 30 June 2025

Warpaint London plc (AIM: W7L; OTCQX: WPNTF), the specialist supplier of colour cosmetics and owner of the W7, Technic, Skin & Tan, Super Facialist, Dirty Works and Fish Soho brands announces its unaudited interim results for the six months ended 30 June 2025 (“H1”).

#### Highlights

	Unaudited six months to 30 June 2025	Unaudited six months to 30 June 2024	Change
Revenue	<b>£49.3m</b>	£45.8m	<b>+8%</b>
Gross profit margin	<b>45.0%</b>	42.5%	<b>+250bps</b>
Adjusted EBITDA*	<b>£10.8m</b>	£11.4m	<b>-5%</b>
Profit before tax	<b>£6.4m</b>	£10.9m	<b>-41%</b>
Adjusted earnings per share (EPS)**	<b>8.5p</b>	9.8p	<b>-13%</b>
Cash and cash equivalents	<b>£17.0m</b>	£5.5m	<b>+209%</b>
Interim dividend per share	<b>4.0p</b>	3.5p	<b>+14%</b>

- Group sales increased by 8% to £49.3 million in H1 2025 (H1 2024: £45.8 million) including the contribution from the acquisition of Brand Architekts from 12 February 2025
  - UK revenue was up by 15.9% to £18.0m (H1 2024: £15.5 million)
  - International revenue increased by 3.2% to £31.3 million (H1 2024: £30.3 million)
  - Brand Architekts sales of £6.1 million represented 12% of overall Group revenue in the period
- Gross profit margin grew by a further 250 bps to 45.0% (H1 2024: 42.5%) due to successful launches of new product lines, sourcing and volume savings. Excluding Brand Architekts, like-for-like gross margin improved to 45.5%, up 300bps.
- Adjusted EBITDA\* was £10.8 million (H1 2024: £11.4 million)
- Profit before tax was £6.4 million (H1 2024: £10.9 million), predominantly reflecting £4.6 million of non-cash losses on foreign exchange forward contracts, of which £2.7 million were unrealised at 30 June 2025, a £3.9 million gain as a result of the ‘bargain purchase’ (negative goodwill) of Brand Architekts and £1.3 million of exceptional costs associated with the acquisition of Brand Architekts
- Cash of £17.0 million as at 30 June 2025 (30 June 2024: £5.5 million), having acquired £6.2 million of cash as a result of the acquisition of Brand Architekts
- Adjusted EPS\*\* fell to 8.5p (H1 2024: 9.8p) partly reflecting the increase in shares in issue

as a result of the Brand Architekts acquisition

- Given the available cash and ongoing profitability of the Group, the board has declared an increased interim dividend of 4.0p per share (2024 interim dividend 3.5p per share), up 14%

\* Adjusted for foreign exchange movements, exceptional items and share-based payments. Adjusted numbers are close to the underlying cash flow performance of the business which is regularly monitored and measured by management.

\*\* Adjusted for foreign exchange movements, exceptional items, share-based payments, amortisation and impairments and the gain on bargain purchase.

### Operational Highlights

- Successfully completed the acquisition of Brand Architekts in February 2025, and are already benefitting from the expansion of its brands into a number of Group customers
- Implemented an inflationary price increase to all customers, which will have a greater impact in H2 2025
- Rest of World sales up by 144% to £3.6 million (H1 2024: £1.5 million), including the launch of an expanded range with a significant Australian customer
- Direct online sales, including £1.3 million from Brand Architekts brands, were up 45% to £3.4 million (H1 2024: £2.3 million) representing 6.8% of Group sales (H1 2024: 5.1%)
- Significant store rollouts for H2 2025 agreed:
  - UK: Superdrug started rolling out W7 into 140 new stores in June 2025, Tesco have undertaken a 150 store expansion of the Group's W7 impulse offering, and a gifting offering is going into 350 Boots stores at Christmas for the first time alongside an expansion of accessories into 250 additional stores
  - Europe: Tigota in Italy launching a range of products in 200 stores with a capsule collection going into an additional 400 stores; Etos in the Netherlands is expected to expand its product assortment in all 546 stores with a permanent fixture and an enhanced range in selected stores
  - US: expanding the W7 range stocked and roll-out to a further 399 stores with CVS which commenced in August 2025

### Current Trading and Outlook

- Group sales for the eight months to 31 August 2025, including £7.7 million from the Brand Architekts brands, were £67.0 million (eight months to 31 August 2024: £63.5 million)
- A long-term customer of the Group's Technic products, G.R. & M.M. Blackledge plc, trading as Bodycare, has recently entered administration. Amounts due from this customer at 30 June 2025, totalled £0.5 million, have been provided for in full. There is a further £0.3 million due from this customer from trading after period end. Future revenue from this customer is now uncertain
- As a result of the above, along with an increasingly weak UK consumer environment and an uncertain US market given the recent tariff disruption, for the 2025 full year at a GBP/US\$ exchange rate of £1/US\$1.34, the board now expects the Company to achieve revenues of between £107 million and £112 million, and adjusted EBITDA of between £23.5 million and £25.5 million

These expectations reflect a second half weighting to the full year performance which is supported

by price increases to all customers and the on-going programme of store rollouts described above, as well as the Group's Christmas gifting sales

**Commenting, Sam Bazini Chief Executive, said:**

"The Group traded satisfactorily during the first half despite the challenging macroeconomic environment, but we have seen conditions remain difficult in recent months, with both consumer and customer confidence being subdued, which now seems likely to remain for some time. Coupled with continuing US market uncertainty, alongside a specific customer recently going into administration, we are disappointed to be lowering our expectations for the full year.

"Nevertheless, we continue to have a strong second half roll out and see excellent medium- and long-term growth opportunities across the Group, particularly in the UK and Europe, and further opportunities from the addition of the Brand Architects' brands. We also remain focused on achieving additional improvements in margins across the Group.

"Despite the short-term headwinds, the board looks forward to the future with confidence."

*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018*

**Enquiries:**

**Warpaint London**

c/o IFC

Sam Bazini – Chief Executive Officer

Eoin Macleod – Managing Director

Neil Rodol – Chief Financial Officer

**Shore Capital (Nominated Adviser & Broker)**

020 7408 4090

Patrick Castle, Daniel Bush, Lucy Bowden – Corporate Advisory

Fiona Conroy – Corporate Broking

**IFC Advisory (Financial PR & IR)**

020 3934 6630

Tim Metcalfe, Graham Herring, Florence Staton

**Warpaint London plc**

Warpaint sells 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'stuff, Body Collection and Chit Chat, each targeting a different demographic. Additionally, in February 2025, Warpaint acquired a number of leading health, beauty and personal care brands that complement its existing cosmetics brands, including Skin & Tan, Super Facialist, Dirty Works and Fish Soho.

**CHIEF EXECUTIVE'S REVIEW**

Against a backdrop of challenging macroeconomic conditions and subdued consumer confidence, both in

the UK and more widely, Group sales increased by 8% to £49.3 million (H1 2024: £45.8 million), importantly at an improved gross margin of 45.0% (H1 2024: 42.5%). This is the fourth year in a row that margins have improved incrementally in the first half of the financial year.

The completion of the acquisition of Brand Architekts in the period provided the Group with an additional portfolio of high-quality complementary health, beauty and personal care brands, with a well-established customer base that complements Warpaint's existing customer relationships and brand portfolio. The acquisition fits well with the Group's strategy which remains focused on growing profitable sales of its branded products, particularly in the UK and Europe, whilst increasing overall margins.

Sales for the remainder of 2025 are expected to be achieved through both existing customers, where a number of significant store expansions are taking place, alongside increases in the Group's footprint within each store, as well as adding new large retailers to the Group.

I believe Warpaint remains very well positioned for profitable future growth. Our global market share remains modest and we see substantial opportunities ahead of us.

## **W7**

W7 is the Group's lead brand, accounting for 60% of total Group revenue in the period (H1 2024: 66%). Sales in H1 2025 of £29.8 million were at a similar level to H1 2024 (£30.2 million), with a return to growth expected in the second half of the year.

Reflective of more subdued consumer confidence, W7 sales in the UK decreased 14% to £7.6 million (H1 2024: £8.8 million). However, post period end, the UK returned to growth with more scheduled expansions of the range and outlets served by existing retail partners of W7 expected in the second half of the year.

Europe sales decreased 3% to £17.6 million (H1 2024: £18.1 million), as certain larger retailers reduced historic levels of stock, however, order levels are expected to return to more normal levels in the second half, and additional sales to existing customers are expected, particularly as they expand the size of their estates, as well as sales to 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.

In the US, W7 sales decreased 12% to £2.0 million (H1 2024: £2.2 million). We are monitoring closely the ongoing tariff situation in the US, and the US currently remains a modest proportion of Group sales.

Sales to the rest of the world increased by 159% to £2.6 million (H1 2024: £1.0 million), representing 9% of W7 sales (H1 2024: 3%), driven by strong growth in Australia.

## **Technic**

In H1 2025, Technic sales decreased by 15% to £12.4 million (H1 2024: £14.5 million), due particularly to a fall in sales of retailer own brand white label cosmetics. White label opportunities are assessed case-by-case, based on the return they can deliver. In 2024, Technic's white label business grew by 90%, but similar appropriate margin opportunities were not presented in the period and white label sales have returned to more historic levels.

The largest proportion of Technic sales in the period, at 59%, continued to be sold in Europe (H1 2024: 57%). The UK accounted for 33% of Technic sales in the period (H1 2024: 38%), with sales of the Technic brands in the US and the rest of the world accounting for 8% (H1 2024: 5%). Technic sales outside of the Europe and the UK remain small in the context of the Group as a whole, representing approximately 1.8% of Group revenue, but present a further opportunity for continued growth.

## **Ecommerce**

Including Brand Architekts, online sales reached £3.4 million (H1 2024: £2.3 million), an increase of 48%, at a similar net margin to other Group sales. Direct online sales in H1 2025 represented 6.8% of Group sales (H1 2024: 5.1%).

The Group continues to have significant opportunities to grow sales through the W7, Technic and Brand Architekts own ecommerce sites, and on Amazon in the UK, Europe and the US, and in China.

## **Close-out**

Close-out sales continue to be reduced as they are not a core focus, although the Group will take advantage of profitable close-out opportunities as they become available, as they provide an important and profitable source of intelligence in the colour cosmetics market. In H1 2025, close-out sales were £1.1 million (H1 2024: £1.2 million) and represented only 2% of the overall revenue of the Group (H1 2024: 3%).

## **Brand Architekts**

On 12 February 2025, we were pleased to complete the acquisition of Brand Architekts, 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. Brand Architekts' brand portfolio 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 ecommerce websites.

Warpaint has a strong track record of successfully acquiring, integrating and growing businesses with complementary brands, offerings and customers, and I consider that Brand Architekts provides a similar opportunity. Brand Architekts has a number of high-quality brands with a well-established customer base that complements Warpaint's existing customer relationships and brand portfolio. In addition, while Brand Architekts has grown its gross margins over recent financial periods, it carried a high overhead cost base relative to the level of gross profit generated by the business. We identified significant cost synergies and have already reduced overheads to a more efficient level, increasing Brand Architekts' profitability. This has included disposing of three non-core brands and their associated stock, with no material impact on Group results in the period. The Warpaint board continues to expect the acquisition to be earnings enhancing to Warpaint in the current financial year.

In H1 2025 Brand Architekts sales were £6.1 million from 12 February 2025. The majority of Brand Architekts' sales are in the UK (90% / £5.5 million), with the remainder in the EU (4%), the US (3%) and the rest of the world (3%). Brand Architekts sales represented 12% of the overall revenue of the Group in the period. Expanding the geographical reach of the Brand Architekts brands is expected in the second half of 2025 and further in 2026 as we continue to introduce them to existing customers. Brand Architekts' gross margin since acquisition was 41.0% and they contributed £0.5 million to EBITDA in H1 2025.

## **Customers & Geographies**

The largest markets for sales of the Group's brands are in Europe and the UK. In H1 2025 the Group's top ten customers represented 65% of revenues (H1 2024: 69%).

## **UK**

In the first half, sales in the UK were up 15.9% to £18.0 million (H1 2024: £15.5 million) and accounted for 36.5% of Group sales (H1 2024: 33.9%), assisted by the contribution from Brand Architekts. On a like-for-like basis sales were £12.5 million, a decrease of £3 million or 19%. The reduction in white label cosmetics in the first half of 2025 accounted for £0.8 million of the decrease, with the balance partially due to a change in buying patterns from some UK customers to reduce stock holding levels, because of falling consumer confidence.

We are in continued talks with major UK retailers who stock W7 and Technic product to increase the offering in their stores and have planned further expansion across a number of their estates this year. Near the end of the period in June 2025, Superdrug started rolling out W7 into 140 new stores, and travel size products in all stores; Tesco have recently undertaken a 150 store expansion of the Group's W7 impulse offering; and Boots are to take gifting products for the first time for Christmas 2025 (to be stocked in 350 stores), with accessories going into 250 stores.

## **Europe**

In the first half, sales in Europe decreased by 4% to £25.3 million (H1 2024: £26.4 million) and accounted for 51% of Group sales (H1 2024: 58%). The reduction in sales reflected one-off change in buying patterns by several large customers, who reduced the amount of warehouse stock they hold. Since the end of the period, buying patterns have returned to more normal levels, and we expect to return to growth for the full year.

## **US**

In the US, Group sales were flat at £2.4 million (H1 2024: £2.4 million), however, in US dollar terms, sales increased by 2% to US\$3.1 million, accounting for 5% of Group sales (H1 2024: 5%).

The period saw the imposition of additional tariffs, particularly on goods manufactured in China, and this is having an impact on the margins achievable from the Group's US sales. However, we are seeking to mitigate the effects as far as possible and to navigate the evolving tariff landscape. Ecommerce accounts for a majority proportion of the Group's US business, where we have greater flexibility with the selling price, and have implemented price increases. We are maintaining relationships with most retail partners and will sacrifice some margin to continue a bricks and mortar presence. We continue to monitor the situation closely and are focused on ensuring the Group maintains its position in the US, whilst maximising the available margin.

## **Rest of the World**

In the first half, sales in the Rest of the World were up 144% to £3.6 million (H1 2024: £1.5 million) and accounted for 7% of Group sales (H1 2024: 3%), driven by a significant increase in sales in Australia. The period saw increased sales of both the Group's lead brand W7, up 159% and the Technic brands, up by 75%. Brand Architekts sales in the ROW were £0.2 million.

## **Dividend**

Given the available cash and the ongoing profitability of the Group, the board is pleased to declare an increased interim dividend of 4.0p per share (2024 interim dividend: 3.5p per share), which will be paid on 21 November 2025 to shareholders on the register at 7 November 2025. The shares will go ex-dividend on 6 November 2025.

## **Summary and Outlook**

The Group traded satisfactorily during the first half despite the challenging macroeconomic environment, but we have seen conditions remain difficult in recent months, with both consumer and customer confidence being subdued, which is likely to remain for some time. Coupled with continuing US market uncertainty, alongside a specific customer recently going into administration, we are disappointed to be lowering our expectations for the full year.

Nevertheless, we continue to have a strong second half roll out and we continue to see excellent medium- and long-term growth opportunities across the Group, particularly in the UK and Europe, and further opportunities from the addition of the Brand Architekts' brands. We also remain focused on achieving additional improvements in margins across the Group.

Our robust supply chain and distribution network, coupled with maintaining appropriate levels of stock, ensures that we are able to supply our retail customers on time with product that their customers are demanding. We continue to regularly review our sourcing and are investigating additional opportunities to manufacture products outside China, including in the UK, to ensure the maximum available margin, whilst ensuring consistency and quality of supply.

The US remains a modest part of the Group's overall business, and we have growth opportunities elsewhere and strategies in place to mitigate the effects of US tariffs.

Despite the short-term headwinds, the board looks forward to the future with confidence.

**Sam Bazini**  
**Chief Executive Officer**  
 9 September 2025

## CHIEF FINANCIAL OFFICER'S REVIEW

We achieved revenue growth and improved margins in the first half of 2025, that also included the successful acquisition of Brand Architekts. However, like-for-like revenue (excluding Brand Architekts) declined slightly in the period as the uncertainty around economic issues and cost of living increases in the UK had a knock-on effect on consumer confidence and willingness to spend.

On 12 February 2025, the Group completed the acquisition of Brand Architekts, the owner of a number of complementary health, beauty and personal care brands, sold predominantly in the UK. Brand Architekts brands include Skin & Tan, Super Facialist, Dirty Works and Fish Soho. The Group believes that the acquisition is an exciting and relatively low risk opportunity to further bolster Warpaint's growth potential.

The Group continues its organic strategy of building the W7 and Technic brands, together with its more recently acquired brands. We remain 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.

Statutory Results £m	H1 2025	H1 2024
Revenue	<b>49.3</b>	45.8
Profit from operations	<b>2.7</b>	11.0
Adjusted EBITDA*	<b>10.8</b>	11.4
Profit before tax (PBT)	<b>6.4</b>	10.9
Basic Earnings per share (EPS)	<b>6.7p</b>	10.4p

Adjusted earnings per share* (EPS)	<b>8.5p</b>	9.8p
Cash and cash equivalents	<b>17.0</b>	5.5

\*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:

Headline results, shown below, represent the performance comparisons between the consolidated statements of income for the half years ended 30 June 2025 and 30 June 2024.

## Revenue

In H1 2025, Group revenue increased by 8% to £49.3 million (H1 2024: £45.8 million). On a like-for-like basis, excluding the sales generated by Brand Architekts in the period, revenue was £43.2 million.

Company branded sales were £47.6 million (H1 2024: £43.5 million). The W7 brand generated sales of £29.8 million (H1 2024: £30.2 million), while the Technic brand, excluding sales of retailer own brand white label cosmetics, contributed sales of £12.0 million (H1 2024: £13.4 million). Sales made from the Brand Architekts brands from 12 February to 30 June 2025 were £6.1 million.

In the first half, sales of white label cosmetics were £0.3 million (H1 2024: £1.1 million). The white label business is traditionally cost competitive and is only undertaken based on commercial viability, in particular margin.

Close-out sales in the first half were £1.1 million (H1 2024: £1.2 million), as the Group, in line with its strategy, continued to reduce its focus on close-out opportunities.

In the US, management has considered the newly implemented US tariffs and have calculated that the changes in tariffs will have no material impact on the Group, or the carrying value of the goodwill in its US entity, however, management does expect sales in the US in H2 2025 to be less than in the prior year (H2 2024: \$8.1 million).

## Product Gross Margin

Gross margin was 45.0% for H1 2025, compared to 42.5% in H1 2024.

This is the fourth year in a row that gross margin has improved incrementally in the first half of the year, driven by new product development and improved sourcing. During the first half of the year an inflationary price increase to all customers was implemented, which will have more impact in H2 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\$.

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. We continue to move 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. Since the start of 2025, we have purchased more forward foreign exchange contracts to further help protect our gross margin in 2025 and into 2026.

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 for the remainder of 2025.

## Operating Expenses

Total operating expenses before exceptional items, amortisation costs, depreciation, foreign exchange movements and share-based payments, were £11.3 million in the first half of the year (H1 2024: £8.1 million). On a like-for-like basis, excluding Brand Architekts in the period, operating expenses were £9.2 million, and as a percentage of sales, excluding those sales of Brand Architekts in the period, they were 21.3% (H1 2024: 17.6%).

The absolute like-for-like increase of £1.1 million year-on-year was made up of increases in wages and salaries, business rates, PR and marketing spend, 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, along with an increase in bad debt provision.

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.

## Adjusted EBITDA

The board considers Adjusted EBITDA (adjusted for foreign exchange movements, share-based payments 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 half year to 30 June 2025 was £10.8 million (H1 2024: £11.4 million).

£m	H1 2025	H1 2024
Profit from operations	<b>2.72</b>	11.00
Depreciation	0.56	0.42
Depreciation of right of use assets	0.66	0.63
Amortisation of intangible assets	0.71	0.02
Foreign exchange loss/(gain)*	4.59	(0.79)
<b>EBITDA</b>	<b>9.24</b>	11.23
Exceptional items - acquisition related expenses	1.29	-
Share-based payments	0.31	0.16
<b>Adjusted EBITDA</b>	<b>10.84</b>	11.39

\*Foreign exchange loss in the period totalled £4.6 million, of which £2.7 million was unrealised losses of forward foreign exchange contracts in place at 30 June 2025.

## Profit Before Tax

Group profit before tax for the half year to 30 June 2025 was £6.4 million (H1 2024: £10.8 million). The changes in profitability between the six months to 30 June 2024 and 30 June 2025 were due to:

£m	Effect on Profit
Sales volume growth	1.4
Margin growth	1.2
Increase in operating expenses	(2.7)
*FX loss in H1 2025 £4.6 million (H1 2024: Gain £0.8 million)	(5.4)

Exceptional Items – acquisition related expenses	(1.3)
Share-based payments	(0.2)
Amortisation of intangible assets	(0.7)
Gain on Brand Architekts acquisition	3.9
Increase in bad debt provision	(0.5)
Other items	(0.2)
<b>Change in profit before tax between H1 2024 and H1 2025</b>	<b>(4.5)</b>

\*Foreign exchange loss in the period totalled £4.6 million, of which £2.7 million was unrealised losses of forward foreign exchange contracts in place at 30 June 2025.

Adjusted profit before tax was £4.8 million (H1 2024: £11.0 million), the reconciliation to reported profit before tax is as follows:

£m	H1 2025	H1 2024
<b>Profit before tax</b>	<b>6.4</b>	<b>10.8</b>
Exceptional items - acquisition related expenses	1.3	-
Share-based payments	0.3	0.2
Gain on bargain purchase	(3.9)	-
Amortisation of intangible assets	0.7	-
<b>Adjusted profit before tax</b>	<b>4.8</b>	<b>11.0</b>

## Earnings Per Share

The statutory interim basic and diluted earnings per share were 6.73p and 6.70p respectively in H1 2025 (H1 2024: 10.37p and 10.30p).

The adjusted interim basic and diluted earnings per share before exceptional items, amortisation costs and share-based payments were 8.52p and 8.49p respectively in H1 2025 (H1 2024: 9.78p and 9.72p).

£m	H1 2025	H1 2024
Statutory profit attributable to equity holders	<b>5.43</b>	8.02
Exceptional items – acquisition-related expenses	1.29	-
Amortisation of intangible assets	0.71	0.02
Share-based payments	0.31	0.16
Gain on Brand Architekts acquisition	(3.89)	-
Foreign exchange loss/(gain)*	4.59	(0.79)
Tax attributable to adjusting items	(1.55)	0.16
<b>Adjusted profit attributable to equity holders</b>	<b>6.88</b>	<b>7.56</b>
Weighted number of ordinary shares	80,762,751	77,331,174
<b>Adjusted Earnings per share</b>	<b>8.52p</b>	9.78p

\* Foreign exchange loss in the period totalled £4.6 million, of which £2.7 million was unrealised losses of forward foreign exchange contracts in place at 30 June 2025.

## Share Options

The exercise of EMI and CSOP share options during the period had an immaterial dilutive impact on earnings per share in the period. The share-based payment charge of the EMI and CSOP share options for

the half year to 30 June 2025 was £0.31 million (H1 2024: £0.16 million) and has been taken to the share option reserve.

### **Cash Flow and Cash Position**

Net cash flow from operating activities was £5.4 million compared to £(2.0) million in H1 2024. The Group's cash balance increased by £11.5 million to £17.0 million as at 30 June 2025 (30 June 2024: £5.5 million), having acquired £6.2 million of cash as a result of the Brand Architekts acquisition.

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 and US, there will be occasions where investment in store furniture for customers is required to secure business. In H1 2025, £1.1 million (H1 2024: £1.3 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 include the preparation of a 94,000 sq. ft. warehouse to store and distribute the Technic brands, 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 a £9.5 million invoice and stock finance facility, and a 'general purpose' £1.0 million facility (reduced at the Company's request from £5.0 million on 1 May 2025). At 30 June 2025, both facilities were unused and the balance outstanding was £nil (30 June 2024: £nil). These facilities, together with the Group's positive cash generation and the cash balance, ensure that future growth can be comfortably funded.

### **Exceptional Items**

Exceptional costs in H1 2025 of £1.286 million included £0.68 million of acquisition-related costs, £0.50 million of staff redundancy costs, and £0.10 million of restructuring and other costs (H1 2024: nil).

### **Balance Sheet**

Inventories at 30 June 2025 were £35.9 million (30 June 2024: £33.0 million). Included in the inventory total at 30 June 2025 is £3.1 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. At 30 June 2025, the provision for old and slow inventory was £0.9 million/2.5% (30 June 2024: £0.8 million/2.3%). 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. Our Group policy is to provide for 50% of the cost of perishable items that are over two years old. However, we remain confident that many such items in the normal course of business are eventually sold through our close-out operations without a loss to the Group.

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. Trade receivables, excluding other receivables, at 30 June 2025 were £18.8 million (30 June 2024: £14.9 million). The Brand Architekts business trade receivables at 30 June 2025 were £5.1 million. The provision for bad and doubtful debts carried forward at 30 June 2025 was £0.73 million, 3.7% of gross trade receivables (30 June 2024: £0.15 million/1.0%), as a result of a long-term customer of Technic products, G.R. & M.M. Blackledge plc, trading as Bodycare, which has recently entered administration. Amounts due from this customer at 30 June 2025, totalling £0.5 million, have been provided for in full. There is a further £0.3 million due from this customer from trading after period end, which currently has been provided for in full.

At 30 June 2025, the Group had no borrowings or lease liabilities outstanding (30 June 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 30 June 2025.

Working capital increased by £17.2 million from 30 June 2024 to 30 June 2025. The main components were an increase in inventory of £2.9 million, an increase in trade and other receivables of £6.2 million, an increase in cash of £11.5 million, and an increase in trade and other payables of £3.5 million.

The Group's balance sheet remains in a very healthy position. On 30 June 2025, net assets totalled £73.5 million (30 June 2024: £51.0 million), with the majority made up of liquid assets of inventory, trade receivables and cash.

Included in the balance sheet is £7.3 million of goodwill, which represents the excess of consideration over the fair value of the Group's share of the net identifiable assets of the acquired business / cash generating units at the date of acquisition. The carrying value at 30 June 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 a mid-year review at 30 June 2025 and has concluded that no impairment is indicated for Treasured Scents Limited, Retra Holdings Limited, Marvin Leeds Marketing Services, Inc. and Brand Architekts Group Limited as the recoverable amount exceeds the carrying value.

The balance sheet includes £10.1 million of right-of-use assets (H1 2024: £4.7 million), 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 £10.6 million (H1 2024: £4.9 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/£.

In addition, when currency rates were favourable, we purchased additional US dollar forward foreign exchange contracts and spot rate amounts to help cover our total US dollar requirement for this year, and forward foreign exchange contracts towards our requirement for 2026.

There was a foreign exchange loss in the period of £4.6 million, of which £2.7 million was unrealised losses of forward foreign exchange contracts in place at 30 June 2025, when the US\$/GBP exchange rate was 1.3721. This had fallen to 1.3490 on 29 August 2025, reversing most of the unrealised losses.

The Group has a natural hedge from sales to the US which are entirely in US dollars; in H1 2025 these sales were US\$3.13 million (H1 2024: US\$3.08 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 £13.3 million in cash and the issue of 103,422 Warpaint shares at £5.24 per share, making a total purchase consideration of £13.9 million (the "Acquisition"). Including legal and professional fees, the total purchase price of the Acquisition was £14.7 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 is still in the process of allocating the purchase price, however, the initial book value of net assets acquired was £11.45 million, including £6.2 million of cash. The acquisition is considered a "bargain purchase" because the provisionally assessed fair value of the assets acquired of £17.8 million was greater than the purchase price of £13.9 million, resulting in negative goodwill of £3.9 million (subject to audit), which has been treated as other operating income as directed by IFRS3. Further details are shown in note 9.

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. Current valuations indicate the scheme is in surplus, such that its assets exceed pension liabilities. The scheme surplus at 30 June 2025 has been valued at £2.0 million (30 June 2024: £0.8 million, 12 February 2025: £1.5 million) and has been included as an asset in the balance sheet. Further details are shown in note 10.

## **Dividends**

The board is pleased to have declared an increased interim dividend of 4.0p per share (2024: 3.5p), which will be paid on 21 November 2025 to shareholders on the register at 7 November 2025. The shares will go ex-dividend on 6 November 2025.

**Neil Rodol**  
**Chief Financial Officer**  
9 September 2025

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	<i>Unaudited</i> 6 months ended 30 June 2025 £'000	<i>Unaudited</i> 6 months ended 30 June 2024 £'000	<i>Audited</i> Year ended 31 December 2024 £'000
<b>Revenue</b>		49,298	45,848	101,607
Cost of sales		(27,129)	(26,377)	(59,739)
<b>Gross profit</b>		<b>22,169</b>	<b>19,471</b>	<b>41,868</b>
Administrative expenses	3	(19,445)	(8,507)	(17,882)
<b>Profit from operations</b>		<b>2,724</b>	<b>10,964</b>	<b>23,986</b>
Finance income	4	152	22	116
Finance expense	4	(356)	(137)	(341)
Gain on bargain purchase	9	3,889	-	-
<b>Profit before tax</b>	3	<b>6,409</b>	<b>10,849</b>	<b>23,761</b>
Tax expense	5	(979)	(2,833)	(5,528)
<b>Profit for the period attributable to equity holders of the parent company</b>		<b>5,430</b>	<b>8,016</b>	<b>18,233</b>
Other comprehensive income (net of tax):				
Exchange gain on translation of foreign subsidiary		(64)	(31)	11
Re-measurement of defined benefit pension		324	-	-
<b>Total comprehensive income for the period attributable to equity holders of the parent company</b>		<b>5,690</b>	<b>7,985</b>	<b>18,244</b>
Basic earnings per share (pence)	6	6.73	10.37	23.47
Diluted earnings per share (pence)	6	6.70	10.30	23.34

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<i>Unaudited</i> As at 30 June 2025 £'000	<i>Unaudited</i> As at 30 June 2024 £'000	<i>Audited</i> As at 31 December 2024 £'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		7,274	7,274	7,274
Intangible assets	7	5,233	76	90
Property, plant and equipment		3,026	2,153	2,527
Right-of-use assets	8	10,114	4,720	4,073
Retirement benefit surplus		1,970	-	-
Deferred tax assets		839	701	568
		<b>28,456</b>	<b>14,924</b>	<b>14,532</b>
<b>Current assets</b>				
Inventories		35,934	32,975	31,192
Trade and other receivables		21,465	17,559	16,336
Corporation tax recoverable		2,321	-	273
Cash and cash equivalents		17,017	5,506	21,887
Derivative financial instruments		-	7	1,340
		<b>76,737</b>	<b>56,047</b>	<b>71,028</b>
<b>Total assets</b>		<b>105,193</b>	<b>70,971</b>	<b>85,560</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		17,686	14,207	7,630
Borrowings and lease liabilities		1,353	1,300	1,326
Corporation tax liability		14	557	-
Derivative financial instruments		2,665	143	-
		<b>21,718</b>	<b>16,207</b>	<b>8,956</b>
<b>Non-current liabilities</b>				
Borrowings and lease liabilities		9,070	3,590	2,919
Deferred tax liabilities		936	180	391
		<b>10,006</b>	<b>3,770</b>	<b>3,310</b>
<b>Total liabilities</b>		<b>31,724</b>	<b>19,977</b>	<b>12,266</b>
<b>NET ASSETS</b>		<b>73,469</b>	<b>50,994</b>	<b>73,294</b>
<b>EQUITY</b>				
Share capital		20,197	19,408	20,171
Share premium		34,630	20,190	34,114
Merger reserve		(16,100)	(16,100)	(16,100)
Foreign exchange reserve		(31)	(9)	33
Share option reserve		654	610	652
Pension remeasurement reserve		1,478	-	-
Retained earnings		32,641	26,895	34,424
<b>Total equity attributable to shareholders</b>		<b>73,469</b>	<b>50,994</b>	<b>73,294</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

		<i>Unaudited</i> 6 Months ended 30 June 2025	<i>Unaudited 6</i> Months ended 30 June 2024	<i>Audited</i> Year ended 31 December 2024
	Notes	£'000	£'000	£'000
Profit before tax for the period		6,409	10,849	23,761
<b>Adjusted by:</b>				
Finance expense	4	356	137	341
Finance income	4	(152)	(22)	(116)
Gain on bargain purchase	9	(3,889)	-	-
Depreciation of property, plant and equipment	3	559	415	934
Depreciation on right of use assets		661	626	1,273
Loss on disposal of property, plant, and equipment		90	1	9
Amortisation of intangible assets	3	706	17	26
Share based payments		310	164	349
Movement in derivative financial instruments		4,005	(382)	(1,858)
Foreign exchange translation differences		8	(19)	45
<i>Other adjustments</i>				
Acquisition related costs		682	-	418
<i>Working capital adjustments</i>				
Movement in inventories		(1,446)	(5,012)	(3,229)
Movement in trade and other receivables		(480)	(4,030)	(2,807)
Movement in trade and other payables		374	(27)	(1,943)
Movement in deferred tax assets		(105)	-	24
<b>Cash inflow generated from operations</b>		<b>8,088</b>	<b>2,717</b>	<b>17,227</b>
Income tax paid		(3,266)	(4,745)	(8,070)
<b>Cash flows from operating activities</b>		<b>4,822</b>	<b>(2,028)</b>	<b>9,157</b>
Acquisition of subsidiary, net of cash acquired	9	(7,661)		
Purchase of property, plant and equipment		(1,067)	(1,323)	(2,237)
Proceeds from sales of Property Plant and Equipment		-	-	12
Interest received		152	22	116
Acquisition related costs		(682)	-	(418)
Purchase of intangible assets		-	-	(23)
<b>Cash flows used by investing activities</b>		<b>(9,258)</b>	<b>(1,301)</b>	<b>(2,550)</b>
Loans received from Directors		-	-	14,000
Loans repaid to Directors		-	-	(14,000)
Proceeds from issued share capital		516	558	15,245
Principal elements of lease payments		(524)	(626)	(1,270)
Lease liability interest		(212)	(108)	(206)
Interest paid		(144)	(29)	(135)
Dividends		-	-	(7,379)
<b>Cash flows used by financing activities</b>		<b>(364)</b>	<b>(205)</b>	<b>6,255</b>
Net change in cash and cash equivalents		(4,800)	(3,534)	12,862
Cash and cash equivalents at beginning of period		21,887	9,053	9,053
Exchange loss on cash and cash equivalents		(70)	(13)	(28)

**Cash and cash equivalents at end of period**

<b>17,017</b>	<b>5,506</b>	<b>21,887</b>
---------------	--------------	---------------

**Cash and cash equivalents consists of:**

Cash and cash equivalents

17,017	5,506	21,887
<b>17,017</b>	<b>5,506</b>	<b>21,887</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share Premium	Merger reserve	Foreign exchange reserve	Share option res- erve	Pension re- measur- ement reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000		£'000	£'000
As at 1 January 2024	19,314	19,726	(16,100)	22	594	-	23,249	46,805
<b>Comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	-	8,016	8,016
<i>Other comprehensive income</i>								
On translation of foreign subsidiary	-	-	-	(31)	-	-	-	(31)
<b>Total comprehensive income for the period</b>	-	-	-	(31)	-	-	8,016	7,985
<b>Contributions by and distributions to owners</b>								
Equity shares issued	94	464	-	-	-	-	-	558
Transfer to the profit and loss reserve	-	-	-	-	(288)	-	288	-
Corporation tax charge	-	-	-	-	140	-	-	140
Share based payments	-	-	-	-	164	-	-	164
Dividends payable	-	-	-	-	-	-	(4,658)	(4,658)
<b>Total Contributions by and distributions to owners</b>	94	464	-	-	16	-	(4,370)	(3,796)
<b>As at 30 June 2024</b>	<b>19,408</b>	<b>20,190</b>	<b>(16,100)</b>	<b>(9)</b>	<b>610</b>	<b>-</b>	<b>26,895</b>	<b>50,994</b>
As at 1 January 2024	19,314	19,726	(16,100)	22	594	-	23,249	46,805
<b>Comprehensive income for the period</b>								
Profit for the year	-	-	-	-	-	-	18,233	18,233
<i>Other comprehensive income</i>								
On translation of foreign subsidiary	-	-	-	11	-	-	-	11
<b>Total comprehensive income for the period</b>	-	-	-	11	-	-	18,233	18,244
<b>Contributions by and distributions to owners</b>								
Equity shares issued	857	14,835	-	-	-	-	-	15,692
Share issue costs	-	(447)	-	-	-	-	-	(447)
Transfer to retained earnings on exercise of share options	-	-	-	-	(321)	-	321	-
Deferred tax movement	-	-	-	-	30	-	-	30
Share based payments	-	-	-	-	349	-	-	349
Dividends paid	-	-	-	-	-	-	(7,379)	(7,379)
<b>Total Contributions by and distributions to owners</b>	857	14,388	-	-	58	-	(7,058)	8,245
<b>As at 31 December 2024</b>	<b>20,171</b>	<b>34,114</b>	<b>(16,100)</b>	<b>33</b>	<b>652</b>	<b>-</b>	<b>34,424</b>	<b>73,294</b>

	Share capital	Share Premium	Merger reserve	Foreign exchange reserve	Share option reserve	Pension re-measurement reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000		£'000	£'000
As at 1 January 2025	20,171	34,114	(16,100)	33	652	-	34,424	73,294
<b>Comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	-	5,430	5,430
<i>Other comprehensive income</i>								
On translation of foreign subsidiary	-	-	-	(64)	-	-	-	(64)
Transfer on acquisition of subsidiary	-	-	-	-	-	1,154	(1,154)	-
Remeasurement of defined benefit pension	-	-	-	-	-	324	-	324
<b>Total comprehensive income for the period</b>	-	-	-	<b>(64)</b>	-	<b>1,478</b>	<b>4,276</b>	<b>5,690</b>
<b>Contributions by and distributions to owners</b>								
Equity shares issued	26	516	-	-	-	-	-	542
Share based payments	-	-	-	-	310	-	-	310
Deferred tax movement	-	-	-	-	(308)	-	-	(308)
Dividend payable	-	-	-	-	-	-	(6,059)	(6,059)
<b>Total Contributions by and distributions to owners</b>	<b>26</b>	<b>516</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>(6,059)</b>	<b>(5,515)</b>
<b>As at 30 June 2025</b>	<b>20,197</b>	<b>34,630</b>	<b>(16,100)</b>	<b>(31)</b>	<b>654</b>	<b>1,478</b>	<b>32,641</b>	<b>73,469</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 1. Basis of preparation

The consolidated interim financial information for the 6 months to 30 June 2025 has been prepared in accordance with the measurement and recognition principles of UK adopted international accounting and accounting policies that are consistent with the Group's Annual report and Accounts for the year ended 31 December 2024 and that are expected to be applied in the Group's Annual Report and Accounts for the year ended 31 December 2025. They do not include all of the information required for the full financial statements and should be read in conjunction with the 2024 Annual Report and Accounts which were prepared in accordance with UK adopted international accounting standards.

The comparative financial information for the year ended 31 December 2024 in this interim report does not constitute statutory accounts for that period under section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2024 have been reported on by the Group's auditors and delivered to the Registrar of Companies.

The auditors' report on the accounts for the year ended 31 December 2024 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

### 2. Changes in significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2024.

### 3. Profit from operations

Profit from operations is arrived at after charging/ (crediting):

	<i>Unaudited</i> 6 months ended 30 June 2025 £'000	<i>Unaudited</i> 6 months ended 30 June 2024 £'000	<i>Audited</i> Year ended 31 December 2024 £'000
Depreciation of property, plant and equipment	559	415	934
Depreciation of right-of-use assets	661	626	1,273
Amortisation of intangible assets	706	17	26
Provision for doubtful debts	730	151	85
Exceptional costs	1,285	-	418
Write down inventories at net realisable value	505	434	45
Exchange differences	4,587	(793)	(2,004)

A breakdown of exceptional costs is as follows:

	<i>Unaudited</i> 6 months ended 30 June 2025 £'000	<i>Unaudited</i> 6 months ended 30 June 2024 £'000	<i>Audited</i> Year ended 31 December 2024 £'000
Acquisition related costs	682	-	418
Restructuring costs	37	-	-
Redundancy costs	502	-	-
Other costs	64	-	-
	1,285	-	418

Acquisition related expenses of £682,000 relate to legal and financial due diligence incurred in the period (31 December 2024: £418,000, 30 June 2024: £nil), all of which relate to the acquisition of Brand Architekts Group Plc.

Restructuring costs and redundancy costs incurred in the period (31 December 2024: £Nil, 30 June 2024: £Nil) relate to the acquisition of Brand Architekts Group Plc.

#### 4. Finance income and finance expenses

	<i>Unaudited</i> 6 months ended 30 June 2025 £'000	<i>Unaudited</i> 6 months ended 30 June 2024 £'000	<i>Audited</i> Year ended 31 December 2024 £'000
<b>Finance income</b>			
Interest received	152	22	116
	<b>152</b>	<b>22</b>	<b>116</b>
Lease liability interest	(212)	(108)	(206)
Other interest	(144)	(29)	(135)
<b>Finance expenses</b>	<b>(356)</b>	<b>(137)</b>	<b>(341)</b>

#### 5. Tax expenses

	<i>Unaudited</i> 6 months ended 30 June 2025 £'000	<i>Unaudited</i> 6 months ended 30 June 2024 £'000	<i>Audited</i> Year ended 31 December 2024 £'000
<b>Current tax expense</b>			
Current income tax charge	1,230	2,802	5,335
Adjustment in respect of previous periods	-	-	(72)
	<b>1,230</b>	<b>2,802</b>	<b>5,263</b>
<b>Deferred tax expense</b>			
Relating to origination and reversal of temporary differences	(251)	31	265
Adjustment in respect of previous periods	-	-	-
<b>Total tax in income statement</b>	<b>979</b>	<b>2,833</b>	<b>5,528</b>

## 6. Earnings per share

Profit for the period used in the calculation of the basic and diluted earnings per share:

	<i>Unaudited</i> 6 months ended 30 June 2025 £'000	<i>Unaudited</i> 6 months ended 30 June 2024 £'000	<i>Audited</i> Year ended 31 December 2024 £'000
Profit after tax for the period	5,430	8,016	18,233

The weighted average number of shares for the purposes of diluted earnings per share reconciles to the weighted average number of shares used in the calculation of basic earnings per share as follows:

	<i>Unaudited</i> 6 months ended 30 June 2025	<i>Unaudited</i> 6 months ended 30 June 2024	<i>Audited</i> Year ended 31 December 2024
<b>Weighted average number of shares</b>			
Weighted number of ordinary shares for the purpose of basic earnings per share	80,762,751	77,331,174	77,691,505
Potentially dilutive shares awarded	359,413	472,542	433,257
Weighted number of ordinary shares for the purpose of diluted earnings per share	81,122,164	77,803,716	78,124,762
Basic Earnings per share (pence)	6.73	10.37	23.47
Diluted earnings per share (pence)	6.70	10.30	23.34

## 7. Intangible assets

	Brands £'000	Customer lists £'000	Patents £'000	Website £'000	Licences £'000	Total £'000
<b>Cost</b>						
At 1 January 2024	3,802	8,241	244	49	6	12,342
Additions	-	-	-	23	-	23
Disposals						
<b>At 31 December 2024</b>	3,802	8,241	244	72	6	12,365
<b>Accumulated amortisation</b>						
At 1 January 2024	3,799	8,241	161	42	6	12,249
Charge for the year	-	-	24	2	-	26
Amortisation on disposals						
<b>At 31 December 2024</b>	3,799	8,241	185	44	6	12,275
<b>Net book value</b>						
At 31 December 2024	3	-	59	28	-	90

Brands	Customer lists	Patents	Website	Licences	Total
--------	----------------	---------	---------	----------	-------

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>						
At 1 January 2024	3,802	8,241	244	49	6	12,342
<b>At 30 June 2024</b>	<b>3,802</b>	<b>8,241</b>	<b>244</b>	<b>49</b>	<b>6</b>	<b>12,342</b>

**Accumulated amortisation**

At 1 January 2024	3,799	8,241	161	42	6	12,249
Charge for the year	-	-	16	1	-	17
<b>At 30 June 2024</b>	<b>3,799</b>	<b>8,241</b>	<b>177</b>	<b>43</b>	<b>6</b>	<b>12,266</b>

**Net book value**

At 30 June 2024	<b>3</b>	<b>-</b>	<b>67</b>	<b>6</b>	<b>-</b>	<b>76</b>
-----------------	----------	----------	-----------	----------	----------	-----------

	<b>Brands £'000</b>	<b>Customer lists £'000</b>	<b>Patents £'000</b>	<b>Website £'000</b>	<b>Licences £'000</b>	<b>Total £'000</b>
<b>Cost</b>						
At 1 January 2025	3,802	8,241	244	72	6	12,365
Additions	5,428	419	-	2		5,849
Disposals						
<b>At 30 June 2025</b>	<b>9,230</b>	<b>8,660</b>	<b>244</b>	<b>74</b>	<b>6</b>	<b>18,214</b>

**Accumulated amortisation**

At 1 January 2025	3,799	8,241	185	44	6	12,275
Charge for the year	661	31	14	-	-	706
Amortisation on disposals						
<b>At 30 June 2025</b>	<b>4,460</b>	<b>8,272</b>	<b>199</b>	<b>44</b>	<b>6</b>	<b>12,981</b>

**Net book value**

At 30 June 2025	<b>4,770</b>	<b>388</b>	<b>45</b>	<b>30</b>	<b>-</b>	<b>5,233</b>
-----------------	--------------	------------	-----------	-----------	----------	--------------

**8. Right of Use Assets**

	<b>Leasehold property £'000</b>	<b>Computer equipment £'000</b>	<b>Total £'000</b>
<b>Costs</b>			
At 1 January 2024	8,998	77	9,075
Additions	66	-	66
Disposals	(139)	-	(139)
At 31 December 2024	<b>8,925</b>	<b>77</b>	<b>9,002</b>

**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	4,852	77	4,929

#### Net Book Value

At 31 December 2024	4,073	-	4,073
---------------------	-------	---	-------

	Leasehold property £'000	Computer equipment £'000	Total £'000
<b>Costs</b>			
At 1 January 2024	8,998	77	9,075
Additions	66	-	66
Disposals			
At 30 June 2024	9,064	77	9,141

#### Accumulated amortisation

At 1 January 2024	3,718	77	3,795
Charge for the year	626	-	626
Disposals			
At 30 June 2024	4,344	77	4,421

#### Net Book Value

At 30 June 2024	4,720	-	4,720
-----------------	-------	---	-------

	Leasehold property £'000	Computer equipment £'000	Total £'000
<b>Costs</b>			
At 1 January 2025	8,925	77	9,002
Additions	6,702	-	6,702
At 30 June 2025	15,627	77	15,704

#### Accumulated amortisation

At 1 January 2025	4,852	77	4,929
Charge for the year	661	-	661
At 30 June 2025	5,513	77	5,590

## Net Book Value

At 30 June 2025 10,114                      -                      10,114

### 9. 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.

Management are in the process of finalising the fair value of identifiable assets. Details of the provisional fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as a measurement basis for assets and liabilities that require a different basis, which include leases, contingent liabilities, income taxes and defined benefit pension plans):

	Book value	Adjustment	Provisional
	£'000	£'000	Fair value
	£'000	£'000	£'000
<b>Non-current assets</b>			
Intangible assets	12,791	(12,791)	-
Brands	-	5,428	5,428
Customer relationships	-	419	419
Property plant and equipment	81	-	81
Retirement benefit surplus		1,539	1,539
Deferred tax asset	1,750	-	1,750
<b>Current assets</b>			
Inventories	3,988	(688)	3,300
Trade and other receivables	4,649	-	4,649
Cash	6,193	-	6,193
<b>Current liabilities</b>			
Trade and other payables	(3,410)	(213)	(3,623)
Tax payable	(2)	-	(2)
<b>Non- Current liabilities</b>			
Deferred tax	(1,803)	(162)	(1,965)
<b>Total net assets</b>	<u>24,237</u>	<u>(6,468)</u>	<u>17,769</u>

Fair value of consideration paid

Cash	13,338
Shares	542
Total consideration	<u>13,880</u>

Negative goodwill 3,889

Total consideration paid of £13.9 million, exceeded the provisional fair value of identifiable assets and liabilities

acquired which was a net value of £17.8 million. Accordingly, the excess gives rise to negative goodwill, known as a “gain on bargain purchase” totalling £3.9 million.

Acquisition costs of £1,100,000 arose as a result of the transaction. £682,000 have been recognised as part of administrative expenses in the statement of comprehensive income in the period ended 30 June 2025 and £418,000 in the year ended 31 December 2024.

Since the acquisition date, Brand Architekts has contributed £ 6,191,000 to group revenues and incurred a loss of £ 465,000 against group profit. If the acquisition had occurred on 1 January 2025, the Group’s revenue would have been £51,219,00 and the Group’s profit for the period would have been £4,911,000.

## 10. IAS 19 Employee benefits

### Expected future cash flows to and from the Group’s defined benefit pension scheme

The acquisition of Brand Architects included a defined benefit occupational pension scheme.

The Scheme is closed to new members since 2015 and to further accruals of benefits. It is subject to the scheme funding requirements outlined in UK legislation. The last scheme funding valuation of the Scheme was as at 5 April 2023 and revealed a deficit of £4,612,000.

The deficit reduction payment will remain at £318,000 per annum until 30 June 2033.

In addition, the Group has agreed to meet the cost of administrative expenses and Pension Protection Fund insurance premiums for the Scheme. Anticipated payments by the Group in respect of the plan administrative expenses and the Pension Protection Fund premium in the year ended 30 June 2025 are expected to be of a similar order of magnitude to payments in 2024.

Payments made by the Group to the Scheme and in respect of the Scheme liabilities were:

	<b>Period 13 February 2025 to 30 June 2025 £'000</b>	<b>Year ended 30 June 2024 £'000</b>
Deficit recovery payments	106	-
Scheme administrative expenses	35	-
Pension Protection Fund premium	-	-
<b>Total</b>	<b>141</b>	<b>-</b>

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

	<b>Period ended 30 June 2025 £'000</b>	<b>Year ended 30 June 2024 £'000</b>
<b>In operating profit:</b>		
Plan administrative expenses	35	-
Pension Protection Fund premium	27	-
	<b>62</b>	<b>-</b>
<b>In finance costs:</b>		
Unwinding of notional discount factor	25	-
<b>Total</b>	<b>87</b>	<b>-</b>

IAS 19 requires a separate valuation of the Scheme on a different basis to the funding valuation referred to above.

The key assumptions used were:

	At 30 June 2025	At 12 February 2025	At 30 June 2024
Discount rate	5.55%	5.35%	-
Inflation assumption (RPI)	2.90%	3.15%	-
Inflation assumption (CPI)	2.50%	2.75%	-

The amount recognised in the Group Statement of Financial Position were:

	At 30 June 2025	At 12 February 2025	At 30 June 2024
	£'000	£'000	£'000
Present value of funded obligations	(21,230)	(21,299)	-
Fair value of scheme assets	22,199	22,838	-
<b>Surplus</b>	<b>1,970</b>	<b>1,539</b>	<b>-</b>
Unrecognised surplus	-	-	-
Net assets recognised in the Statement of Financial Position	1,970	1,539	-
Deferred tax liability	(492)	(385)	-
Net assets after deferred tax	1,478	1,154	-